ANNUAL REPORT 2021

NISHAT CHUNIAN LTD.

BRIEF PROFILE

2016	Diversification into Retail Business The Linen Company (TLC)
2015	Diversified into Cinema Business NC Entertainment Private Limited
2014	46 MW Coal Based Power Plant
2013	Established a subsidiary company in USA
2013	2 Spinning Mills acquired & a new spinning mill started
2010	IPP commercial operations
2006	Diversified into Home Textiles
2005	Acquisition of 2 spinning Mills & 5th Spinning Mill Started
2000	2nd Spinning mill started production
1998	Diversified into Weaving
1991	1st Spinning Mill Setup

CONTENTS

COMPANY INFORMATION

Board of Directors:
Mrs. Farhat Saleem *(Chairperson)*
Mr. Shahzad Saleem *(Chief Executive)*
Mr. Zain Shahzad
Mr. Aftab Ahmad Khan
Mr. Faisal Farid *(Independent)*
Mr. Farrukh Ifzal
Mr. Muhammad Zahid Khan *(Independent)*

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

HR & Remuneration Committee:
Mr. Faisal Farid *(Chairman)*
Mr. Farrukh Ifzal *(Member)*
Mr. Muhammad Zahid Khan *(Member)*

CFO:
Mr. Babar Ali Khan

Company Secretary:
Ms. Samina Aslam

Head of Internal Audit:
Mr. Ahmad Bilal

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

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

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

Bankers to the Company:
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China (ICBC)
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Kuwait Investment Company (Private) Limited
Standard Chartered Bank Pakistan Limited
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
MCB Islamic Bank Limited

Auditors:
Riaz Ahmad & Company
Chartered Accountants

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting of the Shareholders of Nishat (Chunian) Limited (the "Company") will be held on 28th October 2021 at 10:45 A.M. at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last General Meeting held on April 16, 2021.
2. To receive, consider and adopt audited Separate and Consolidated Financial Statements of the Company for the year ended 30 June 2021 together with Directors' Auditors' reports thereon and Chairman's Review.
3. To consider and approve the payment of a final cash dividend @50% (i.e. Rs. 5 per ordinary share) as recommended by the Board of Directors.
4. To appoint auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditors of the Company

SPECIAL BUSINESS:

5. To consider and, if deemed fit, pass a Special Resolution, as proposed in the statement of material facts annexed with this Notice sent to the members, pursuant to the provisions of Section 199 of the Companies Act, 2017 to authorize investment of PKR 1.00 billion by way of loans / advances to Nishat Chunian Power Limited, a subsidiary company.

   (Attached to this Notice is a statement of material facts covering the above-mentioned special business and draft special resolutions, as required under Section 134(3) of the Companies Act, 2017).

By order of the Board

Lahore
Dated: October 06, 2021

Samina Aslam
Company Secretary

NOTES:

1. Closure of Share Transfer Books

For attending AGM:
The Share Transfer Books of the Company will remain closed from 21-10-2021 to 28-10-2021 (both days inclusive). Transfers Physical / CDS received at the share registrar of the Company M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore upto close of office timings on 20-10-2021 will be treated in time for the purpose of attending the meeting and entitlement of dividend.

For entitlement of Final Cash Dividend:
The Share Transfer Books of the Company will remain closed from 21-10-2021 to 28-10-2021 (both days inclusive) for entitlement of 50.00% Final Cash Dividend i.e. Rs.5 per share. Transfers Physical / CDS received at the share registrar of the Company M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore upto close of office timings on 20-10-2021 will be treated for above entitlement.

2. Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.

(iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.

(v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. CNIC / NTN Number on Dividend Warrant (Mandatory)

Individual members who have not yet submitted a copy to their valid Computerized National Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest to the office of Share Registrar of the Company, M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore. The Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

4. Deduction of Income Tax from Dividend under Section 150 the Income Tax Ordinance, 2001 (Mandatory)

(i) Pursuant to the provisions of the Finance Act 2021 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance as follows:

- Filer 15%
- Non-Filer 30%

All shareholders are advised to check their status on Active Taxpayer List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

(ii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer status of Principal shareholder as well as joint-holder (s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Company Name	Folio/CDs Account#	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

(iii) For any query/problem/information, the investors may contact our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore at phone 042-37235081-2 or email at shares@hmaconsultants.com

(iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our share registrar M/s. Hameed Majeed Associates (Pvt) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

(v) Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd. upto October 30, 2021

5. Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who wants to claim exemption shall submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, to our Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd otherwise no exemption will be granted. The Shareholders while sending the Zakat Declarations as the case may be, must quote company name and their respective Folio Numbers / CDC Account Numbers. Zakat Declarations received before first of Shaaban are entitled.

6. Payment of Cash Dividend Electronically

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

All shareholders are requested to provide the details of their bank mandate specifying:

(i) Title of Account: ______________________________

(ii) IBAN number : ______________________________

(iii) Bank Name : ______________________________

(iv) Branch Code, Name & Addresss: ______________________________

(v) Signature of Shareholder: ______________________________

To the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Ltd. Shareholders who hold shares with Participants/ Central Depository Company of Pakistan (CDC) are advised to provide the bank mandate details as mentioned above, to the concerned Participant / CDC.

If they so desired the shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" available on Company's website http://www.nishat.net.

7. Circulation of Annual reports through Digital Storage

The shareholders of Nishat Chunian Limited in its 27th AGM of the Company had accorded their consent for transmission of annual reports including audited annual accounts, notices of AGM and other information contained therein of the Company through a CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form provided in the annual report and is also available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. The shareholders who also intend to receive the annual report including the notice of meetings via email are requested to provide their written consent on the standard request form provided in the annual report and also available on the Company's website.

8. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city other than Lahore, and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website: www.nishat.net

9. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

10. Coronavirus Contingency Planning for Annual General Meeting of Shareholders

In compliance with the guidelines issued by the Securities and Exchange Commission of Pakistan ("SECP") in terms of its Circular No.6 of 2021 issued on March 03, 2021 the company has arranged a video link facility for shareholders to participate in the meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities. Shareholders interested in attending the meeting through video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at 'shahbazahsan@nishat.net' with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	Cell No.	Folio No./CDC Account No.	Cell No.	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 10:30 a.m. on the date of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address ‘shahbazahsan@nishat.net’.

11. Conversion of physical shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company shall be required to replace his/her physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

12. The Company has placed the audited Separate and Consolidated Financial Statements for the year ended June 30, 2021 along with Auditors and Directors Reports thereon, Chairman’s Review and notice of meeting on its website: www.nishat.net

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 REGARDING SPECIAL BUSINESS:

Background Information

Nishat Chunian Power Limited (NCPL) is a public limited company incorporated in the year 2007, formed under the Power Policy 2002 as an Independent Power Producer (IPP). It is a subsidiary of Nishat Chunian Limited (the "Company"). It is currently listed on Pakistan Stock Exchange Limited. The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW. NCPL has a chronic problem with its trade debt balances which fluctuate routinely due to delay in payments from the NTDC. This creates liquidity problems for NCPL due to which it needs funds to meet its working capital requirements. The management of the Company is proposing to invest its funds by extending loans/advances of PKR 1.00 billion to NCPL at the markup rate of 3-month KIBOR plus 200 bps which shall not be less than the KIBOR for the relevant period or borrowing cost of the Company whichever is higher for a period of one year from the date of disbursement. Payment of markup shall be on monthly basis. The purpose of the investment is to support the operations of subsidiary which provides stable stream of income for the Company.

Due Diligence

The directors have, as required by the Regulations, carried out the required due diligence for the proposed investment for which the shareholders' consent by special resolution set out below is required under Section 199 of the Companies Act, 2017. The Due Diligence Report as approved by the Board will be available for inspection of the members in the annual general meeting.

Interest of the Investee Company, its sponsors and Directors in the Company

required by Regulation 4(1) of the Regulations, it is declared that:

1. The investee company, NCPL, holds no shares in Nishat Chunian Limited and has no interest in the Company except Common Directorship.

2. The sponsors / Directors of the investee company hold the following shares in Nishat Chunian Limited:

Names	No of Shares
Mrs. Farhat Saleem	5,915,838
Mrs. Ayesha Shahzad	238,448
Mr. Farrukh Ifzal	500

Audited Financial Statements of Nishat Chunian Power Limited

As required by Regulation 4(3) of the Regulations, the latest financial statements of the Investee Company as at 30 June 2021 and last interim financial statements shall be made available for the inspection of the members at the Annual General Meeting.

SPECIAL RESOLUTIONS:

It is proposed that the following Resolution be considered and passed as a Special Resolution, with or without modification:

“RESOLVED that approval of the members of Nishat Chunian Limited (the “Company”) be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 to make investment of up to PKR 1.00 billion (Rupees One Billion Only) from time to time in Nishat Chunian Power Limited ("NCPL"), a subsidiary of the Company, by way of loans and advances, as and when required by NCPL, at the rate of 3-months KIBOR + 200 bps provided that the rate of return shall not be less than KIBOR for the relevant period or borrowing cost of the investing company, whichever is higher and that such loans and / or advances shall be repayable within one year from the date of disbursement and as per other terms and conditions disclosed to the members.

FURTHER RESOLVED that the above said resolution shall be valid for 1 (one) year and Chief Financial Officer and Company Secretary of the Company be and are hereby jointly empowered and authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time”.

Further Informa on

As required by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the “Regulations”) the following further information is provided:

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th>Information</th></tr>
<tr><td>i</td><td>Name of associated company</td><td>Nishat Chunian Power Limited (“NCPL”)</td></tr>
<tr><td>ii</td><td>Basis of Rela onship</td><td>NCPL is a subsidiary company.</td></tr>
<tr><td>iii</td><td>Earnings / (Loss) per share for the last three years</td><td><table><tr><th>Year</th><th>Earnings / (Loss) per share Rs.</th></tr><tr><td>2021</td><td>6.83</td></tr><tr><td>2020</td><td>12.54</td></tr><tr><td>2019</td><td>9.30</td></tr></table></td></tr>
<tr><td>iv</td><td>Break-up value per share, based on last audited financial statements</td><td>PKR 58.64</td></tr>
<tr><td>v</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</td><td>Audited Financial Statements for the year ended June 30, 2021 showed:

Balance Sheet: Rs. in ‘000’
Asset
Non-Current Assets 9,858,654
Current Assets 23,236,819
Total Assets 33,095,473</td></tr>
</table>

		Liabilities Long term 17,291 Short Term 11,602,952 Total Liabilities 11,620,243 **Profit & loss:** Sales 11,643,346 Gross Profit 3,770,154 Gross Profit Ratio 32.4% Net Profit after tax 2,509,290 Ratio 21.6% EPS 6.83
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	Not Applicable
	i — Description of the project and its history since conceptualization	Not Applicable
	ii — Starting date and expected date of completion of work	Not Applicable
	iii — Time by which such project shall become commercially operational	Not Applicable
	iv — Expected time by which the project shall start paying return on investment.	Not Applicable
	v — Funds invested or to be invested by the promoters, sponsors associated company or associated undertaking distinguishing between cash and non-cash amounts.	Not Applicable
(B) General Disclosures:		
(i)	Maximum amount of investment to be made	Up to PKR 1.00 Billion (Rupees One Billion Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	The investment is explained in detail in the background information hereinabove. This will support the operations of the subsidiary. The Company will earn income from the investment.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Internal cash generation
	i — Justification for investment through borrowings	Not Applicable
	ii — Detail of collateral, guarantees provided and assets pledged for obtaining such funds	Not Applicable

	iii Cost of benefit analysis	Not Applicable
(iv)	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	No agreement has so far been entered into with NCPL for the proposed investments. Agreement will be executed before extending the loan on the basis of the terms and conditions as approved by the shareholders.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration:	The directors, sponsors, majority shareholders and their relatives have no interest in this company except to the extent of their shareholdings, if any/directorships. NCPL is not a member of NCL. Its directors are nominees of NCL.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information /justification for any impairment or write offs	The shareholders have approved investment of PKR 1.00 billion in their meeting held on October 28, 2020. The said investment has been repaid with markup as per terms and conditions approved by the shareholders. There is no write offs/impairment.
1(c) Additional disclosure regarding investment in the form of Working Capital Loan		
(i)	Category-wise amount of investment	PKR 1.00 Billion as loans/advances
(ii)	average borrowing cost of the investing company, the Karachi inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah complaint products and rate of return unfunded facilities, as the case may be, for the relevant period.	Average Borrowing Cost 7.95% per annum for the period ended 30 June 2021. 3-month KIBOR for the relevant period.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	3 months KIBOR plus 2%
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security to be obtained as NCPL is a subsidiary.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Repayment of principal will be made within one year of the approval by the shareholders while payment of markup due will be made on monthly basis

CHAIRPERSON'S REVIEW

It gives me immense pleasure to present before you, the economic and business outline alongside with key role of the Board of Nishat (Chunian) Limited, in attaining the company's objective, for the year ended June 30, 2021.

Economic cognizance

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

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

Business performance

This year has been a phenomenal one for the textile sector of Pakistan, as margins increased drastically in yarn and major world orders for value-added products diverted from countries that were struck hard by the pandemic towards Pakistan. Our sales have rallied up to PKR. 49 billion (35.7 billion in 2020), registering an increase of 38%. Gross and operating margins have also been impressive. Although raw material and operating costs were exorbitant due to rising inflation, good governance and management strategies proved pivotal in enabling the company to post exceptional results.

The Board

Nishat (Chunian) Limited takes pride in its Board of Directors that lays out the company's strategic direction and is undoubtedly its core strength. Despite the ongoing global dilemma, the company has maintained its industry position and increased its profitability through persistent and untiring efforts of its directors. Further on, the guidelines for Listed Companies (Code of Corporate Governance) Regulations, 2019, along with stipulations enlisted within the Companies Act, 2017 with respect to the board, directors and their committees have been complied with.

The Board comprising of (8) members, completed its tenure in April, 2021 and re-elections were held at the Extraordinary General Meeting on April 16, 2021 to elect (7) Directors of the Company, as fixed by the Board of Directors, for the next term of three years, in accordance with the provisions of Section 159 of the Companies Act, 2017.

Mr. Yasir Ahmed Awan, who initially submitted his nomination for contesting the elections, submitted his withdrawal, later on. Mr. Shoaib Ahmed Khan (Independent Director) did not contest for the re-election; hence the remaining candidates were elected unopposed.

All the Directors, including Independent Directors, fully participated and contributed in the decision-making process of the Board. The performance of the Board, which is reviewed and assessed against a sophisticated criterion, depicted utmost competency and diligence on their part. Key features of the Board's achievements are as follows:

- Clearly understanding the vision, mission and values of the company while ensuring compliance to these at all levels;

- Devising strategic plans and making informed decisions that are aligned to the interests of the company and its stakeholders;

- Continuously reviewing business performance and affairs while taking into consideration, key findings of internal and external auditors as well as independent consultants (as and where applicable);

- Maintaining a diverse mix of executive and non-executive directors including independent directors, while ensuring commensurate engagement in key decision making;

- Evaluation of material investment decisions;

- Upholding and maintaining effective control environment and best corporate governance practices.

Furthermore, all major issues throughout the year were presented before the Board and its committees. The Audit Committee and HR & Remuneration Committee assisted the Board in sublime fashion to strengthen the functions of the Board. Self-evaluation was carried out by the Board to identify potential areas for further improvement, in line with best global practices.

Finally, I would like to appreciate the valuable contributions made by the entire workforce towards achieving the company's objectives. I would also like to express gratitude to our board of directors, employees, shareholders, customers, bankers, regulatory authorities and other stakeholders for their continued support and confidence in this enterprise.

Mrs. Farhat Saleem
Chairperson

Date: September 28, 2021
Lahore

Growing Ingeniously


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DIRECTOR'S REPORT

The Directors of your Company have the pleasure of presenting the financial results of your Company which include both, separate and consolidated audited financial statements for the fiscal year ended June 30, 2021.

OVERVIEW

Financial year 2020-21 was an outstanding year due to revival of industry after the negative footprints of pandemic in the previous years, however overall business environment remained challenging. Net sales increased significantly from Rs. 35.66 billion in 2020 to Rs. 49.28 billion in 2021.

Keeping up with its profitable track record, the Company is declaring a profit after tax of 11.4% of sales as compared to 0.7% last year which is an enormous increase. The Company showed such a remarkable profit due to significant increase in revenue, higher profit margins, better inventory coverage and ensuring smooth operations by developing a companywide bubble by vaccinating its employees and by implementing proper safety protocols.

On a consolidated basis, the Company achieved gross turnover of PKR 61.48 billion which is 24% higher as compared to last year's turnover of PKR 49.58 billion.

YARE AT A GLANCE

Revenue: Rs. 49.28 Billion (+38.18%)
Profit from Operations Rs. 8.02 Billion (+137.98%)
Net Profit for the Year Rs. 5.59 Billion (+2009.84%)

Financial Highlights	For the Year Ended	
	2021	**2020**
Sales (Rs.)	49,283,753,375	35,666,860,338
Gross Profit (Rs.)	8,969,146,793	4,204,386,583
Profit After Taxation (Rs.)	5,598,856,785	265,369,380
Gross Profit %	18.2%	11.8%
Profit After Taxation %	11.4%	0.7%
Earnings Per Share (Rs.)	23.32	1.11

PROFITABILITY

Revenue earned during this year clocked in at Rs. 49.28 billion, up by 38.18% from last year whereas the gross profit and net profit increased this year to 18.2% and 11.4% from 11.8% and 0.7% in the previous year, respectively. Sales performance of all divisions was exceptionally well with export sales registering significant surge. The increase in revenue and net profit of the Company was mainly driven by opening up of economies post pandemic and improved margins.

APPROPRIATIONS

The Board of Directors of the Company have proposed to pay Rs. 5 per ordinary share cash dividend in its meeting held on September 28, 2021.

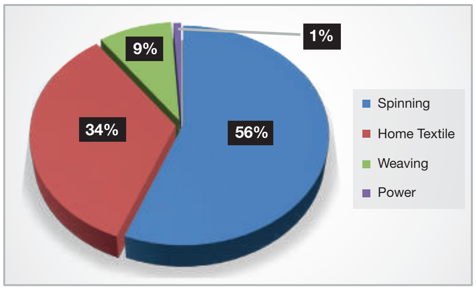
INVESTMENTS

Considerable investments were made during the year in different textile segments for capacity enhancement and improvement in operational efficiency. A summarized overview is given below:

Business Segment	Machinery Added	Investment (PKR in million)
Spinning	• 4 Toyota Ring Frames	288.9
	• 5 Murata Automatic Cone Winder	77.3
	• 2 Twisting Machine	19.7
	Total	**439.9**
Weaving	• 10 Looms	73.21
	• 1 Chiller	36.94
	• 10 Hooking Machines	144.6
	• Others	2.5
	Total	**257.25**
Home Textile	• Total Investment	42.38

SEGMENT WISE REVENUE

Spinning still remains the main stream of revenue generation for the Company, whereas home textile division has increased its market share. Weaving being the third contributor in terms of revenue.

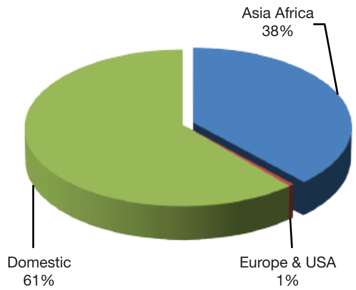


SPINNING

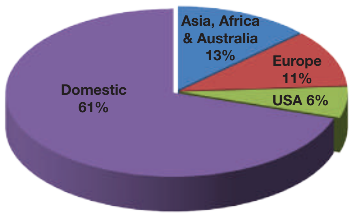
Spinning remained the stalwart performer with sales hitting the apex of PKR 27.6 billion. The measures taken by the Government to bolster the industry's capacity, increased domestic and cross border demand for yarn, and higher prices of cotton percolated into increased margins. All this catalyzed by increasing the sales by more than 32% as compared to last year. Further, this had a humongous impact on the bottom line of the company.

The country's yarn exports have attained a new benchmark by exceeding the $1 billion mark in fiscal year 2021 which is 3% higher than prior year. Our spinning exports have experienced exponential growth of 41% due to the overwhelming response from the international market and world buyers diverting their orders to Pakistan from China due to US-China trade war and from India due tenacity of Covid-19 pandemic. There is an upbeat in the export of yarn to Bangladesh and China, which is up by 69% and 40% respectively as compared to last year, whether it's a sustainable phenomenon is yet to be seen.

This year round, the domestic aggregate output for cotton hit rock bottom by dropping by whopping 48% to 5.6 million bales (10.8 million bales in 2020), this is lowest level in three decades. Heavy rainfall, pest attack and lack of farmers' interest remained the major contributor. Resultantly, local cotton prices continued to hike. Unavailability of local cotton compelled the company to import cotton. Imported polyester, on the other hand, became expensive during the period under review, the gain being attributable to global rise in rates for petroleum products. Freight has significantly jumped largely due to two underlying factors; oil prices increasing transportation charges for Karachi bound shipments and the tussle due to container shortage globally causing a hike in ocean freight. However, yarn prices, by virtue of being market driven, have improved significantly, allowing the company to transfer substantial impact of drastic rise in aforementioned input costs, to its customers. Spinning business thus, proved successful and profitable, during the year under review.

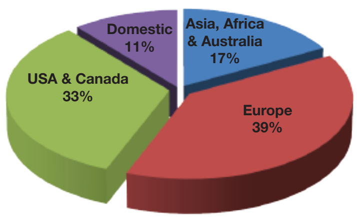


WEAVING



Pakistan's textile stood in a macro sweet spot amid rampant demand as global economies experience 'return to normal' phenomenon. This spike coupled with increase in margins have turned the tables in favour of Weaving business as high domestic demand was seen for griege fabric. Local market leads the business with more than 60% increase in local sales as compared to last year, in contrast, export sales laggard far behind as compared to last year. The international demand of weaved fabric stood sideways due to lockdown of major manufacturing units in Europe and USA as a result of Pandemic.

HOME TEXTILES



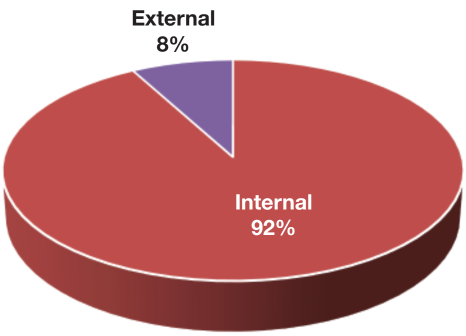
During the year under review, Home Textile's turnover clocked in at Rs. 16.9 billion, recording growth of 61% YoY. This growth of revenue is mainly attributed to the exceptional demand in home textiles products, generated after the opening up of markets worldwide post pandemic and shifting of major orders from other countries to Pakistan. With resumption of economy in the international market, there was a considerable improvement in business activity as upward trend was seen in revenue both in terms of volume and value.

Need of markets in sight, necessity of diversification in products line and commitment to our customers, have set in motions the plans to increase the production capacities. In processing unit alone, capacity will be enhanced by installing new production line, that would result in increase of production capacity by more than 15%. The Company also plans to set up new stitching units by adding 50 Juki machines, increasing existing capacity by almost 12%, primarily focused on high end products to respond to the demand of existing customer base as well as potential new customers. In addition to this, stitching division focuses on new management and efficiency techniques whereby it has improved its efficiency, remarkably increasing its production capacity by around 15%.

The Linen Company (TLC) has opened three new shops during the year; one in Multan and two in Lahore, taking the total retail outlets tally to nine. E-commerce has attracted both National and International customers, thereby online sales have escalated to 3 times YoY. Due to overwhelming response from customers, Company plans to further expand the number of retail outlets in different cities of the country.

Owing to the potential, the management planned to tap the global market. For this purpose, Company is in process to incorporate a wholly owned subsidiary company in Dubai, to launch its first ever overseas store out there.

POWER



After merger, 46 MW Coal-based power plant has started functioning as part of Nishat (Chunian) Limited. Majority of its capacity is being utilized by our spinning and weaving units, whereas a small percentage goes to outside parties. However, its continuous use is a direct function of coal price, which varied from around 69 USD/tonne for the 1st half of FY 2020-21, to 100 USD/tonne for the 2nd half of same FY. Presently, when price of coal has skyrocketed to 175 USD/tonne, it is more feasible to switch to government provided subsidized energy sources, i.e. LESCO at 9 cents/kwh and Gas at 6.5$/MMBTU for which we have ample capacity.

SUBSIDIARY COMPANIES

The Company has also annexed its consolidated financial statements along with separate financial statements in accordance with the requirements of International Financial Reporting Standards and Companies Act, 2017. The group results comprise of financial statements of Nishat (Chunian) Limited ("the Holding Company"), Nishat Chunian Power Limited (NCPL) and Nishat Chunian USA Inc.

Financial Highlights	**2021**	**2020**
	(Rupees in million)	
Turnover	61,476	49,580
Gross Profit	12,937	11,096
Profit before taxation	8,761	4,570
Taxation	675	444
Profit after taxation	8,087	4,126
Earnings per share (basic & diluted) – Rupees	28.56	7.75

Following is a brief description of all subsidiary companies of Nishat Chunian Limited:

Nishat Chunian Power Limited, incorporated under the Companies Ordinance, 1984 on 23 February, 2007, is established with the objective of setting up power generation project having gross capacity of 200MW under a 25 year 'take or pay' agreement with National Transmission & Dispatch Company Limited (NTDCL). NCPL started its operations on July 21, 2010. The Company has been listed on Karachi, Islamabad and Lahore Stock Exchanges (now, Pakistan Stock Exchange). Nishat (Chunian) Limited currently owns and controls 51.07% shares of Nishat Chunian Power Limited. The Directors' Report giving a commentary on the performance of NCPL for the year ended 30 June 2021, has been presented separately.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. It is a wholly owned subsidiary incorporated with the principle objective of liaising with Holding Company's marketing department providing access, information and other services relating to USA Market and to import home textile products and distribute them to local retailers in USA.

FUTURE OUTLOOK, CHALLENGES & OPPORTUNITIES

With the domestic expansions of garments and home textile capacities in Pakistani market, management expects this uphill demand trend to cement in future. Continuous price hikes of major raw materials and depreciation of rupee might pose threats to the profitability. However, the management expects that any such price escalation should reasonably be transferred on to the customers. Further, management's belief in better sourcing strategies paired with an enhanced focus on margin optimisation and operational excellence will provide impetus of growth and profitability to this sector.

Furthermore, during the year, the company has set up new state of the art Jacquard Looms to diversify its production capacity. Jacquard cloth is high quality premium fabric that can be weaved on multiple designing patterns. This expansion has added further depth in the weaving business and broadened the customer base.

Continuous process improvement and automation has always been our hallmark. As our next stepping stone towards growth, we are all geared to enter into open end spinning business. With an outlay of nearly PKR 5 billion, we have exciting growth plans in pipeline that are already in implementation phase. This includes installation of new state of the art Auto-Coro machines by Schlafhorst with the revolutionary single spinning unit technology comprising of 2880 rotors, along with enhanced back process capacity. A waste recovery plant is already completing is trial run phase, once fully operational, it will definitely boost the production efficiency. We are also in due course of revamping a significant number of ring frames and auto cone machines by installing latest hi-tech machinery, this would further enhance the operating capacity by over 9,000 spindles.

In Home Textile Division, the managment has set in motion, the plans to increase the production capacities both; in processing and stitching divisions. In processing unit alone, installaion of new production line would enahnce the production capacity by more than 15%. The Company also plans to set up new stitching units by adding 50 Juki machines, increasing its existing capacity by almost 12%. The total capital outlay for Home textile division would be around PKR 500 million.

Management is quite focused on its retail business, and plans to take the business worldwide therefore, it plans to open its first international store in Dubai, where online store will be opened simultaneously. Further on, more shops will be added both; in and outside Pakistan.

Pakistan has been presented with a unique opportunity to fill in the space created in textile value-added sector caused by the rift in China-USA trade relationships, further the intensity with which the pandemic has hit certain textile exporting countries have spared Pakistan. Therefore, many international buyers are looking forward to countries like Pakistan, to fill in this gap and many local companies are proactively ceasing this opportunity, as can be witnessed from the continuous capacity extensions, specifically in the value-added textile sector. This gain in capacity would in turn stabilise the demand of locally produced yarn and greige fabric along with its margins, though margins created by increasing cotton prices should normalize.

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

CORPORATE SOCIAL RESPONSIBILITY

Management strongly believes in social welfare and community service, and endeavors to make it an integral part of our company's culture. We add substantially to the national exchequer through the payment of various taxes, duties and levies and our export earnings contribute considerably in stabilizing the country's foreign exchange position as the Company is counted among the top exporters of the country.

We are an equal opportunity employer and are unbiased to gender, class, ethnicity and religion as we believe in the culture of meritocracy. We provide our employees with a work environment that is healthy, safe and conducive to continuous learning.

The Company is also investing in ecofriendly technologies by installing advance water treatment plants at home textile division. Furthermore, the water used at spinning and weaving mills is provided to the local farmers free of cost. To deal with the issue of ash on sustainable basis the Company is planning to install a brick manufacturing plant that will manufacture bricks by using residual ash from coal power plant. The coal power plant will be equipped with state-of-the-art online emission monitoring system to ensure that the emissions comply with the international and local standards.

As part of its philanthropic endeavors, the company donates to a school which provides quality education to underprivileged at a nominal fee. Moreover, the sponsors of the company along with other philanthropists are in the process of setting up a state-of-the art, not for profit, Saleem Memorial Trust Hospital (SMTH). This 350-bed hospital which is being constructed on 39 kanals of land will provide subsidized medical treatment to the underprivileged. The partial section of the hospital would be opened by coming year. During the testing times of lockdown caused by COVID-19 the management remained committed to its employees and not a single employee was laid off.

RISK MANAGEMENT

We understand that exposure to risk is inevitable to any business that seeks to grow and compete in the industry. The company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. This necessitates the establishment of a rigorous system of risk management, which entails developing internal controls to identify, assess, monitor and manage risks related to the company's activities. We aim to continually improve our understanding of the risk/reward ratio in various situations and reduce the risks to acceptable levels.

We do this by promoting a culture of anticipating risk and its mitigation, across the organization. The company has implemented various standard operating procedures to manage risks. These are periodically reviewed by management to avoid obsolescence and are updated with evolving circumstances. The board oversees the compliance of said procedures. We believe in embedding risk management into the ethos of the business, with an awareness instilled in employees at all levels. The presence of risk management policies is balanced by our encouragement and facilitation of enterprise and innovation.

INTERNAL FINANCIAL CONTROLS

At NCL we have a system of internal financial controls which is both; rigorous and dynamic. The risk management and internal control processes are designed to safeguard the company's assets, detect and prevent fraud and to ensure compliance with all legal/statutory requirements. The internal controls are regularly reviewed and monitored by the Internal Audit function which carries out periodic audits and reports its findings to the management, highlighting possible areas of improvement. The internal audit function has a strong focus on prevention of any loopholes in the internal control system. The Internal Audit function ensures that the internal controls address and/or mitigate emerging risks being faced by the company.

The Board is fully aware of its responsibilities regarding the establishment and management of an effective and efficient internal control system. The board directly oversees the periodic review and proper implementation of the suggestions put forth by the Internal Audit function. As a result of this, the implementation of internal controls is ensured and a high degree of reliance is placed on their functionality.

ENVIRONMENTAL IMPACTS

The company gives due consideration to the impact of our activities on the environment and aspires to contribute to the well-being of society.

Energy Conservation

To promote power generation from renewable energy sources, we have taken up the initiative to power up our head office entirely via solar energy system. We are actively engaged in exploring ways to conserve energy and have installed LED lights at our mills and plants to save energy. Moreover, training sessions are also conducted for employees to promote energy conservation.

Environment Protection

We constantly review the proposals made by the government in respect of environmental protection and ensure their implementation. We operate a waste water treatment plant to protect the environment from the hazardous impacts of our industrial processes. The Company also operates a caustic recovery plant to recover caustic from waste water and also aims to use ecofriendly dyes & chemicals to lower the pollution load over our waste streams. Moreover, online emission monitoring system is being installed at coal power plant. Further, we regularly keep track of environmental monitoring reports to find out if we are compliant to all the regulatory standards.

Occupational Safety and Health

We carry out regular health and safety awareness programs and occasionally organize free medical camps as well. Furthermore, regular fumigation is carried out at premises of all manufacturing facilities by using fogging machines to prevent diseases like dengue and Coronavirus.

During the COVID-19 pandemic, we have ensured strict adherence to the SOPs instituted by the government. Masks and sanitizers have been available at all our production facilities to ensure the health and well-being of our employees. Social distancing norms have been implemented and strictly followed throughout the pandemic. Further, he we have ensured that all of our employees are vaccinated.

The Company maintains firefighting equipment and vehicles at all of its manufacturing facilities. Regular fire drills are held and employees are provided with basic training to prepare them for any unfortunate situation.

STATEMENT OF COMPLIANCE

The requirements of the Code of Corporate Governance as set out by the Pakistan Stock Exchange in its listing regulations have been adopted by the Company and have been duly complied with, a statement to this effect is annexed to the report.

STATEMENT OF VALUE ADDITION & DISTRIBUTION

	Rs. In Millions
Wealth Generated	
Total Revenue and other income	50,147
Bought in Material and services	(42,704)
	7,443
Wealth Distribution	
To Government & Society	
Employee remuneration	3,288
Donation	5
Tax, WPPF & WWF	1,003
To providers of Finance	
Finance Cost	1,747
Dividend	240
Retained for reinvestment and future growth	
Depreciation & amortization	1,160
	7,443

CORPORATE GOVERNANCE

During the year your company remained compliant with the Code of Corporate Governance requirements except as mentioned above.

Composition of Board of Directors:
The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Total number of Directors:

- Male 6
- Female 1

Composition
The composition of Board is as follows:

a) Independent Directors: **02** as named hereunder:

i. Mr. Faisal Farid Khan
ii. Mr. Muhammad Zahid Khan

b) Non-Executive Directors: **03** as named hereunder:

i. Mrs. Farhat Saleem (Chairperson)
ii. Mr. Aftab Ahmad Khan
iii. Mr. Farrukh Ifzal

c) Executive Director: **02** as named hereunder:

i. Mr. Shahzad Saleem (Chief Executive)
ii. Mr. Zain Shahzad

Board of Directors' Meetings:
During the year under review four (4) meetings were held. Attendance by each director is as follows:

Name of Directors	No. of Meetings
Mrs. Farhat Saleem (Chairperson)	0
Mr. Shahzad Saleem (Chief Executive)	4
Mr. Zain Shahzad	2
Mr. Aftab Ahmad Khan	4
Mr. Farrukh Ifzal	4
Mr. Muhammad Zahid Khan	3
Mr. Shoaib Ahmad Khan (Resigned on 16-04-2021)	3
Mr. Faisal Farid (Appointed on 03-09-2020)	3

Director's Remuneration
The remuneration of Directors and fee for attending Board meeting is determined by an approved policy in accordance with Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2017.

Audit Committee
The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. Composition of the Audit Committee is as follows:

Mr. Muhammad Zahid Khan	Chairman
Mr. Farrukh Ifzal	Member
Mr. Aftab Ahmad Khan	Member

HR & Remuneration Committee
In compliance with the Code, the Board of Directors of your Company have established a HR & R Committee. Composition of the HR & R committee is as follows:

Mr. Faisal Farid	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Zahid Khan	Member

Pattern of Shareholding
Pattern of shareholding as on June 30, 2021 is annexed.

Acknowledgment
The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the company.

For and on behalf of the Board,

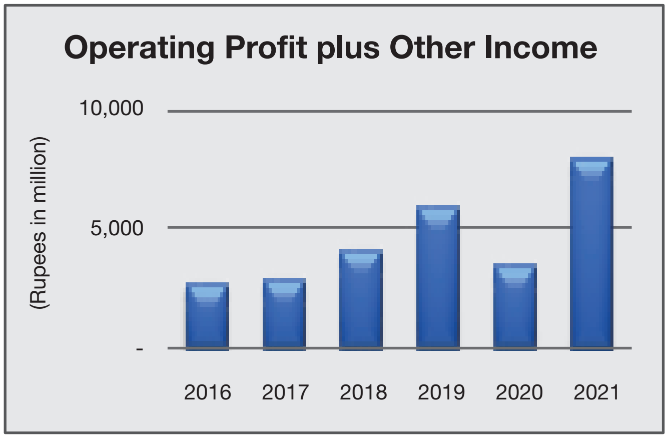
Chief Executive

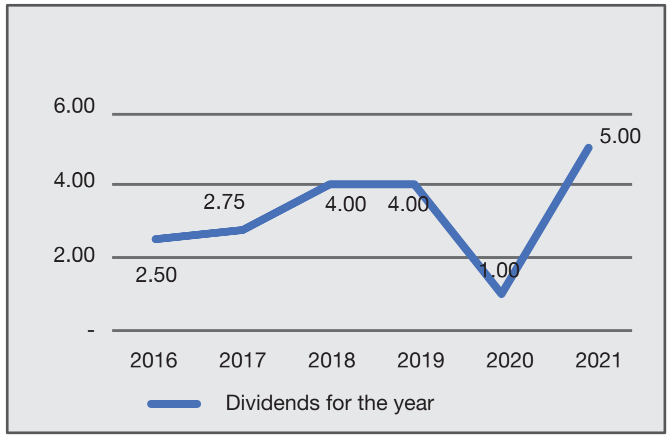
Director

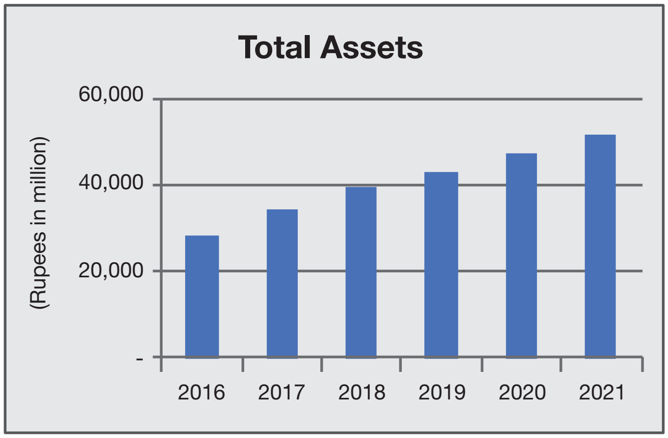
Date: September 28, 2021
Lahore

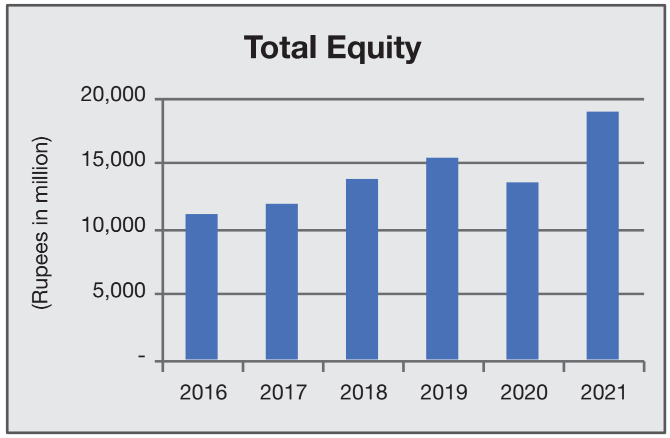
FINANCIAL HIGHLIGHTS

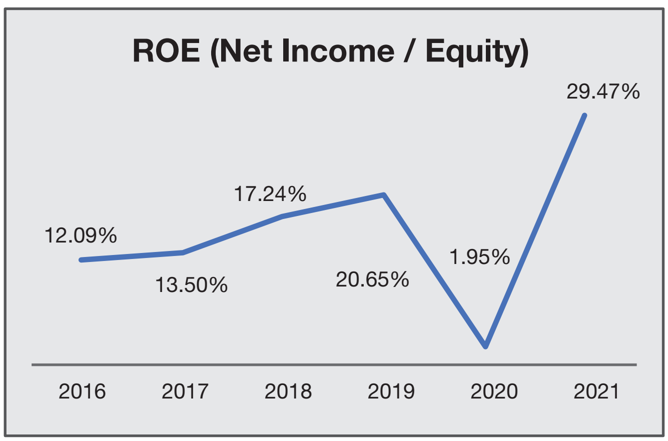
Year	2016	2017	2018	2019	2020	2021
			(Rupees in thousand)			
Net Sales	25,799,122	29,815,994	35,560,396	39,337,641	35,666,860	49,283,753
Gross Profit	2,455,518	2,899,793	4,271,344	4,887,513	4,204,387	8,969,147
Distribution, Admin and Other Expenses	1,003,589	1,148,822	1,259,755	1,496,010	1,288,344	1,812,963
Operating Profit plus Other Income	2,642,648	2,873,374	4,143,471	5,845,942	3,370,053	8,020,198
Finance Cost	1,029,629	1,094,723	1,383,365	2,177,576	2,660,856	1,747,035
Profit After Tax	1,328,775	1,621,332	2,363,084	3,167,592	265,369	5,598,857
Current Assets	15,975,281	18,707,295	24,808,457	29,043,475	29,157,860	32,502,032
Total Assets	28,883,996	34,622,603	39,393,599	43,507,943	47,750,604	51,770,042
Current Liabilities	15,817,604	18,311,946	20,926,883	24,512,069	28,036,168	26,105,172
Total Equity	10,987,197	12,007,975	13,710,449	15,338,438	13,637,398	18,996,136
Cash Flows:						
Net Cash generated from /(used in) Operating Activities	(479,208)	(649,757)	(2,288,612)	197,793	1,582,303	3,668,689
Net Cash generated from/(used in) Investing Activities	(374,500)	(3,865,054)	666,819	(597,348)	(2,717,247)	(1,906,725)
Net Cash generated from /(used in) Financing Activities	(67,092)	4,510,693	1,653,688	340,839	1,161,100	(1,536,797)
Earnings Per Share						
Basic	5.59	6.75	9.84	13.19	1.11	23.32
Diluted	5.59	6.75	9.84	13.19	1.11	23.32
Dividends for the year	2.50	2.75	4.00	4.00	1.00	5.00
Dividend Payout Ratio (dividend / PAT)	0.45	0.41	0.41	0.30	0.90	0.21
Financial Measures:						
ROE (Net Income / Equity)	12.09%	13.50%	17.24%	20.65%	1.95%	29.47%
ROI (Net Income / Assets)	4.6%	4.7%	6.0%	7.3%	0.6%	10.8%
Shareholders' Equity Ratio (Equity / Assets)	38%	35%	35%	35%	29%	37%
Net Debt Equity Ratio (% age)	19%	35%	35%	23%	45%	33%
Interest Coverage Ratio (times)	2.57	2.62	3.00	2.68	1.27	4.59
P/E ratio (Price per share / EPS)	6.34	7.60	4.83	2.66	29.37	2.16
Dividend Yield Ratio (Cash Dividend / Net Income)	0.45	0.41	0.41	0.30	0.90	0.21
Common Stock						
Number of shares outstanding at year end	240,221,556	240,221,556	240,221,556	240,221,556	240,119,029	240,119,029
Break up value	45.74	49.99	57.07	63.85	56.79	79.11
Share price as on 30 June	35.42	51.32	47.48	35.02	32.45	50.29

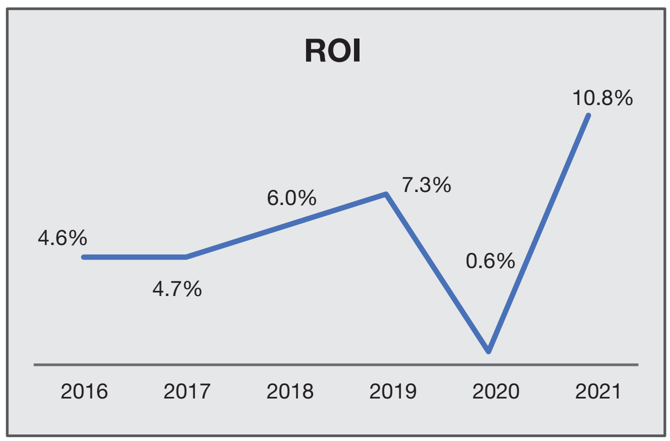

Operating Profit plus Other Income
(Rupees in million)
10,000
5,000
-
2016
2017
2018
2019
2020
2021

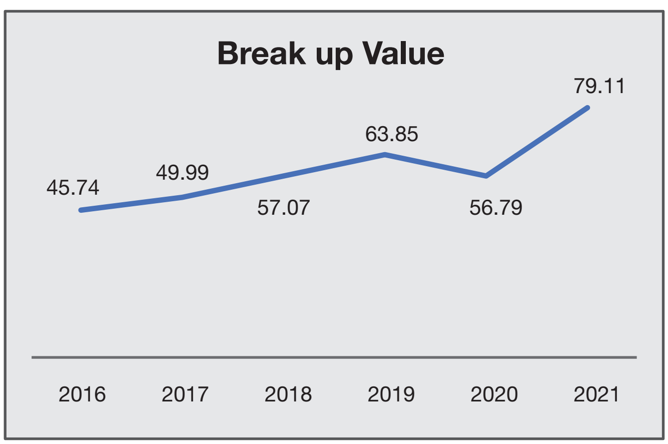

6.00
4.00
2.00
-
2.50
2.75
4.00
4.00
1.00
5.00
2016
2017
2018
2019
2020
2021
Dividends for the year

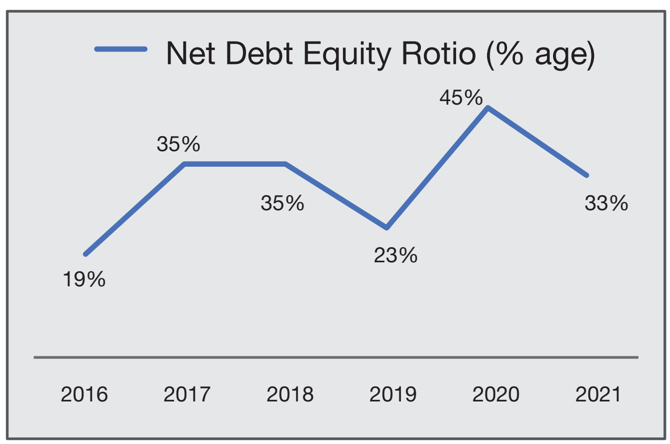

Total Assets
(Rupees in million)
60,000
40,000
20,000
-
2016
2017
2018
2019
2020
2021


Total Equity
(Rupees in million)
20,000
15,000
10,000
5,000
-
2016
2017
2018
2019
2020
2021


ROE (Net Income / Equity)
12.09%
13.50%
17.24%
20.65%
1.95%
29.47%
2016
2017
2018
2019
2020
2021


ROI
4.6%
4.7%
6.0%
7.3%
0.6%
10.8%
2016
2017
2018
2019
2020
2021


Break up Value
45.74
49.99
57.07
63.85
56.79
79.11
2016
2017
2018
2019
2020
2021


Net Debt Equity Rotio (% age)
19%
35%
35%
23%
45%
33%
2016
2017
2018
2019
2020
2021

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019
Name of Company: Nishat (Chunian) Limited
Year ending: June 30, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (7) as per the following:

   a. Male: 6
   b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Zahid Khan Mr. Faisal Farid
Non-Executive Directors	Mr. Farrukh Ifzal Mr. Aftab Ahmad Khan Mrs. Farhat Saleem (Chairperson)
Executive Directors	Mr. Shahzad Saleem (Chief Executive Officer) Mr. Zain Shahzad

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:

Name of Director
Mr. Farrukh Ifzal

Following Directors meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempted from Directors' training program:

Name of Director
Mrs. Farhat Saleem Mr. Shahzad Saleem Mr. Aftab Ahmad Khan

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. Muhammad Zahid Khan	Chairman
Mr. Farrukh Ifzal	Member
Mr. Aftab Ahmad Khan	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Faisal Farid	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Zahid Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

    a) Audit Committee
    Four quarterly meetings were held during the financial year ended June 30, 2021.

    b) HR and Remuneration Committee
    One meeting of HR and Remuneration Committee were held during the financial year ended June 30, 2021.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee when required.	29
2	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee when required.	30
3	**Disclosure of significant policies on website** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
4	**Directors' Training** Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
5	**Directors' Training** It is encouraged that by June 30, 2021 at least 75% of the directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	4 out of 7 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. The Company has planned to arrange Directors' Training Program certification for remaining three directors before June 30, 2022.	19(1)
6	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)

20. The two elected independent directors have requisite competencies, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

FARHAT SALEEM
Chairperson

September 28, 2021
Lahore

REVIEW REPORT TO THE MEMBERS

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat (Chunian) Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

RIAZ AHMAD & COMPANY
Chartered Accountants

September 28, 2021
Lahore

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Nishat (Chunian) Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	**Inventory existence and valuation** Inventory as at 30 June 2021 amounted to Rupees 19,943.556 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 1,729.136 million - Stock-in-trade Rupees 18,214.420 million Inventory is measured at the lower of cost and	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the

Sr. No.	Key audit matters	How the matter was addressed in our audit
	net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size, representing 38.52% of the total assets of the Company as at 30 June 2021, and the judgment involved in valuation. For further information on inventory, refer to the following: - Summary of significant accounting policies, Inventories note 2.17 to the financial statements. - Stores, spare parts and loose tools note 18 and stock-in-trade note 19 to the financial statements.	results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made enquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
2.	**Revenue recognition** The Company recognized net revenue of Rupees 49,283.753 million for the year ended 30 June 2021. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Summary of significant accounting policies, Revenue recognition note 2.24 to the financial statements. - Revenue note 26 to the financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 ‘Revenue from Contracts with Customers’; • We also considered the appropriateness of disclosures in the financial statements

<table>
<tr><th>Sr. No.</th><th>Key audit matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>3.</td><td>Capital expenditures

The Company is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Company's strategy.

We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters.

For further information, refer to the following:

- Summary of significant accounting policies, Property, plant, equipment and depreciation note 2.6 to the financial statements.
- Fixed assets note 13 to the financial statements.</td><td>

Our procedures included, but were not limited to:

• We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature.
• We evaluated the appropriateness of capitalization policies and depreciation rates.
• We performed tests of details on costs capitalized.
• We verified the accuracy of management's calculation used for the impairment testing.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Mustafa Ali.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 28, 2021

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	4,200,000,000	4,200,000,000
Issued, subscribed and paid-up share capital	3	2,401,190,290	2,401,190,290
Reserves	4	16,594,945,741	11,236,207,985
Total equity		18,996,136,031	13,637,398,275
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	6,402,802,708	6,005,068,426
Lease liabilities	6	74,518,895	71,968,923
Deferred liabilities	7	191,412,367	-
		6,668,733,970	6,077,037,349
CURRENT LIABILITIES			
Trade and other payables	8	4,093,556,015	4,455,680,126
Accrued mark-up / profit	9	271,720,913	463,028,006
Short term borrowings	10	18,897,913,417	22,554,435,284
Current portion of non-current liabilities	11	2,792,063,629	512,310,173
Unclaimed dividend		49,918,087	50,714,364
		26,105,172,061	28,036,167,953
Total liabilities		32,773,906,031	34,113,205,302
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		51,770,042,062	47,750,603,577

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	13	17,224,473,737	16,569,284,419
Right-of-use assets	14	107,398,163	93,072,385
Intangible asset	15	278,170	110,318
Long term investments	16	1,886,681,200	1,886,681,200
Long term loans to employees	17	18,710,927	11,905,910
Long term security deposits		30,467,609	31,689,760
		19,268,009,806	18,592,743,992
CURRENT ASSETS			
Stores, spare parts and loose tools	18	1,729,136,103	1,604,905,978
Stock-in-trade	19	18,214,419,656	19,317,385,472
Trade debts	20	6,782,425,428	4,686,630,353
Loans and advances	21	3,269,989,437	1,106,668,001
Short term prepayments		44,440,439	45,835,883
Other receivables	22	2,031,491,806	2,305,811,963
Accrued interest	23	-	5,321,600
Short term investments	24	157,494,433	37,833,033
Cash and bank balances	25	272,634,954	47,467,302
		32,502,032,256	29,157,859,585
TOTAL ASSETS		51,770,042,062	47,750,603,577

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
REVENUE	26	49,283,753,375	35,666,860,338
COST OF SALES	27	(40,314,606,582)	(31,462,473,755)
GROSS PROFIT		8,969,146,793	4,204,386,583
DISTRIBUTION COST	28	(1,160,598,536)	(869,064,344)
ADMINISTRATIVE EXPENSES	29	(311,916,781)	(324,246,078)
OTHER EXPENSES	30	(340,448,157)	(95,033,845)
		(1,812,963,474)	(1,288,344,267)
		7,156,183,319	2,916,042,316
OTHER INCOME	31	864,014,535	454,010,211
PROFIT FROM OPERATIONS		8,020,197,854	3,370,052,527
FINANCE COST	32	(1,747,035,020)	(2,660,855,936)
PROFIT BEFORE TAXATION		6,273,162,834	709,196,591
TAXATION	33	(674,306,049)	(443,827,211)
PROFIT AFTER TAXATION		5,598,856,785	265,369,380
EARNINGS PER SHARE - BASIC AND DILUTED	34	23.32	1.11

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
PROFIT AFTER TAXATION	5,598,856,785	265,369,380
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,598,856,785	265,369,380

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	5,884,060,745	4,543,812,553
Net decrease / (increase) in long term security deposits		1,222,151	(5,569,570)
Finance cost paid		(1,878,533,131)	(2,683,448,970)
Income tax paid		(325,774,547)	(276,289,686)
Net (increase) / decrease in long term loans to employees		(12,285,766)	3,798,270
Net cash generated from operating activities		3,668,689,452	1,582,302,597
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,867,069,998)	(1,699,375,399)
Proceeds from disposal of operating fixed assets		68,579,715	55,059,447
Capital expenditure on intangible asset		(300,251)	-
Loans to subsidiary companies		(4,548,221,699)	(13,022,797,207)
Repayments of loans from subsidiary companies		4,548,221,699	11,731,991,948
Dividend received from subsidiary company		-	173,303,295
Short term investments made		(120,000,000)	-
Interest received		12,065,549	44,570,680
Net cash used in investing activities		(1,906,724,985)	(2,717,247,236)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		4,308,932,735	1,115,640,000
Repayment of long term financing		(1,907,865,663)	(1,017,056,675)
Repayment of lease liabilities		(40,426,714)	(21,917,766)
Payment for ordinary shares bought back		-	(3,485,918)
Short term borrowings - net		(3,656,521,867)	1,689,805,188
Dividend paid		(240,915,306)	(601,884,884)
Net cash (used in) / from financing activities		(1,536,796,815)	1,161,099,945
Net increase in cash and cash equivalents		225,167,652	26,155,306
Cash and cash equivalents at the beginning of the year		47,467,302	17,728,377
Transfer upon amalgamation of NC Electric Company Limited with the Company		-	3,583,619
Cash and cash equivalents at the end of the year		272,634,954	47,467,302

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

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVES			TOTAL EQUITY
		Share premium	General reserve	Unappropriated profit	Total	
	Rupees					
Balance as at 30 June 2019	2,402,215,560	600,553,890	1,629,221,278	10,706,447,714	12,335,668,992	15,338,438,442
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 share	-	-	-	(600,297,573)	(600,297,573)	(600,297,573)
	(1,025,270)	-	-	(602,758,221)	(602,758,221)	(603,783,491)
Profit for the year	-	-	-	265,369,380	265,369,380	265,369,380
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	265,369,380	265,369,380	265,369,380
Transfer upon amalgamation of NC Electric Company Limited into the Company	-	-	-	(1,362,626,056)	(1,362,626,056)	(1,362,626,056)
Balance as at 30 June 2020	2,401,190,290	600,553,890	1,629,221,278	9,006,432,817	10,635,654,095	13,637,398,275
Transaction with owners:						
Final dividend for the year ended 30 June 2020 @ Rupees 1.00 per share	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)
Profit for the year	-	-	-	5,598,856,785	5,598,856,785	5,598,856,785
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,598,856,785	5,598,856,785	5,598,856,785
Balance as at 30 June 2021	2,401,190,290	600,553,890	1,629,221,278	14,365,170,573	15,994,391,851	18,996,136,031

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED JUNE 30, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 Nishat (Chunian) Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (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 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 and steam.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Business units and office	Address
	Manufacturing units:	
1	Spinning Units 1, 4, 5, 7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
2	Spinning 2, 3, 6, Weaving and 46 MW and 8 TPH process steam coal fired power generation project.	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
3	Dyeing, Printing and Stitching.	4th Kilometre, Manga Road, Raiwind.
4	**Office**	31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore, Pakistan.
5	**Retail stores**	
6	The Linen Company (TLC) – I	Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore.
7	The Linen Company (TLC) – II	Shop No. 008, 2nd Floor, Packages Mall, Lahore.
8	The Linen Company (TLC) – III	Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.
9	The Linen Company (TLC) – IV	Shop No. 45, 3rd Floor, Centaurus Mall, Islamabad.
10	The Linen Company (TLC) – V	Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi.
11	The Linen Company (TLC) – VI	Plot No. HC-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.
12	The Linen Company (TLC) – VII	Shop 8, 1st Floor, Boson Road, Multan.
13	The Linen Company (TLC) – VIII	Shop No. G-57, Ground Floor, Opposite Carrefour, Emporium Mall, Johar Town, Lahore.
14	The Linen Company (TLC) – IX	Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt.

1.3 These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately. Details of the Company's investment in subsidiaries are stated in note 16 to these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Accumulating compensated absences

The provision for accumulating compensated absences is made on the basis of accumulated leave balance on account of employees.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Impairment of investments in subsidiaries

In making an estimate of recoverable amount of the Company's investments in subsidiaries, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 ‘Income taxes’) effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 ‘Financial Instruments’, IAS 39 ‘Financial Instruments: Recognition and Measurement’, IFRS 4 ‘Insurance Contracts’ and IFRS 7 ‘Financial Instruments: Disclosures’ is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company’s financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

The main features of the schemes operated by the Company for its employees are as follows:

Provident fund

There is an approved contributory provident fund for employees of the Company. Equal monthly contributions are made both by the employees and the Company to the fund in accordance with the fund rules. The Company’s contributions to the fund are charged to income currently.

Accumulating compensated absences

The Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.5 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.6 Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment, is charged to income on the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 13.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. Depreciation on standby generators is charged on the basis of number of hours used. Depreciation on power generation equipment is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 13.1. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

2.7 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.8 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.9 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.10 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user’s benefit even if the payments are not on that basis.

2.11 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.12 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.13 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.14 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.15 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.16 Investment in subsidiaries

Investments in subsidiary companies are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.17 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials-in-transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.19 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.20 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.21 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.22 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.23 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.24 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Sale of electricity

Revenue from sale of electricity is recognized at the time of transmission.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2.25 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.26 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.27 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.28 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.29 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.30 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.31 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.32 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.33 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.34 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.35 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.36 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.37 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.38 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments. Spinning – Zone 1, 2 and 3 (Producing different quality of yarn using natural and artificial fibres), Weaving – Unit 1 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.39 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.40 Dividend and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Company's financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. SHARE CAPITAL

3.1 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
(Number of shares)			Rupees	Rupees
400,000,000	400,000,000	Ordinary shares of Rupees 10 each	4,000,000,000	400,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
420,000,000	420,000,000		4,200,000,000	420,000,000

3.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	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
240,119,029	240,119,029		2,401,190,290	2,401,190,290

3.2.1 Movement during the 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 (Note 3.2.2)	-	(1,025,270)
240,119,029	240,119,029		2,401,190,290	2,401,190,290

3.2.2 During the year ended 30 June 2020, the Company purchased and cancelled 102,527 ordinary shares. The buy-back and cancellation were approved by shareholders at their extra ordinary general held on 31 August 2019. The ordinary shares were acquired at a price of Rupees 34 per ordinary share.

3.2.3 Ordinary shares of the Company held by companies that are related parties:

	2021	2020
	(Number of shares)	
Nishat Mills Limited	32,689,338	32,689,338
D.G. Khan Cement Company Limited	7,274,602	7,274,602
	39,963,940	39,963,940

	2021 Rupees	2020 Rupees
4. RESERVES		
Composition of reserves is as follows:		
Capital reserve		
Share premium (Note 4.1)	600,553,890	600,553,890
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	14,365,170,573	9,006,432,817
	15,994,391,851	10,635,654,095
	16,594,945,741	11,236,207,985

4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

	2021 Rupees	2020 Rupees
5. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 5.1)	6,667,686,097	5,728,090,883
Long term musharaka (Note 5.2)	2,043,285,722	761,111,112
	8,710,971,819	6,489,201,995
Less: Current portion shown under current liabilities (Note 11)		
Long term loans	(2,058,169,111)	(459,133,569)
Long term musharaka	(250,000,000)	(25,000,000)
	(2,308,169,111)	(484,133,569)
	6,402,802,708	6,005,068,426

5.1 Long term loans

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
MCB Bank Limited	140,000,000	140,000,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 25 July 2019 and ending on 13 February 2028. (Note 5.5)	-	Quarterly
MCB Bank Limited	60,375,000	65,406,250	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 22 June 2019 and ending on 22 June 2027. (Note 5.5)	-	Quarterly
MCB Bank Limited	259,600,000	259,600,000	SBP rate for LTFF+ 1.25%	Ten equal half yearly instalments commenced on 18 October 2017 and ending on 18 April 2023. (Note 5.5)	-	Quarterly
MCB Bank Limited	174,485,050	174,493,313	6-month KIBOR + 0.90%	Ten equal half yearly instalments commenced on 29 September 2017 and ending on 01 April 2023. (Note 5.5)	Half yearly	Half yearly
Allied Bank Limited	-	1,929,500	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 22 October 2016 and ended on 22 July 2020.	-	Quarterly
Allied Bank Limited	18,000,000	18,000,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 07 January 2017 and ending on 10 October 2021. (Note 5.5)	-	Quarterly
Allied Bank Limited	19,375,000	19,375,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 20 January 2017 and ending on 20 October 2021. (Note 5.5)	-	Quarterly
Allied Bank Limited	13,149,000	13,149,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 11 May 2017 and ending on 11 February 2022. (Note 5.5)	-	Quarterly
Allied Bank Limited	190,937,500	190,937,500	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 24 February 2019 and ending on 24 November 2027. (Note 5.5)	-	Quarterly
Allied Bank Limited	111,121,875	111,121,875	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 18 April 2019 and ending on 18 January 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	329,906,250	329,906,250	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	80,662,500	80,662,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 21 May 2017 and ending on 21 February 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	103,075,000	103,075,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 03 April 2028. (Note 5.5)	-	Quarterly
Allied Bank Limited	61,642,000	300,000,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	104,692,000	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	18,778,300	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	32,005,000	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	14,971,000	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	67,911,620	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	166,666,670	166,666,670	SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ending on 26 August 2022. (Note 5.5)	-	Quarterly
Allied Bank Limited	1,000,000,000	-	3-month KIBOR + 0.18%	Sixteen equal quarterly instalments commencing on 30 September 2022 and ending on 30 June 2026.	Quarterly	Quarterly
Askari Bank Limited	17,500,000	35,000,000	3-month KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 08 December 2015 and ending on 08 September 2021. (Note 5.5)	Quarterly	Quarterly
Askari Bank Limited	107,900,000	112,050,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 5.5)	-	Quarterly
Askari Bank Limited	13,000,000	13,500,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 5.5)	-	Quarterly

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Askari Bank Limited	97,500,000	101,250,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027. (Note 5.5)	-	Quarterly
Askari Bank Limited	90,180,000	93,520,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	4,340,000	4,495,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 September 2017 and ending on 13 June 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	40,600,000	40,600,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	14,000,000	14,500,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	82,460,000	85,405,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	4,027,800	4,171,650	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	14,717,500	14,717,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	165,200,000	171,100,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 5.5)	-	Quarterly
Askari Bank Limited	319,935,000	365,640,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 May 2021 and ending on 12 February 2031. (Note 5.5)	-	Quarterly
Bank Alfalah Limited (Note 5.8)	81,771,338	-	SBP rate for TERF + 2.00%	One hundred and twenty eight unequal quarterly instalments commencing on 26 August 2023 and ending on 30 June 2031.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	10,495,000	13,994,000	SBP rate for LTFF + 0.75%	Eighteen equal quarterly instalments commenced on 22 November 2016 and ending on 22 February 2022. (Note 5.5)	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	271,704,850	-	SBP rate for LTFF + 0.75%	Twenty equal quarterly instalments commencing on 05 January 2023 and ending on 05 October 2027.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	14,417,950	-	SBP rate for LTFF + 0.75%	Thirty two equal quarterly instalments commencing on 05 January 2023 and ending on 04 October 2030.	-	Quarterly
The Bank of Punjab	200,000,000	200,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 30 September 2017 and ending on 30 March 2023. (Note 5.5)	Quarterly	Quarterly
Habib Bank Limited	1,000,000,000	1,000,000,000	3-month KIBOR + 0.50%	Ten equal half yearly instalments commenced on 27 March 2018 and ending on 23 September 2027. (Note 5.5)	Quarterly	Quarterly
Habib Bank Limited	433,134,283	577,512,375	6-month KIBOR + 0.90%	Nine equal half yearly instalments commenced on 02 November 2017 and ending on 02 November 2022. (Note 5.5)	Half yearly	Quarterly
Habib Bank Limited (Note 5.6)	270,495,486	250,000,000	SBP rate for refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 01 January 2021 and ending on 01 October 2022.	-	Quarterly
Soneri Bank Limited	252,703,125	262,062,500	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 08 June 2019 and ending on 08 March 2028. (Note 5.5)	-	Quarterly
Soneri Bank Limited	194,250,000	194,250,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 5.5)	-	Quarterly
Soneri Bank Limited	-	200,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 01 April 2021 and ending on 01 January 2025. However, it has been fully repaid during the year.	Quarterly	Quarterly
	6,667,686,097	5,728,090,883				

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Al Baraka Bank (Pakistan) Limited	-	236,111,112	6 months KIBOR + 0.85%	Ten equal half yearly instalments commenced on 31 August 2017 and ended on 29 June 2021.	Half yearly	Half yearly
Dubai Islamic Bank Pakistan Limited	225,000,000	225,000,000	6 months KIBOR + 0.85%	Ten equal half yearly instalments commenced on 14 April 2017 and ending on 13 October 2022. (Note 5.5)	Half yearly	Half yearly
Meezan Bank Limited	261,134,784	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 24 March 2023 and ending on 24 December 2030.	-	Quarterly
Meezan Bank Limited (Note 5.9)	359,758,240	-	SBP rate for ITERF + 2.75%	One hundred and twenty eight unequal quarterly instalments commencing on 30 March 2023 and ending on 28 May 2031	-	Quarterly
Meezan Bank Limited	6,638,000	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	16,634,400	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	11,972,100	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	68,445,600	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	14,260,000	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	113,834,700	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	197,652,000	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 17 September 2023 and ending on 17 June 2031	-	Quarterly
MCB Islamic Bank Limited (Note 5.9)	127,670,049	-	SBP rate for ITERF + 1.50%	Sixety four unequal quarterly instalments commencing on 06 August 2023 and ending on 25 May 2031	-	Quarterly
Faysal Bank Limited (Note 5.7)	353,981,414	-	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited (Note 5.7)	11,304,435	-	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.25%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited	275,000,000	300,000,000	3-month KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 21 May 2018 and ending on 21 February 2024. (Note 5.5)	Quarterly	Quarterly
	2,043,285,722	761,111,112				

5.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 18,533.254 million (2020: Rupees 14,618.280 million).

5.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 3,820.596 million (2020: Rupees 3,250.000 million).

5.5 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

5.6 These loans are obtained by the Company under SBP refinance scheme for payment of salaries and wages . These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.92% to 8.03% per annum.

5.7 These loans are obtained by the Company under SBP Islamic refinance scheme for payment of salaries and wages . These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.45% to 8.30% per annum.

5.8 These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.38% to 8.41% per annum.

5.9 These loans are obtained by the Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 8.47% per annum.

		2021 Rupees	2020 Rupees
6.	**LEASE LIABILITIES**		
	Total lease liabilities	120,881,507	100,145,527
	Less: Current portion shown under current liabilities (Note 11)	(46,362,612)	(28,176,604)
		74,518,895	71,968,923
6.1	**Reconciliation of lease liabilities**		
	Opening balance	100,145,527	-
	Adjustment on adoption of IFRS 16 on 01 July 2019	-	51,494,737
	Add: Additions during the year	61,162,694	70,568,556
	Add: Interest accrued on lease liabilities (Note 32)	12,057,781	9,684,288
	Less: Payments during the year	(52,484,495)	(31,602,054)
	Closing balance	120,881,507	100,145,527
6.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	28,070,945	19,329,064
	6-12 months	28,174,408	19,729,639
	1-2 years	38,665,927	34,413,124
	More than 2 years	45,294,327	48,771,215
		140,205,607	122,243,042
	Less: Future finance cost	(19,324,100)	(22,097,515)
	Present value of lease liabilities	120,881,507	100,145,527
6.3	**Amounts recognised in the statement of profit or loss**		
	Interest accrued during the year	12,057,781	9,684,288

6.4 Implicit rate against lease liabilities ranges from 7.01% to 13.97% (2020: 11.10% to 13.97%) per annum.

		2021 Rupees	2020 Rupees
7.	**DEFERRED LIABILITIES**		
	Gas Infrastructure Development Cess (GIDC) payable (Note 7.1)	52,920,380	-
	Deferred income - Government grant (Note 7.2)	138,491,987	-
		191,412,367	-
7.1	**Gas Infrastructure Development Cess (GIDC) Payable**		
	Gas Infrastructure Development Cess payable at amortized cost	450,332,761	-
	Add: Adjustment due to impact of IFRS 9 (Note 32)	25,501,528	-
	Less: Payments made during the year	(37,475,211)	-
	Balance as on 30 June	438,359,078	-
	Less: Current portion shown under current liabilities (Note 11)	(385,438,698)	-
		52,920,380	-

7.1.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable has been recognized at amortized cost in accordance with IFRS 9.

	2021 Rupees	2020 Rupees
7.2 Deferred income - Government grant		
Government grant recognized during the year	239,106,229	-
Less: Amortized during the year (Note 31)	(48,521,034)	-
	190,585,195	-
Less: Current portion shown under current liabilities (Note 11)	(52,093,208)	-
	138,491,987	-

7.2.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses and through Circular No. 06 of 2020 dated 10 April 2020 introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Company has obtained these loans as disclosed in note 5 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

	2021 Rupees	2020 Rupees
8. TRADE AND OTHER PAYABLES		
Creditors (Note 8.1)	1,646,861,865	1,990,086,996
Sindh infrastructure cess payable (Note 8.2)	447,386,865	245,976,032
Accrued liabilities	1,354,872,717	1,635,149,705
Contract liabilities - unsecured (Note 8.3)	209,468,561	162,833,389
Securities from contractors - interest free and repayable on completion of contracts (Note 8.4)	4,386,800	4,141,800
Security deposits from customers - interest free (Note 8.4)	-	10,300,000
Retention money	2,556,142	5,387,891
Income tax deducted at source	26,640,874	23,021,018
Fair value of forward exchange contracts	-	302,749,353
Derivative financial instruments (Note 8.5)	3,884,821	-
Workers' profit participation fund (Note 8.6)	308,123,188	29,990,964
Workers' welfare fund (Note 8.7)	35,061,596	14,473,400
Others	54,312,586	31,569,578
	4,093,556,015	4,455,680,126

8.1 These include Rupees 14.360 million (2020: Rupees Nil) due to Nishat Mills Limited - related party.

8.2 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

8.3 These include Rupees 0.218 million (2020: Rupees Nil) due to Nishat Mills Limited - related party.

8.4 These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors and customers.

8.5 This represents Pak Rupees denominated interest rate swap the Company entered into with two commercial banks. Under the terms of the Pak Rupees denominated interest rate swap arrangement, the Company pays fixed interest to the arranging banks on the notional Pak Rupees amount for the purposes of the Pak Rupees denominated interest rate swap and receives three months KIBOR floating rate interest from the arranging banks on the Rupee amount. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The Pak Rupees denominated interest rate swap outstanding as at 30 June 2021 has been marked to market and the resulting gain has been recognized in the statement of profit or loss.

	2021 Rupees	2020 Rupees
8.6 Workers' profit participation fund		
Balance as at 01 July	29,990,964	173,467,708
Add: Interest for the year (Note 32)	1,109,143	5,396,815
Add: Provision for the year (Note 30)	308,123,188	29,990,964
	339,223,295	208,855,487
Less : Payments during the year	(31,100,107)	(178,864,523)
Balance as at 30 June	308,123,188	29,990,964

8.6.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2021 Rupees	2020 Rupees
8.7 Workers' welfare fund		
Balance as at 01 July	14,473,400	-
Add: Provision for the year (Note 30)	20,588,196	14,473,400
Balance as at 30 June	35,061,596	14,473,400
9. ACCRUED MARK-UP / PROFIT		
Long term financing	86,334,999	118,216,919
Short term borrowings	185,385,914	344,811,087
	271,720,913	463,028,006

	2021 Rupees	2020 Rupees
10. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances (Notes 10.1 and 10.2)	687,759,100	7,362,297,776
Export finances - Preshipment / SBP refinance (Notes 10.1 and 10.3)	11,343,154,317	10,162,627,812
Other short term finances (Notes 10.1 and 10.4)	6,867,000,000	4,778,983,174
Murabaha finance (Note 10.1 and 10.5)	-	250,526,522
	18,897,913,417	22,554,435,284

10.1 These finances are obtained from banking companies under mark-up / profit arrangements and are secured by hypothecation of all present and future current assets of the Company and lien on export bills to the extent of Rupees 40,959 million (2020: Rupees 42,359 million) and ranking charge on all present and future current assets of the Company to the extent of Rupees 5,667.333 million (2020: Rupees 667.667 million). These form part of total credit facilities of Rupees 35,175 million (2020: Rupees 31,915 million).

10.2 The rates of mark-up range from 7.50% to 9.53% (2020: 8.83% to 15.06%) per annum on the balance outstanding.

10.3 The rates of mark-up on Pak Rupee finances and US Dollar finances range from 2.25% to 13.45% (2020: 2.25% to 14.65%) per annum and 0.75% to 2.00% (2020: 2.00% to 4.00%) per annum respectively on the balance outstanding.

10.4 The rates of mark-up range from 7.55% to 9.45% (2020: 7.89% to 14.57%) per annum on the balance outstanding.

10.5 The rate of profit ranged from 8.62% to 11.69% (2020: 8.62% to 14.59%) per annum on the balance outstanding.

	2021 Rupees	2020 Rupees
11. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 5)	2,308,169,111	484,133,569
Lease liabilities (Note 6)	46,362,612	28,176,604
Gas Infrastructure Development Cess (GIDC) Payable (Note 7.1)	385,438,698	-
Deferred income - Government grant (Note 7.2)	52,093,208	-
	2,792,063,629	512,310,173

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 121.958 million is payable on this account but the management of the Company is confident that payment of electricity duty will not be required.

12.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Company. The Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Company has filed appeal before the Honourable High Court of Sindh on 07 December 2013 against the order of ATIR. The appeal is pending decision.

12.1.3 The Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 creating a tax demand of Rupees 6.773 million. The Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR wherein the appeal has been decided partially in favour of the Company. Being aggrieved, the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.4 As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 14.596 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Company's appeal before ATIR was successful. The Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore against the order of ATIR, where the case is pending. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.5 An appeal effect order was issued in response to the order passed by ATIR in proceedings initiated under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011, whereby, the income tax refunds originally accruing to the Company were reduced to Rupees 39.305 million from Rupees 137.801 million. Additionally, the income tax refunds of Rupees 6.822 million adjusted against the income tax demand originally created by ACIR in the instant proceedings, were also restored. In response to the appeal effect order, an appeal has been filed before CIR(A) contesting the reduction of income tax refunds. The outcome of the said appeal is expected to be in favour of the Company.

12.1.6 The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. The appeal of the Company before ATIR was successful and input tax claim of the Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these financial statements.

12.1.7 The DCIR through an order under section 161/205 of the Income Tax Ordinance, 2001 created a demand of Rupees 147.745 million for tax year 2012 on account of alleged non-deduction of income tax on payments against the heads commission to selling agents on exports and export marketing expenses. Being aggrieved, the Company filed an appeal before CIR(A), who vide order dated 09 June 2016 accepted the stance of the Company and deleted the demand related to commission to selling agents on exports, whereas, with respect to export marketing expenses, CIR(A) remanded back the case to DCIR. However, the Company has filed appeal before ATIR which is pending for fixation. Based on grounds and facts, the appeal is likely to be decided in favour of the Company.

12.1.8 The Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.9 The Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010 whereby a demand of Rupees 142.956 million has been raised. CIR(A) vide order dated 28 October 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.10 The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 19.073 million for the tax year 2014. The Company preferred an appeal against this order before CIR(A). The CIR(A) adjudicated that impugned order is unsustainable and remanded back the matter to taxation officer for consideration of legal grounds and merits of the case. The Company has also filed an appeal before ATIR against the order of CIR(A). The proceedings before both forums are pending for adjudication. No provision against this demand has been made in these financial statements as the Company is confident of favourable outcome of its appeals.

12.1.11 Through show cause notice, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honourable Sindh High Court at Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honourable High Court, the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order filed in ATIR, Karachi has been dismissed. Custom reference application has been filed in Sindh High Court, Karachi against the order of ATIR. There is sufficient case law on the subject and there is every likelihood that case will be decided in favour of the Company.

12.1.12 The Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 616.240 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.

12.1.13 Being aggrieved, the Company is in appeal before ATIR against the order of CIR(A). The ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Company. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

12.1.14 The DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Company, the DCIR issued an audit report u/s 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4)/122(5)/214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772 million. Being aggrieved with the order passed by the DCIR, an appeal has been filed before CIR(A)-I. CIR(A)-I vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124/122(4)/122(5)/214C of the Income Tax Ordinance, 2001, was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings will be re-initiated by the concerned DCIR by issuing a fresh notice. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Company.

12.1.15 The DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents.

In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by the DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

12.1.16 The DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

12.1.17 The Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court has dismissed the writ petition of the Company, therefore intra court appeal has been filed. The Company has claimed input sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.

12.1.18 In case of NC Electric Company Limited [now Nishat (Chunian) Limited] proceedings were initiated by the Deputy Commissioner Inland Revenue (DCIR) under section 235/161/205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by the Commissioner Inland Revenue, Appeals-II (CIR, A-II). Subsequently, a remand back notice under section 124/161/205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR. The DCIR in response to submissions, passed an order under section 124/235/161 dated 29 June 2019 creating a demand to the tune of Rupees 5,698,691. Being aggrieved with the order passed by the DCIR, an appeal has been filled before CIR, A-II. Furthermore, hearing of the same was duly conducted and CIR, A-II once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR, A-II, an appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Company. Subsequently, a notice dated 31 August 2020 reinitiating the proceedings was issued. The said notice was duly responded to. However, the order is yet to be passed.

12.1.19 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014. In response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings culminated in the ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating an income tax demand to the tune of Rupees 189.375 million. In response to the order passed by the ACIR, an appeal has been filed before the CIR(A). The appeal so filed has been duly heard for, but the order is yet to be passed. It is likely that the said proceedings will culminate in the Company's favour.

12.1.20 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Company to submit certain records and documents with respect to certain treatments meted out in the annual income tax return for the tax year 2015. In response thereof, various replies were submitted with the ACIR. The subject proceedings culminated in the learned ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating a tax demand to the tune of Rupees 417.208 million. In response to the order passed by the ACIR, an appeal has been filed before the CIR (A). Based on the facts of the case, it is likely that the said proceedings will culminate in the Company's favour.

12.1.21 DCIR initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filed before the CIR(A), which has been duly heard of. However, the order is yet to be passed. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

12.1.22 Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under section 161/205 of the Income Tax Ordinance, 2001 dated 29 April 2021 raising a tax demand to the tune of Rupees 105.480 million. In response to the aforesaid order, appeal has been preferred before CIR(A-1), the outcome of which is expected to be in favour of the Company.

12.1.23 Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2016, which eventually culminated in the DCIR's order under section 161/205 of the Income Tax Ordinance, 2001 dated 28 May 2021 raising a tax demand to the tune of Rupees 77.349 million. In response to the aforesaid order, appeal has been preferred before CIR(A-1), the outcome of which is expected to be in favour of the Company.

12.1.24 Guarantees of Rupees 858.017 million (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 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.

12.1.25 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 4,715.577 million (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. Further, post dated cheques of Rupees 139.031 million (2020: Rupees 226.434 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

12.2 Commitments

12.2.1 Letters of credit for capital expenditure amounting to Rupees 4,480.769 million (2020: Rupees Nil).

12.2.2 Letters of credit other than for capital expenditure amounting to Rupees 447.610 million (2020: Rupees 407.110 million).

12.2.3 Outstanding foreign currency forward contracts of Rupees 10,106.645 million (2020: Rupees 7,248.326 million).

	2021 Rupees	2020 Rupees
13. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 13.1)	16,443,267,692	16,282,580,673
Capital work-in-progress (Note 13.2)	781,206,045	286,703,746
	17,224,473,737	16,569,284,419

13.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year are as follows:

Description	Operating fixed assets										
	Freehold land	Buildings on freehold land	Plant and machinery	Power generation equipment	Standby generators	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total
	Rupees										
At 30 June 2019											
Cost	801,622,779	3,277,681,844	14,624,189,277	-	972,492,382	679,694,707	275,252,868	157,544,377	105,760,091	152,823,957	21,047,062,282
Accumulated depreciation	-	(1,388,082,863)	(7,490,129,512)	-	(661,907,623)	(335,021,027)	(162,008,053)	(71,126,362)	(48,776,402)	(69,832,530)	(10,226,884,372)
Net book value	801,622,779	1,889,598,981	7,134,059,765	-	310,584,759	344,673,680	113,244,815	86,418,015	56,983,689	82,991,427	10,820,177,910
Year ended 30 June 2020											
Opening net book value	801,622,779	1,889,598,981	7,134,059,765	-	310,584,759	344,673,680	113,244,815	86,418,015	56,983,689	82,991,427	10,820,177,910
Additions	215,991,523	43,683,483	1,344,165,642	-	626,351	25,012,910	1,703,707	7,079,835	11,912,266	54,894,868	1,705,070,585
Disposals:											
Cost	-	-	(166,478,717)	-	-	(400,000)	-	(3,749,529)	(8,926,908)	(9,695,355)	(189,250,509)
Accumulated depreciation	-	-	133,981,487	-	-	13,333	-	149,659	4,615,626	6,602,327	145,362,432
	-	-	(32,497,230)	-	-	(386,667)	-	(3,599,870)	(4,311,282)	(3,093,028)	(43,888,077)
Assets written off:											
Cost	-	-	(2,415,293)	-	-	(377,500)	(9,266,461)	(2,337,411)	(4,078,590)	(43,069)	(18,518,324)
Accumulated depreciation	-	-	1,546,116	-	-	175,342	5,311,816	1,531,093	2,379,035	35,481	10,978,883
	-	-	(869,177)	-	-	(202,158)	(3,954,645)	(806,318)	(1,699,555)	(7,588)	(7,539,441)
Transfer upon amalgamation:											
Cost	112,298,075	1,363,228,486	-	3,836,756,300	-	5,294,978	-	360,840	1,852,321	30,236,510	5,350,027,510
Accumulated depreciation	-	(153,850,829)	-	(452,949,508)	-	(401,781)	-	(136,693)	(426,983)	(21,673,392)	(629,439,186)
	112,298,075	1,209,377,657	-	3,383,806,792	-	4,893,197	-	224,147	1,425,338	8,563,118	4,720,588,324
Depreciation	-	(95,264,554)	(725,522,014)	-	(6,047,499)	(36,003,270)	(11,124,350)	(11,065,795)	(6,070,516)	(20,730,630)	(911,828,628)
Closing net book value	1,129,912,377	3,047,395,567	7,719,336,986	3,383,806,792	305,163,611	337,987,692	99,869,527	78,250,014	58,239,940	122,618,167	16,282,580,673
At 30 June 2020											
Cost	1,129,912,377	4,684,593,813	15,799,460,909	3,836,756,300	973,118,733	709,225,095	267,690,114	158,898,112	106,519,180	228,216,911	27,894,391,544
Accumulated depreciation	-	(1,637,198,246)	(8,080,123,923)	(452,949,508)	(667,955,122)	(371,237,403)	(167,820,587)	(80,648,098)	(48,279,240)	(105,598,744)	(11,611,810,871)
Net book value	1,129,912,377	3,047,395,567	7,719,336,986	3,383,806,792	305,163,611	337,987,692	99,869,527	78,250,014	58,239,940	122,618,167	16,282,580,673
Year ended 30 June 2021											
Opening net book value	1,129,912,377	3,047,395,567	7,719,336,986	3,383,806,792	305,163,611	337,987,692	99,869,527	78,250,014	58,239,940	122,618,167	16,282,580,673
Additions	148,447,680	174,957,639	795,014,196	77,339,958	-	36,876,414	47,704,274	35,252,365	19,014,338	37,960,835	1,372,567,699
Disposals:											
Cost	-	-	(137,624,198)	-	-	-	-	(173,579)	(1,719,975)	(30,890,574)	(170,408,326)
Accumulated depreciation	-	-	97,839,294	-	-	-	-	75,074	573,698	19,977,979	118,466,045
	-	-	(39,784,904)	-	-	-	-	(98,505)	(1,146,277)	(10,912,595)	(51,942,281)
Adjustment:											
Cost	-	-	(116,922,119)	116,922,119	-	-	-	-	-	-	-
Accumulated depreciation	-	-	73,420,820	(73,420,820)	-	-	-	-	-	-	-
	-	-	(43,501,299)	43,501,299	-	-	-	-	-	-	-
Depreciation	-	(155,426,128)	(759,357,872)	(152,338,508)	(1,319,619)	(35,253,998)	(12,335,603)	(12,751,391)	(6,835,719)	(24,319,561)	(1,159,938,399)
Closing net book value	1,278,360,057	3,066,927,078	7,671,707,107	3,352,309,541	303,843,992	339,610,108	135,238,198	100,652,483	69,272,282	125,346,846	16,443,267,692
At 30 June 2021											
Cost	1,278,360,057	4,859,551,452	16,339,928,788	4,031,018,377	973,118,733	746,101,509	315,394,388	193,976,898	123,813,543	235,287,172	29,096,550,917
Accumulated depreciation	-	(1,792,624,374)	(8,668,221,681)	(678,708,836)	(669,274,741)	(406,491,401)	(180,156,190)	(93,324,415)	(54,541,261)	(109,940,326)	(12,653,283,225)
Net book value	1,278,360,057	3,066,927,078	7,671,707,107	3,352,309,541	303,843,992	339,610,108	135,238,198	100,652,483	69,272,282	125,346,846	16,443,267,692
Annual rate of depreciation (%)		5	10	4	Number of hours used	10	10	10	10	20	

13.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of / written off during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
			Rupees					
Plant and machinery								
Auto Cone Machines	3	29,330,231	(22,581,726)	6,748,505	2,880,000	(3,868,505)	Negotiation	HIK Textile (Pvt) Limited, Lahore
Savio Orion (64*6)	1	11,133,419	(8,544,282)	2,589,137	810,000	(1,779,137)	Negotiation	HIK Textile (Pvt) Limited, Lahore
Savio Automatic Cone Winder Polar	1	28,083,112	(15,461,242)	12,621,870	960,000	(11,661,870)	Negotiation	HIK Textile (Pvt) Limited, Lahore
Ring Frame Jingwei, FA506	4	3,317,626	(1,620,311)	1,697,315	3,000,000	1,302,685	Negotiation	AN Textile Mills Limited, Faisalabad
Auto Cone Machines	2	19,553,487	(15,315,311)	4,238,176	4,200,000	(38,176)	Negotiation	Sana Industrial Limited, Karachi
Toyota Jat-710 280 cm	2	6,453,600	(5,410,877)	1,042,723	3,500,000	2,457,277	Negotiation	Combined Industries, Lahore
Toyota Jat-710 340 cm	7	22,587,600	(18,064,582)	4,523,018	12,250,000	7,726,982	Negotiation	Combined Industries, Lahore
Toyota Jat-710 340 cm	1	3,226,800	(2,627,160)	599,640	1,750,000	1,150,360	Negotiation	Combined Industries, Lahore
Ring Frame Jingwei, FA506	2	1,658,813	(817,225)	841,588	1,500,000	658,412	Negotiation	AN Textile Mills Limited, Faisalabad
Warper Beams 2400X1000 MM	7	4,274,200	(2,429,892)	1,844,308	490,000	(1,354,308)	Negotiation	Combined Industries, Lahore
Ring Frame Jingwei, FA506	4	3,317,626	(1,662,730)	1,654,896	3,400,000	1,745,104	Negotiation	AN Textile Mills Limited, Faisalabad
Ring Frame Jingwei, FA506	3	2,488,219	(1,257,652)	1,230,567	2,550,000	1,319,433	Negotiation	AN Textile Mills Limited, Faisalabad
Motor vehicles								
Toyota Altis LEA-13-6151	1	2,014,360	(1,401,541)	612,819	1,512,786	899,967	Negotiation	Shafqat Riaz, Lahore
Honda City LE 16-A-6036	1	1,562,695	(838,480)	724,215	1,667,000	942,785	Negotiation	Khurram Ayub, Lahore
Shehzore 2600cc LES-18-8102	1	2,023,330	(666,350)	1,356,980	1,630,000	273,020	Negotiation	Rehan Sabri, Lahore
Honda City LEE 16-1908	1	1,560,187	(895,146)	665,041	1,560,187	895,146	Company Policy	Noreen, Company's employee, Lahore
Honda Civic LEA-10-8903	1	1,070,000	(387,445)	682,555	1,070,000	387,445	Company Policy	M. Nouman, Company's employee, Lahore
Toyota Altis LEA-14-3577	1	2,094,610	(1,454,117)	640,493	1,975,000	1,334,507	Negotiation	Shafqat Riaz, Lahore
Honda Civic LE-15-7545	1	2,190,820	(1,497,796)	693,024	2,180,000	1,486,976	Negotiation	M. Ansar, Lahore
Suzuki SWIFT LEF-16-6194	1	1,381,948	(810,957)	570,991	708,328	137,337	Company Policy	Hafiz Jamshaid, Company's employee, Lahore
Honda Civic LEB-17-3026	1	2,083,451	(1,434,819)	648,632	2,837,000	2,188,368	Negotiation	M. Asif Rana, Lahore
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		19,002,192	(13,286,404)	5,715,788	16,149,414	10,433,626		
		170,408,326	(118,466,045)	51,942,281	68,579,715	16,637,434		

		2021 Rupees	2020 Rupees
13.1.2	The depreciation charge for the year has been allocated as follows:		
	Cost of sales (Note 27)	1,144,747,414	899,464,915
	Administrative expenses (Note 29)	15,190,985	12,363,713
		1,159,938,399	911,828,628

13.1.3 Particulars of immovable fixed assets are as follows:

Manufacturing units and office	Address	Area of land Acres
Manufacturing units:		
Spinning Units 1,4,5,7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	61.45
Spinning Units 2,3,6 and Weaving	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	117.62
Coal fired electric power generation project	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	33.89
Dyeing, Printing and Stitching	4th Kilometre, Manga Road, Raiwind.	34.78
Office	31-Q, 31-C-Q, 35-K and 10-N, Gulberg-II, Lahore.	2.02
		249.76

		2021 Rupees	2020 Rupees
13.2	**Capital work-in-progress**		
	Civil works on freehold land	39,387,755	93,594,675
	Plant and machinery	129,958,001	7,142,001
	Electric installations	753,855	753,855
	Mobilization advances	87,643,981	8,058,617
	Advances for capital expenditures	523,462,453	177,154,598
		781,206,045	286,703,746

13.3 **Movement in capital work in progress**

	Civil works on freehold land	Plant and machinery	Electric installations	Mobilization advances	Advances for capital expenditures
	Rupees				
As at 30 June 2019	1,387,630	-	-	9,779,869	281,131,433
Add: Additions during the year	133,045,972	105,938,501	753,855	-	112,004,188
Less: Adjusted during the year	-	-	-	(1,721,252)	-
Less: Transferred to operating fixed assets during the year	(40,838,927)	(98,796,500)	-	-	(215,981,023)
As at 30 June 2020	93,594,675	7,142,001	753,855	8,058,617	177,154,598
Add: Additions during the year	31,646,438	405,946,752	-	125,078,192	1,101,712,027
Add / (less): Adjusted during the year	89,104,281	511,883,444	-	(45,492,828)	(755,404,172)
Less: Transferred to operating fixed assets during the year	(174,957,639)	(795,014,196)	-	-	-
As at 30 June 2021	39,387,755	129,958,001	753,855	87,643,981	523,462,453

		2021 Rupees	2020 Rupees
14.	**RIGHT-OF-USE ASSETS**		
	Balance at 01 July	93,072,385	-
	Recognition on initial application of IFRS 16	-	51,494,737
	Add: Additions during the year	61,162,694	70,568,556
	Less: Depreciation for the year (Note 28)	(46,836,916)	(28,990,908)
	Balance at 30 June	107,398,163	93,072,385

14.1 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.

		2021 Rupees	2020 Rupees
14.2	There is no impairment of right-of-use assets.		
15.	**INTANGIBLE ASSET**		
	Balance as at 01 July	110,318	669,454
	Addition during the year	300,251	-
	Less: Amortization during the year (Notes 15.2 and 29)	(132,399)	(559,136)
	As at 30 June	278,170	110,318
15.1	Cost as at 30 June	22,168,063	21,867,813
	Accumulated amortization	(21,889,893)	(21,757,495)
	Net book value as at 30 June	278,170	110,318

15.2 Amortization on intangible asset amounting to Rupees 0.132 million (2020: Rupees 0.559 million) has been allocated to administrative expenses.

15.3 Intangible asset - computer software has been amortized at the rate of 30% per annum.

15.4 This includes intangible asset of Rupees 20.007 million (2020: Rupees 20.007 million) which is fully amortized.

		2021 Rupees	2020 Rupees
16.	**LONG TERM INVESTMENTS**		
	Equity instruments (Note 16.1)	1,886,681,200	1,886,681,200
16.1	**Equity instruments**		
	Subsidiary companies - at cost		
	Nishat Chunian Power Limited - quoted (Note 16.2) 187,585,820 (2020: 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held 51.07% (2020: 51.07%)	1,875,858,200	1,875,858,200
	Nishat Chunian USA Inc. - unquoted	10,823,000	10,823,000
	10 (2020: 10) fully paid shares with no par value per share Equity held 100% (2020: 100%)	1,886,681,200	1,886,681,200

16.2 The Company has pledged 187,354,914 (2020: 187,354,914) ordinary shares to lenders of Nishat Chunian Power Limited for the purpose of securing finance.

	2021 Rupees	2020 Rupees
17. LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Notes 17.1 and 17.2)	15,546,659	10,260,980
Other employees (Note 17.2)	12,681,169	5,681,082
	28,227,828	15,942,062
Less: Current portion shown under current assets (Note 21)		
Executives	(5,323,385)	(3,178,541)
Other employees	(4,193,516)	(857,611)
	(9,516,901)	(4,036,152)
	18,710,927	11,905,910

17.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 18.914 million (2020: Rupees 12.430 million).

17.2 These represent motor vehicle loans and house building loans to executives and employees, payable in 36 to 48 and 96 monthly instalments respectively. Interest on long term loans ranged from 8.43% to 9.00% (2020: 7.51% to 14.63%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of cars in the name of the Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.

17.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	2021 Rupees	2020 Rupees
18. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	1,204,384,251	1,103,620,181
Spare parts	479,479,803	463,317,837
Loose tools	45,272,049	37,967,960
	1,729,136,103	1,604,905,978
19. STOCK-IN-TRADE		
Raw materials	12,544,593,834	13,912,192,681
Work-in-process (Note 19.2)	2,081,215,813	1,131,081,567
Finished goods (Note 19.3)	3,511,748,772	4,098,769,328
Waste	76,861,237	175,341,896
	18,214,419,656	19,317,385,472

19.1 Stock-in-trade of Rupees 152.551 million (2020: Rupees 282.578 million) is being carried at net realizable value.

19.2 This includes stock of Rupees 170.819 million (2020: Rupees 8.519 million) sent to outside parties for processing.

19.3 Finished goods include stock in transit of Rupees 971.128 million (2020: Rupees 1,260.884 million).

	2021 Rupees	2020 Rupees
20. TRADE DEBTS		
Considered good:		
Secured:		
- Others	4,669,634,370	2,120,155,349
Unsecured:		
- Related parties (Notes 20.3 and 20.4)	726,913,433	1,095,584,059
- Others	1,392,652,149	1,470,902,213
	6,789,199,952	4,686,641,621
Less: Allowance for expected credit losses (Note 20.7)	(6,774,524)	(11,268)
	6,782,425,428	4,686,630,353

20.1 Foreign jurisdictions of trade debts

	2021 Rupees	2020 Rupees
Europe	1,457,944,821	914,665,868
Asia, Africa and Australia	2,239,801,443	1,130,783,114
United States of America and Canada	973,081,730	1,343,067,320
	4,670,827,994	3,388,516,302

20.2 Types of counterparties

	2021 Rupees	2020 Rupees
Export		
Corporate	4,192,769,241	3,196,104,195
Other	478,058,753	192,412,107
	4,670,827,994	3,388,516,302
Local		
Corporate	2,022,072,618	1,258,815,658
Other	96,299,340	39,309,661
	2,118,371,958	1,298,125,319
	6,789,199,952	4,686,641,621

20.3 This represents amounts due from following related parties:

	2021 Rupees	2020 Rupees
Nishat Chunian USA Inc. - subsidiary company	567,472,442	879,865,266
Nishat Mills Limited - related party	159,440,991	215,718,793
	726,913,433	1,095,584,059

20.4 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	2021 Rupees	2020 Rupees
Nishat Chunian USA Inc. - subsidiary company	1,087,915,819	879,865,266
Nishat Mills Limited - related party	217,719,719	215,718,793

20.5 As at 30 June 2021, trade debts due from other than related parties of Rupees 242.905 million (2020: Rupees 395.745 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2021 Rupees	2020 Rupees
Upto 1 month	235,439,543	363,238,070
1 to 6 months	1,793,892	32,453,092
More than 6 months	5,671,297	53,869
	242,904,732	395,745,031

20.6 As at 30 June 2021, trade debts due from related parties amounting to Rupees 662.903 million (2020: Rupees 613.515 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2021 Rupees	2020 Rupees
Upto 1 month	183,481,653	241,990,950
1 to 6 months	465,496,882	371,523,683
More than 6 months	13,924,558	-
	662,903,093	613,514,633

20.7 Allowance for expected credit losses

Opening balance	11,268	5,049,905
Add: Recognized during the year (Note 30)	6,763,256	-
Less: Reversal during the year (Note 30)	-	(5,038,637)
Closing balance	6,774,524	11,268

21. LOANS AND ADVANCES

Considered good:

Employees - interest free:		
- Executives	2,017,663	5,179,356
- Other employees	7,547,322	4,152,486
	9,564,985	9,331,842
Current portion of long term loans to employees (Note 17)	9,516,901	4,036,152
Advances to suppliers (Note 21.1)	3,113,744,719	1,056,914,355
Short term loans to subsidiary company (Note 21.2)	-	-
Advances to contractors	1,156,837	1,500,723
Letters of credit	136,005,995	34,884,929
	3,269,989,437	1,106,668,001

21.1 These include advances amounting to Rupees 3.075 million (2020: Rupees 4.057 million) to D.G. Khan Cement Company Limited - related party. These are neither past due nor impaired.

21.1.1 The maximum aggregate amount of advances to related party at the end of any month during the year was as follows:

D. G. Khan Cement Company Limited	3,074,592	5,148,795

21.2 Return on these loans was 3 months KIBOR + 2% or weighted average borrowing cost of the Company, whichever was higher and these loans were repayable within one year from the date of disbursement. These were neither past due nor impaired. The maximum aggregate amount receivable at the end of any month during the year was amounting to Rupees 855 million (2020: Rupees 1,000 million)

		2021 Rupees	2020 Rupees
22.	**OTHER RECEIVABLES**		
	Considered good:		
	Sales tax recoverable	1,103,161,149	1,379,038,615
	Advance income tax - net (Note 22.1)	278,858,017	627,389,520
	Export rebate and claims	45,157,621	29,116,697
	Duty drawback receivable	376,202,146	28,111,091
	Fair value of forward exchange contracts	56,576,881	-
	Insurance claim receivable	7,364,430	63,315,421
	Receivable from employees' provident fund trust (Note 22.2)	101,101,822	11,438,626
	Miscellaneous	63,069,740	167,401,993
		2,031,491,806	2,305,811,963
22.1	**Advance income tax - net**		
	Advance income tax	953,164,066	1,071,216,731
	Provision for taxation	(674,306,049)	(443,827,211)
		278,858,017	627,389,520

22.2 The maximum aggregate amount receivable from employees' provident fund trust at the end of any month during the year was as follows:

		2021 Rupees	2020 Rupees
	Nishat (Chunian) Limited - Employees Provident Fund	107,396,402	57,732,921
23.	**ACCRUED INTEREST**		
	On short term loans to:		
	Nishat Chunian Power Limited - subsidiary company	-	5,321,600
		-	5,321,600

23.1 The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

	2021	2020
Nishat Chunian Power Limited	5,321,600	5,321,600

23.2 As at 30 June 2021, accrued interest of Rupees Nil (2020: Rupees 5.322 million) was past due but not impaired. The ageing analysis of this accrued interest is as follows:

	2021 Rupees	2020 Rupees
Upto 1 month	-	-
1 to 6 months	-	5,321,600
More than 6 months	-	-
	-	5,321,600

		2021 Rupees	2020 Rupees
24.	**SHORT TERM INVESTMENTS**		
	At amortized cost		
	Term deposit receipts (Note 24.1)	156,160,226	36,160,226
	Add: Accrued interest	1,334,207	1,672,807
		157,494,433	37,833,033

24.1 These represent deposits under lien with the banks of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections and Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess. Interest on term deposit receipts ranges from 4.78% to 13.00% (2020: 3.62% to 13.00%) per annum. The maturity period of these term deposit receipts is 6 and 12 months.

		2021 Rupees	2020 Rupees
25.	**CASH AND BANK BALANCES**		
	Cash with banks:		
	On saving accounts (Note 25.1) Including US$ 15,230 (2020: US$ 31,803)	2,499,493	5,713,672
	On current accounts Including US$ 45,998 (2020: US$ 20,371)	266,506,411	39,273,536
		269,005,904	44,987,208
	Cash in hand	3,629,050	2,480,094
		272,634,954	47,467,302

25.1 Rate of profit on saving accounts ranges from 2.75% to 5.50% (2020: 0.08% to 13.00%) per annum.

		2021 Rupees	2020 Rupees
26.	**REVENUE**		
	Revenue from contracts with customers:		
	- Export sales	26,306,479,135	18,823,841,683
	- Local sales (Note 26.1)	22,334,166,990	16,257,157,574
	- Processing income	202,587,634	426,622,593
		48,843,233,759	35,507,621,850
	Export rebate	66,351,147	35,031,425
	Duty drawback	374,168,469	124,207,063
		49,283,753,375	35,666,860,338
26.1	**Local sales**		
	Sales	26,243,643,686	19,060,707,291
	Less: Sales tax	3,909,476,696	2,803,549,717
		22,334,166,990	16,257,157,574

26.1.1 Local sales includes waste sales of Rupees 1,399.001 million (2020: Rupees 1,072.831 million).

26.2 The amount of Rupees 140.649 million included in contract liabilities (Note 8) at 30 June 2020 has been recognised as revenue in 2021 (2020: Rupees 112.500 million).

26.3 Disaggregation of revenue from contracts with customers

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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees									
Region										
Europe	128,982,007	111,473,028	415,157,533	753,725,910	6,265,656,877	2,422,197,961	-	-	6,809,796,417	3,287,396,899
United States of America and Canada	9,929,376	9,084,513	275,776,934	446,681,282	5,379,363,230	4,707,037,571	-	-	5,665,069,540	5,162,803,366
Asia, Africa, Australia	10,217,428,244	7,263,895,698	668,580,177	1,081,742,194	2,945,604,757	2,028,003,525	-	-	13,831,613,178	10,373,641,417
Pakistan	17,209,572,300	13,544,762,184	3,132,571,642	1,946,800,987	1,709,392,579	765,594,404	282,630,469	-	22,334,166,990	16,257,157,575
Processing Income	1,000,580	673,230	1,231,451	2,285,039	200,355,603	423,664,324	-	-	202,587,634	426,622,593
Rebate	-	-	404,605	611,533	65,946,542	34,419,892	-	-	66,351,147	35,031,425
Duty drawback	-	14,449,454	-	-	374,168,469	109,757,609	-	-	374,168,469	124,207,063
	27,566,912,507	20,944,338,107	4,493,722,342	4,231,846,945	16,940,488,057	10,490,675,286	282,630,469	-	49,283,753,375	35,666,860,338
Timing of revenue recognition										
Products and services transferred at a point in time	27,566,912,507	20,944,338,107	4,493,722,342	4,231,846,945	16,940,488,057	10,490,675,286	282,630,469	-	49,283,753,375	35,666,860,338
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
	27,566,912,507	20,944,338,107	4,493,722,342	4,231,846,945	16,940,488,057	10,490,675,286	282,630,469	-	49,283,753,375	35,666,860,338
Major products / service lines										
Yarn	26,321,048,054	20,130,536,629	56,378,168	132,220,149	1,129,292,905	917,438,237	-	-	27,506,719,127	21,180,195,015
Comber Noil	1,245,864,453	813,801,478	-	-	-	-	-	-	1,245,864,453	813,801,478
Grey Cloth	-	-	4,437,344,174	4,099,626,796	-	-	-	-	4,437,344,174	4,099,626,796
Process Cloth	-	-	-	-	2,664,975,748	2,037,188,922	-	-	2,664,975,748	2,037,188,922
Made Ups	-	-	-	-	12,937,574,106	7,333,484,440	-	-	12,937,574,106	7,333,484,440
Bed Sheets	-	-	-	-	208,645,298	202,563,687	-	-	208,645,298	202,563,687
Electricity	-	-	-	-	-	-	282,630,469	-	282,630,469	-
	27,566,912,507	20,944,338,107	4,493,722,342	4,231,846,945	16,940,488,057	10,490,675,286	282,630,469	-	49,283,753,375	35,666,860,338

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

	2021 Rupees	2020 Rupees

27. COST OF SALES

	2021 Rupees	2020 Rupees
Raw materials consumed (Note 27.1)	29,952,711,409	24,008,434,819
Packing materials consumed	1,488,636,510	950,858,921
Stores, spare parts and loose tools consumed	773,427,430	572,848,736
Processing charges	183,820,280	96,302,191
Salaries, wages and other benefits (Note 27.2)	2,926,350,242	2,616,810,127
Fuel and power	3,387,268,587	3,485,857,589
Insurance	96,410,295	59,121,070
Postage and telephone	798,986	894,102
Travelling and conveyance	5,181,257	1,812,164
Vehicles' running and maintenance	31,549,842	30,290,445
Entertainment	13,430,831	9,772,657
Depreciation on operating fixed assets (Note 13.1.2)	1,144,747,414	899,464,915
Repair and maintenance	456,592,898	434,386,008
Other factory overheads	118,313,632	62,791,436
	40,579,239,613	33,229,645,180
Work-in-process		
Add: Opening stock	1,131,081,567	1,039,191,965
Less: Closing stock	(2,081,215,813)	(1,131,081,567)
	(950,134,246)	(91,889,602)
Cost of goods manufactured	39,629,105,367	33,137,755,578
Add: Finished goods and waste - opening stocks		
Finished goods	4,098,769,328	2,538,481,385
Waste	175,341,896	60,348,016
	4,274,111,224	2,598,829,401
	43,903,216,591	35,736,584,979
Less: Finished goods and waste - closing stocks		
Finished goods	(3,511,748,772)	(4,098,769,328)
Waste	(76,861,237)	(175,341,896)
	(3,588,610,009)	(4,274,111,224)
	40,314,606,582	31,462,473,755

27.1 Raw materials consumed

	2021 Rupees	2020 Rupees
Opening stock	13,912,192,681	12,083,225,896
Add: Purchased during the year	28,585,112,562	25,837,401,604
	42,497,305,243	37,920,627,500
Less: Closing stock	(12,544,593,834)	(13,912,192,681)
	29,952,711,409	24,008,434,819

27.2 Salaries, wages and other benefits include Rupees 28.016 million (2020: Rupees 21.739 million) and Rupees 74.613 million (2020: Rupees 62.595 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

	2021 Rupees	2020 Rupees
28. DISTRIBUTION COST		
Salaries and other benefits (Note 28.1)	146,527,940	123,369,753
Ocean freight	246,204,997	124,155,266
Freight and octroi	141,776,492	96,732,861
Local marketing expenses	7,860,993	4,855,245
Forwarding and other expenses	118,683,032	83,090,456
Export marketing expenses	145,232,053	176,858,965
Commission to selling agents	275,398,591	206,275,820
Rent, rates and taxes	10,739,077	5,846,971
Printing and stationery	234,930	118,737
Travelling and conveyance	1,654,928	1,244,443
Postage and telephone	7,697,497	2,174,087
Legal and professional	2,738,945	4,099,495
Repair and maintenance	1,766,550	3,996,772
Electricity and sui gas	3,214,758	2,407,799
Entertainment	1,077,372	196,041
Depreciation on right-of-use assets (Note 14)	46,836,916	28,990,908
Miscellaneous	2,953,465	4,650,725
	1,160,598,536	869,064,344

28.1 Salaries and other benefits include Rupees 2.554 million (2020: Rupees 3.080 million) and Rupees 6.242 million (2020: Rupees 5.043 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

	2021 Rupees	2020 Rupees
29. ADMINISTRATIVE EXPENSES		
Salaries and other benefits - net (Note 29.1)	215,507,925	166,767,816
Printing and stationery	4,324,540	5,474,153
Vehicles' running and maintenance - net	1,264,909	3,046,307
Travelling and conveyance	8,225,912	51,210,412
Postage and telephone - net	3,877,735	4,484,028
Fee and subscription	8,203,875	4,305,249
Legal and professional	17,964,350	37,371,418
Auditor's remuneration (Note 29.2)	3,583,339	3,843,173
Electricity and sui gas - net	3,333,634	5,625,508
Insurance	3,510,852	3,199,265
Repair and maintenance - net	19,537,422	13,366,272
Entertainment	4,870,280	9,218,553
Depreciation on operating fixed assets (Note 13.1.2)	15,190,985	12,363,713
Amortization on intangible asset (Note 15)	132,399	559,136
Miscellaneous - net	2,388,624	3,411,075
	311,916,781	324,246,078

29.1 Salaries and other benefits include Rupees 0.388 million (2020: Rupees 1.327 million) and Rupees 4.168 million (2020: Rupees 4.744 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2021 Rupees	2020 Rupees
29.2	**Auditor's remuneration**		
	Audit fee	2,420,048	1,947,000
	Special audit fee	-	857,164
	Half yearly review	707,850	643,500
	Certification fees	220,317	125,000
	Reimbursable expenses	235,124	270,509
		3,583,339	3,843,173
30.	**OTHER EXPENSES**		
	Workers' profit participation fund (Note 8.6)	308,123,188	29,990,964
	Workers' welfare fund (Note 8.7)	20,588,196	14,473,400
	Donations (Note 30.1)	4,973,517	3,695,356
	Net exchange loss	-	50,207,922
	Allownace / (reversal of allowance) for expected credit losses (Note 20.7)	6,763,256	(5,038,637)
	Impact of derecognition of financial instrument carried at amortized cost	-	1,704,840
		340,448,157	95,033,845

30.1 These include donations amounting to Rupees 4.354 million (2020: Rupees 3.695 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Aftab Ahmad Khan, Director and Mrs. Farhat Saleem, Director are trustees.

		2021 Rupees	2020 Rupees
31.	**OTHER INCOME**		
	Income from financial assets		
	Return on bank deposits	3,345,675	27,939,690
	Net exchange gain	619,260,238	-
	Income from loans to subsidiary companies		
	Interest income on short term loans	3,059,674	351,455,880
	Income from non-financial assets and others		
	Gain on disposal of operating fixed assets (Note 13.1.1)	16,637,434	3,631,929
	Credit balances written back	-	21,574
	Scrap sales	121,199,616	62,491,880
	Amortization of deferred income - Government grant (Note 7.2)	48,521,034	-
	Gain on initial recognition of GIDC payable at amortized cost	38,282,637	-
	Miscellaneous	13,708,227	8,469,258
		864,014,535	454,010,211

		2021 Rupees	2020 Rupees
32.	**FINANCE COST**		
	Mark-up / profit on:		
	- long term loans	421,951,555	322,015,397
	- long term musharaka	24,050,548	45,031,565
	- short term running finances	333,418,391	796,793,576
	- export finances - Preshipment / SBP refinances	386,284,259	648,753,390
	- short term finances - others	405,660,334	738,612,397
	Adjustment due to impact of IFRS 9 on GIDC (Note 7.1)	25,501,528	-
	Interest expense on lease liabilities (Note 6.1)	12,057,781	9,684,288
	Interest on workers' profit participation fund (Note 8.6)	1,109,143	5,396,815
	Bank charges and commission	137,001,481	94,568,508
		1,747,035,020	2,660,855,936
33.	**TAXATION**		
	Current (Note 33.1)	674,306,049	443,827,211

33.1 Provision for current taxation represents alternative corporate tax, final tax on export sales and tax on income from other sources at applicable rates.

		2021 Rupees	2020 Rupees
33.2	**Reconciliation between tax expense and accounting profit**		
	Accounting profit before taxation	6,273,162,834	709,196,591
	Applicable tax rate	29%	29%
	Tax on accounting profit	1,819,217,222	205,667,011
	Tax effect on final tax regime income taxed at a lower rate	(858,994,474)	3,991,257
	Tax effect of alternative corporate tax	(285,916,699)	-
	Tax effect on minimum tax	-	234,168,943
		674,306,049	443,827,211

	2021 Rupees	2020 Rupees

33.2 Deferred income tax asset

The asset for deferred income tax originated due to timing differences relating to:

	2021 Rupees	2020 Rupees
Taxable temporary differences		
Accelerated tax depreciation	(883,593,304)	(827,728,143)
Amortization on intangible asset	(37,465)	(14,817)
Right-of-use assets	(31,145,467)	(26,990,992)
	(914,776,236)	(854,733,952)
Deductible temporary differences		
Available tax losses	648,065,077	1,027,199,613
Lease liabilities	35,055,637	29,042,203
Allowance for expected credit losses	515,726	-
Alternative corporate tax carry forward	65,179,342	-
Minimum tax carry forward	679,302,990	668,866,531
	1,428,118,772	1,725,108,347
Deferred income tax asset	513,342,536	870,374,395
Deferred income tax asset not recognized in these financial statements	(513,342,536)	(870,374,395)
Deferred income tax asset recognized in these financial statements	-	-

33.2.1 Deferred income tax asset of Rupees 513.343 million (2020: Rupees 870.374 million) has not been recognized in these financial statements as the Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

33.2.2 The gross movement in net deferred income tax asset recognised in these financial statements during the year is as follows:

	2021	2020
Opening balance	-	-
(Charged) / credited to other comprehensive income	-	-
(Credited) / charged to statement of profit or loss	-	-
Closing balance	-	-

	Accounting year to which the tax loss relates	Amount of minimum tax	Accounting year in which tax loss will expire
Tax losses related to un-absorbed tax depreciation		**Rupees**	
	2020	311,584,958	Unlimited
	2019	133,222,280	Unlimited
	2018	16,074,382	Unlimited
	2017	597,663,697	Unlimited
	2016	294,979,321	Unlimited
	2015	430,183,179	Unlimited
	2014	450,999,343	Unlimited
		2,234,707,160	

Accounting year to which minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	Rupees	
2021	41,321,199	2026
2020	251,194,081	2025
2019	243,135,016	2024
2018	140,580,039	2023
2017	3,072,655	2022
	679,302,990	

Accounting year to which alternative corporate tax relates	Amount of alternative corporate tax	Accounting year in which alternative corporate tax will expire
	Rupees	
2021	65,179,342	2031

	2021	2020
34. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to ordinary shareholders (Rupees)	5,598,856,785	265,369,380
Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,148,723
Basic earnings per share (Rupees)	23.32	1.11

34.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2021 and 30 June 2020 as the Company has no potential ordinary shares as on 30 June 2021 and 30 June 2020.

	2021 Rupees	2020 Rupees

35. CASH GENERATED FROM OPERATIONS

	2021 Rupees	2020 Rupees
Profit before taxation	6,273,162,834	709,196,591
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	1,159,938,399	911,828,628
Amortization on intangible asset	132,399	559,136
Depreciation on right-of-use assets	46,836,916	28,990,908
Gain on disposal of operating fixed assets	(16,637,434)	(3,631,929)
Impact of derecognition of financial instrument carried at amortized cost	-	1,704,840
Finance cost	1,747,035,020	2,660,855,936
Return on bank deposits	(3,345,675)	(27,939,690)
Net exchange (gain) / loss	(619,260,238)	50,207,922
Interest income on short term loans to subsidiary companies	(3,059,674)	(351,455,880)
Credit balances written back	-	(21,574)
Amortization of deferred income - Government grant	(48,521,034)	-
Gain on initial recognition of GIDC payable at amortized cost	(38,282,637)	-
Allowance / (reversal of allowance) for expected credit losses	6,763,256	(5,038,637)
Working capital changes (Note 35.1)	(2,620,701,387)	568,556,302
	5,884,060,745	4,543,812,553

35.1 Working capital changes

	2021 Rupees	2020 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(124,230,125)	(138,517,547)
Stock-in-trade	1,102,965,816	(3,596,138,210)
Trade debts	(1,483,298,093)	1,711,481,469
Loans and advances	(2,157,840,687)	47,466,235
Short term prepayments	1,395,444	803,040
Other receivables	(74,211,346)	1,199,002,418
	(2,735,218,991)	(775,902,595)
Increase in trade and other payables	114,517,604	1,344,458,897
	(2,620,701,387)	568,556,302

35.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2021			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2020	6,489,201,995	100,145,527	22,554,435,284	50,714,364
Financing / borrowings obtained	4,308,932,735	-	-	-
Lease liabilities recognised during the year	-	61,162,694	-	-
Repayment of financing / borrowings	(1,907,865,663)	-	-	-
Repayment of lease liabilities	-	(40,426,714)	-	-
Short term borrowings - net	-	-	(3,656,521,867)	-
Dividend declared	-	-	-	240,119,029
Dividend paid	-	-	-	(240,915,306)
Other changes - non-cash movement	(179,297,248)	-	-	-
Balance as at 30 June 2021	8,710,971,819	120,881,507	18,897,913,417	49,918,087

	2020			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2019	4,751,235,200	-	20,091,978,160	52,301,675
Financing / borrowings obtained	1,115,640,000	-	-	-
Lease liabilities recognised during the year	-	122,063,293	-	-
Repayment of financing / borrowings	(1,017,056,675)	-	-	-
Repayment of lease liabilities	-	(21,917,766)	-	-
Short term borrowings - net	-	-	1,689,805,188	-
Transfer upon amalgamation	1,639,383,470	-	772,651,936	-
Dividend declared	-	-	-	600,297,573
Dividend paid	-	-	-	(601,884,884)
Balance as at 30 June 2020	6,489,201,995	100,145,527	22,554,435,284	50,714,364

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executive	
	2021	2020	2021	2020	2021	2021
		Rupees				
Managerial remuneration	21,731,872	21,731,872	4,000,000	3,600,000	88,257,419	85,440,000
Contribution to provident fund	-	-	333,200	299,880	7,351,843	7,117,152
House rent	8,692,749	8,692,749	1,600,000	1,440,000	35,302,968	34,176,000
Utilities	2,173,187	2,173,187	400,000	360,000	8,825,742	8,544,000
Others	-	3,731,872	300,015	-	9,768,175	11,391,621
	32,597,808	36,329,680	6,633,215	5,699,880	149,506,147	146,668,773
Number of persons	**1**	**1**	**1**	**1**	**46**	**45**

36.1 The Company provides to chief executive, directors and certain executives with free use of Company maintained cars and residential telephones.

36.2 Aggregate amount charged in these financial statements for meeting fee to seven (2020: seven) directors was Rupees 460,000 (2020: Rupees 920,000).

36.3 No remuneration was paid to non-executive directors of the Company.

37. TRANSACTIONS WITH RELATED PARTIES

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:

	2021 Rupees	2020 Rupees
Subsidiary companies		
Common facilities cost charged	19,800,000	20,100,000
Sale of goods	1,514,518,825	1,044,841,250
Purchase of electricity and steam	-	1,809,368,806
Interest income on loans	3,059,674	351,455,880
Short term loans made	4,548,221,699	13,022,797,207
Repayment / adjustment of short term loans made	4,548,221,699	11,731,991,948
Associated undertakings		
Mark up on borrowings	-	10,223,728
Long term loans repaid	-	30,062,500
Short term loans obtained	-	450,000,000
Insurance premium paid	-	72,526,862
Other related parties		
Purchase of goods	493,833,716	178,060,189
Sale of goods	2,078,165,714	2,704,919,060
Dividend paid	39,963,940	103,156,100
Company's contribution to employees' provident fund trust	85,023,187	72,598,555
Interest on employees' provident fund	-	146,846

37.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in (Note 36)

37.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	Percentage of shareholding
Nishat Chunian Power Limited	Subsidiary company	Yes	51.07
Nishat Chunian USA Inc.	Wholly owned subsidiary company	Yes	100
Nishat Mills Limited	Shareholding	Yes	None
D.G. Khan Cement Company Limited	Shareholding	Yes	None
Saleem Memorial Trust Hospital	Common directorship	No	None
Pakgen Power Limited	Common directorship	No	None
Mian Muhammad Yahya Trust	Common trusteeship	Yes	None
Lalpir Solar Power (Private) Limited	Common directorship	No	None
Nishat Energy Limited	Common directorship	No	None
Nishat Papers Products Company Limited	Common directorship	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	No	None
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	None
Nishat Hotels and Properties Limited	Common directorship	No	None
Nishat Hospitality (Private) Limited	Common directorship	No	None
National Investment Trust Limited	Common directorship	No	None
Nishat (Chunian) Limited - Employees Provident Fund	Post-employment benefit plan	Yes	None

37.3 Particulars of company incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place are as follows:

Name of company	Country of incorporation	Basis of association	Percentage of shareholding
Nishat Chunian USA Inc.	USA	Wholly owned subsidiary company	100

37.4 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of / written off during the year is as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment			Terms and conditions of investment / advance	Amount of returns received	Litigations against investee company	Default / breach relating to foreign company	Gain / (loss) on disposal of foreign investment
			Made during the year ended 30 June	Rupees	Foreign currency					
Long term investments:										
Nishat Chunian USA Inc.	USA	Nishat (Chunian) Limited	2013	10,823,000	USD 110,000	Investment in shares of subsidiary company	None	None	None	Not applicable

37.5 As on 30 June 2019, disclosures relating to investment made in foreign company are as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment			Terms and conditions of investment / advance	Amount of returns received	Litigations against investee company	Default / breach relating to foreign company	Gain / (loss) on disposal of foreign investment
			Made during the year ended 30 June	Rupees	Foreign currency					
Long term investments:										
Nishat Chunian USA Inc.	USA	Nishat (Chunian) Limited	2013	10,823,000	USD 110,000	Investment in shares of subsidiary company	None	None	None	Not applicable

	2021	2020
38. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	7,384	6,141
Average number of employees during the year	7,425	6,231

39. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Zone - 1		Zone - 2		Zone - 3		Unit - 1		Unit - 2									
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees																	
Sales																		
External:																		
- Export	9,124,454,157	7,384,453,240	-	-	1,231,884,925	-	-	-	1,359,514,642	2,282,149,386	14,590,625,411	9,157,239,057	-	-	-	-	26,306,479,135	18,823,841,683
- Local	926,437,120	388,655,435	7,965,097,319	6,546,986,260	8,318,038,406	6,609,120,490	3,001,969,278	1,850,710,314	130,602,363	96,090,673	580,099,102	338,208,824	282,630,470	-	-	-	21,204,874,058	15,829,771,996
- Export rebate and duty drawback	-	14,449,454	-	-	-	-	-	-	404,605	611,533	440,115,011	144,177,501	-	-	-	-	440,519,616	159,238,488
- Others	-	-	1,000,580	673,230	-	-	1,231,451	2,285,039	-	-	1,329,648,535	851,049,902	-	-	-	-	1,331,880,566	854,008,171
	10,050,891,277	7,787,558,129	7,966,097,899	6,547,659,490	9,549,923,331	6,609,120,490	3,003,200,729	1,852,995,353	1,490,521,610	2,378,851,592	16,940,488,059	10,490,675,284	282,630,470	-	-	-	49,283,753,375	35,666,860,338
Inter-segment	-	-	1,549,259,425	1,573,738,283	3,234,781,734	2,160,174,552	774,169,346	557,805,249	6,278,656,921	4,361,529,122	-	-	3,315,638,635	2,952,066,312	(15,152,506,061)	(11,605,313,518)	-	-
	10,050,891,277	7,787,558,129	9,515,357,324	8,121,397,773	12,784,705,065	8,769,295,042	3,777,370,075	2,410,800,602	7,769,178,531	6,740,380,714	16,940,488,059	10,490,675,284	3,598,269,105	2,952,066,312	(15,152,506,061)	(11,605,313,518)	49,283,753,375	35,666,860,338
Cost of sales	(8,456,408,886)	(6,940,236,080)	(7,878,732,300)	(7,397,849,356)	(10,757,604,279)	(7,811,578,087)	(3,414,100,321)	(2,175,730,295)	(7,022,016,478)	(6,647,932,392)	(14,820,277,848)	(9,134,738,078)	(3,117,972,531)	(2,959,722,985)	15,152,506,061	11,605,313,518	(40,314,606,582)	(31,462,473,755)
Gross profit / (loss)	1,594,482,391	847,322,049	1,636,625,024	723,548,417	2,027,100,786	957,716,955	363,269,754	235,070,307	747,162,053	92,448,322	2,120,210,211	1,355,937,206	480,296,574	(7,656,673)	-	-	8,969,146,793	4,204,386,583
Distribution cos	(245,722,270)	(141,644,958)	(56,597,411)	(39,728,278)	(132,587,658)	(68,819,195)	(23,139,567)	(97,632,961)	(47,592,748)	(38,397,037)	(654,958,882)	(482,841,915)	-	-	-	-	(1,160,598,536)	(869,064,344)
Administrative expenses	(95,118,491)	(59,851,926)	(28,003,041)	(40,907,704)	(43,198,291)	(58,769,539)	(14,304,563)	(45,528,325)	(29,421,184)	(17,905,355)	(86,289,337)	(101,283,229)	(15,581,874)	-	-	-	(311,916,781)	(324,246,078)
	(340,840,761)	(201,496,884)	(84,600,452)	(80,635,982)	(175,785,949)	(127,588,734)	(37,444,130)	(143,161,286)	(77,013,932)	(56,302,392)	(741,248,219)	(584,125,144)	(15,581,874)	-	-	-	(1,472,515,317)	(1,193,310,422)
Profit / (loss) before taxation and unallocated income and expenses	1,253,641,630	645,825,165	1,552,024,572	642,912,435	1,851,314,837	830,128,221	325,825,624	91,909,021	670,148,121	36,145,930	1,378,961,992	771,812,062	464,714,700	(7,656,673)	-	-	7,496,631,476	3,011,076,161
Unallocated income and expenses																		
Other expenses																	(340,448,157)	(95,033,845)
Other income																	864,014,535	454,010,211
Finance cost																	(1,747,035,020)	(2,660,855,936)
Taxation																	(674,306,049)	(443,827,211)
Profit after taxation																	5,598,856,785	265,369,380

39.1 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		Unit - 2							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees															
Total assets for reportable segments	6,025,496,706	6,378,804,213	7,364,495,974	7,796,316,260	8,926,661,787	9,450,080,315	1,578,966,146	1,062,016,713	3,247,568,982	2,969,302,797	13,284,322,949	9,154,175,125	6,024,717,320	6,196,841,985	46,452,229,864	43,007,537,408
Unallocated assets:																
Long term investments															1,886,681,200	1,886,681,200
Other receivables															2,031,491,806	2,305,811,963
Short term investments															157,494,433	37,833,033
Cash and bank balances															272,634,954	47,467,302
Other corporate assets															969,509,805	465,272,671
Total assets as per statement of financial position															51,770,042,062	47,750,603,577
Total liabilities for reportable segments	398,760,746	426,721,747	487,374,245	521,548,802	590,756,661	632,180,366	151,764,603	123,918,525	312,144,765	346,465,003	1,676,565,626	1,591,054,821	354,999,506	742,110,837	3,972,366,152	4,384,000,101
Unallocated liabilities:																
Long term financing															8,710,971,819	6,489,201,995
Accrued mark-up															271,720,913	463,028,006
Short term borrowings															18,897,913,417	22,554,435,284
Other corporate liabilities															920,933,729	222,539,916
Total liabilities as per statement of financial position															32,773,906,031	34,113,205,302

39.2 Geographical information

The Company's revenue from external customers by geographical location is detailed below:

	2021 Rupees	2020 Rupees
Europe	6,809,796,417	3,287,396,899
United States of America, Canada and South America	5,665,069,540	5,162,803,366
Asia, Africa and Australia	13,831,613,178	10,373,641,417
Duty drawback and rebate	440,519,616	159,238,488
Pakistan	22,536,754,624	16,683,780,168
	49,283,753,375	35,666,860,338

39.3 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

39.4 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

39.5 Based on the judgment made by the management printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

		2021	2020
40.	**PLANT CAPACITY AND ACTUAL PRODUCTION**		
	Spinning		
	Number of spindles installed	223,668	222,708
	Number of spindles worked	211,567	196,222
	Capacity after conversion into 20/1 count (Kgs.)	80,813,152	73,548,828
	Actual production of yarn after conversion into 20/1 count (Kgs.)	79,449,352	72,461,901

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

	2021	2020
Weaving		
Number of looms installed	379	379
Number of looms worked	379	373
Capacity after conversion into 50 picks - square yards	345,597,351	244,492,844
Actual production after conversion into 50 picks - square yards	300,663,935	211,262,191

Under utilization of available capacity was due to the following reasons:
- change of articles required
- higher count and cover factor
- due to normal maintenance

	2021	2020
Power plant		
Number of engines installed	17	17
Number of engines worked	17	17
Generation capacity (KWh)	747,894,000	747,894,000
Actual generation (KWh)	323,400,200	224,500,149

Under utilization of available capacity was due to normal maintenance and demand.

	2021	2020
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	4	4
Capacity in meters	36,500,000	36,500,000
Actual processing of fabrics - meters	36,256,326	30,339,338

Under utilization of available capacity was due to normal maintenance and demand.

	2021	2020
Printing		
Number of printing machines	1	1
Capacity in meters	10,800,000	9,125,000
Actual processing of fabrics - meters	9,711,359	6,534,206

Under utilization of available capacity was due to normal maintenance and demand.

	2021	2020
Digital printing		
Number of printing machines	5	5
Capacity in meters	9,125,000	9,125,000
Actual processing of fabrics - meters	3,698,556	3,221,600

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro and Great British Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to bank balances, and the amounts receivable / payable from / to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2021	2020
Cash at banks - USD	61,228	52,174
Trade debts - USD	28,316,239	25,631,737
Trade debts - EURO	1,895,597	1,916,556
Trade debts - GBP	1,188,591	-
Trade and other payables - USD	(733,711)	(432,967)
Trade and other payables - EURO	(31,727)	(44,334)
Short term borrowings - USD	(9,766,626)	(153,802)
Accrued mark-up - USD	(29,556)	(13,172)
Net exposure - USD	17,847,574	25,083,970
Net exposure - EURO	1,863,870	1,872,222
Net exposure - GBP	1,188,591	-

The following significant exchange rates were applied during the year:

	2021	2020
Rupees per US Dollar		
Average rate	159.81	158.82
Reporting date rate	157.80	168.05
Rupees per EURO		
Average rate	191.29	175.53
Reporting date rate	188.12	188.61
Rupees per GBP		
Average rate	216.28	199.50
Reporting date rate	218.58	207.05

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and GBP with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 161.059 million (2020: Rupees 210.150 million) respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risks.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises mainly from long term financing, short term borrowings and investments at amortized cost. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of the Company’s interest bearing financial instruments was:

	2021 Rupees	2020 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	5,385,852,486	2,625,445,195
Short term borrowings	9,211,091,253	6,216,743,000
	14,596,943,739	8,842,188,195
Financial assets		
Long term loans to employees	23,335,096	8,717,838
Short term investments	156,160,226	36,160,226
	179,495,322	44,878,064
Net exposure	(14,417,448,417)	(8,797,310,131)
Floating rate instruments		
Financial assets		
Long term loans to employees	4,892,732	7,224,224
Bank balances - saving accounts	2,499,493	5,713,672
	7,392,225	12,937,896
Financial liabilities		
Long term financing	3,325,119,333	3,863,756,800
Short term borrowings	9,686,822,164	16,337,692,284
	13,011,941,497	20,201,449,084
Net exposure	(13,004,549,272)	(20,188,511,188)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 123.543 million (2020: Rupees 187.753 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021 Rupees	2020 Rupees
Long term security deposits	30,467,609	31,689,760
Trade debts	6,782,425,428	4,686,630,353
Loans and advances	37,792,813	25,273,904
Other receivables	127,011,051	230,717,414
Short term investments	157,494,433	37,833,033
Accrued interest	-	5,321,600
Bank balances	269,005,904	44,987,208
	7,404,197,238	5,062,453,272

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2021	2020
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	1,700,637	1,728,262
Allied Bank Limited	A1+	AAA	PACRA	-	179,974
Bank Alfalah Limited	A1+	AA+	PACRA	1,864,919	1,978,728
Bank Al-Habib Limited	A1+	AAA	PACRA	1,539,169	5,381,967
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	1,209,643	851,421
Faysal Bank Limited	A1+	AA	PACRA	18,279	45,037
Habib Bank Limited	A-1+	AAA	VIS	8,903,614	7,970,566
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	12,320,001
Industrial and Commercial Bank of China Limited	P-1	A1	Moody's	331,804	345,374
JS Bank Limited	A1+	AA-	PACRA	511,336	-
MCB Bank Limited	A1+	AAA	PACRA	47,806,453	10,059,501
Meezan Bank Limited	A-1+	AAA	VIS	200,741,507	968,495
National Bank of Pakistan	A1+	AAA	PACRA	402,530	52
Samba Bank Limited	A-1	AA	JCR-VIS	112,820	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	232,724	247,245
The Bank of Punjab	A1+	AA+	PACRA	892,221	1,477
United Bank Limited	A-1+	AAA	VIS	2,738,248	2,909,108
				269,005,904	44,987,208
Investments					
BankIslami Pakistan Limited	A1	A+	PACRA	21,351,808	22,054,670
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	15,971,666	15,778,363
The Bank of Punjab	A1+	AA+	PACRA	120,170,959	-
				426,500,337	82,820,241

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

Trade debts

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest and the Inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows:

At 30 June 2021

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees)		%	(Rupees)	
Not past due	0.00%	1,880,463,384	-	0.00%	4,665,831,836	-
Up to 30 days	0.32%	235,439,543	761,727	0.00%	-	-
31 to 60 days	0.41%	26,360	109	0.00%	-	-
61 to 90 days	15.22%	101,869	15,504	0.00%	-	-
91 to 180 days	37.50%	1,665,663	624,699	0.00%	-	-
181 to 360 days	45.33%	546,544	247,732	0.00%	-	-
Above 360 days	100.00%	128,595	128,595	100.00%	4,996,158	4,996,158
		2,118,371,958	1,778,366		4,670,827,994	4,996,158
Trade debts which are not subject to risk of default		-	-		-	
Total		2,118,371,958	1,778,366		4,670,827,994	4,996,158

At 30 June 2020

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees)		%	(Rupees)	
Not past due	0.00%	902,380,288	-	0.00%	3,388,516,302	-
Up to 30 days	0.00%	363,238,070	2	0.00%	-	-
31 to 60 days	0.00%	9,621,543	2	0.00%	-	-
61 to 90 days	0.00%	2,313,006	24	0.00%	-	-
91 to 180 days	0.05%	20,518,543	10,013	0.00%	-	-
181 to 360 days	2.28%	53,869	1,227	0.00%	-	-
Above 360 days	100.00%	-	-	100.00%	-	-
		1,298,125,319	11,268		3,388,516,302	-
Trade debts which are not subject to risk of default		-	-		-	
Total		1,298,125,319	11,268		3,388,516,302	-

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2021, the Company had Rupees 16,277 million (2020: Rupees 9,361 million) available borrowing limits from financial institutions and Rupees 272.635 million (2020: Rupees 47.467 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2021:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	8,710,971,819	9,909,177,133	1,349,118,967	1,201,219,646	2,279,668,685	5,079,169,835
Lease liabilities	120,881,507	140,205,607	28,070,945	28,174,408	38,665,927	45,294,327
Short term borrowings	18,897,913,417	15,689,846,237	15,329,003,402	360,842,835	-	-
Trade and other payables	3,062,990,110	3,062,990,110	3,062,990,110	-	-	-
Unclaimed dividend	49,918,087	49,918,087	49,918,087	-	-	-
Accrued mark-up / profit	271,720,913	271,720,913	271,720,913	-	-	-
Derivative financial liabilities	3,884,821	3,884,821	3,884,821	-	-	-
	31,118,280,674	29,127,742,908	20,094,707,245	1,590,236,889	2,318,334,612	5,124,464,162

Contractual maturities of financial liabilities as at 30 June 2020:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	6,489,201,995	7,561,071,312	320,124,274	595,811,495	2,297,218,485	4,347,917,058
Lease liabilities	100,145,527	122,243,042	19,329,064	19,729,639	34,413,124	48,771,215
Short term borrowings	22,554,435,284	26,046,325,847	15,937,261,829	10,109,064,018	-	-
Trade and other payables	3,676,635,970	3,676,635,970	3,676,635,970	-	-	-
Unclaimed dividend	50,714,364	50,714,364	50,714,364	-	-	-
Accrued mark-up / profit	463,028,006	463,028,006	463,028,006	-	-	-
Derivative financial liabilities	302,749,353	302,749,353	302,749,353	-	-	-
	33,636,910,499	38,222,767,894	20,769,842,860	10,724,605,152	2,331,631,609	4,396,688,273

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at reporting date. The rates of interest / mark up have been disclosed in note 5, note 6 and note 10 to these financial statements.

41.2 Financial instruments by categories

Assets as per statement of financial position

	2021		2020	
	At amortized cost	FVTPL	At amortized cost	FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term security deposits	30,467,609	-	31,689,760	-
Trade debts	6,782,425,428	-	4,686,630,353	-
Loans and advances	37,792,813	-	25,273,904	-
Other receivables	70,434,170	56,576,881	230,717,414	-
Short term investments	157,494,433	-	37,833,033	-
Accrued interest	-	-	5,321,600	-
Cash and bank balances	272,634,954	-	47,467,302	-
	7,351,249,407	56,576,881	5,064,933,366	-

Liabilities as per statement of financial position

	2021		2020	
	At amortized cost	FVTPL	At amortized cost	FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term financing	8,710,971,819	-	6,489,201,995	-
Lease liabilities	120,881,507	-	100,145,527	-
Trade and other payables	3,062,990,110	3,884,821	3,676,635,970	02,749,353
Accrued mark-up / profit	271,720,913	-	463,028,006	-
Short term borrowings	18,897,913,417	-	22,554,435,284	-
Unclaimed dividend	49,918,087	-	50,714,364	-
	31,114,395,853	3,884,821	33,334,161,146	302,749,353

41.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2021		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,467,609	-	30,467,609
Trade debts	6,782,425,428	-	6,782,425,428
Loans and advances	37,792,813	3,250,907,551	3,288,700,364
Other receivables	127,011,051	1,904,480,755	2,031,491,806
Short term investments	157,494,433	-	157,494,433
Cash and bank balances	272,634,954	-	272,634,954
	7,407,826,288	5,155,388,306	12,563,214,594

	2021		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	8,710,971,819	-	8,710,971,819
Lease liabilities	120,881,507	-	120,881,507
Trade and other payables	3,066,874,931	1,026,681,084	4,093,556,015
Accrued mark-up	271,720,913	-	271,720,913
Short term borrowings	18,897,913,417	-	18,897,913,417
Unclaimed dividend	49,918,087	-	49,918,087
	31,118,280,674	1,026,681,084	32,144,961,758

	2020		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	31,689,760	-	31,689,760
Trade debts	4,686,630,353	-	4,686,630,353
Loans and advances	25,273,904	1,093,300,007	1,118,573,911
Other receivables	230,717,414	2,075,094,549	2,305,811,963
Short term investments	37,833,033	-	37,833,033
Accrued interest	5,321,600	-	5,321,600
Cash and bank balances	47,467,302	-	47,467,302
	5,064,933,366	3,168,394,556	8,233,327,922

	2020		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	6,489,201,995	-	6,489,201,995
Lease liabilities	100,145,527	-	100,145,527
Trade and other payables	3,979,385,323	476,294,803	4,455,680,126
Accrued mark-up	463,028,006	-	463,028,006
Short term borrowings	22,554,435,284	-	22,554,435,284
Unclaimed dividend	50,714,364	-	50,714,364
	33,636,910,499	476,294,803	34,113,205,302

41.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

42. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in note 5 and note 8 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy was to maintain a gearing ratio of 65% debt and 35% equity (2020: 65% debt and 35% equity).

		2021	2020
Borrowings	Rupees	27,799,470,431	29,043,637,279
Total equity	Rupees	18,996,136,031	13,637,398,275
Total capital employed	Rupees	46,795,606,462	42,681,035,554
Gearing ratio	Percentage	59.41	68.05

The decrease in gearing ratio is due to profit for the year and decrease in borrowings of the Company.

43. 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 these financial statements. 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 June 2021	Level 1	Level 2	Level 3	Total
	-----------	Rupees	-----------	
Financial assets				
Derivative financial assets	-	56,576,881	-	56,576,881
Total financial assets	-	56,576,881	-	56,576,881

Recurring fair value measurements At 30 June 2021	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Financial liabilities				
Derivative financial liabilities	-	3,884,821	-	3,884,821
Total financial liabilities	-	3,884,821	-	3,884,821

Recurring fair value measurements At 30 June 2020	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Financial liabilities				
Derivative financial liabilities	-	302,749,353	-	302,749,353
Total financial liabilities	-	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 recognize 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 equity 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.

44. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2021	2020	2021	2020
	---------- Rupees ----------			
Total facilities	18,060,000,000	18,060,000,000	35,175,000,000	31,915,000,000
Utilized at the end of the year	6,268,537,030	782,085,000	18,897,913,417	22,554,435,284
Unutilized at the end of the year	11,791,462,970	17,277,915,000	16,277,086,583	9,360,564,716

45. EVENTS AFTER THE REPORTING PERIOD

45.1 The Board of Directors of the Company at their meeting held on September 28, 2021 has proposed cash dividend of Rupees 5 per ordinary share (2020: Rupee 1 per ordinary share) in respect of the year ended 30 June 2021. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

46. PROVIDENT FUND

As at the reporting date, Nishat (Chunian) Limited - Employees Provident Fund is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

47. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. During the year, the Government of the Punjab and Government of Sindh from time to time announced temporary smart lock downs as a measure to reduce the spread of the COVID -19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Management is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, supply chain, and workforce, which at this point is not considered to be significant. During the year, the Company has availed SBP's refinance scheme for payment of wages and salaries and Temporary Economic Refinance Facility (TERF) as explained in note 5 to these financial statements. Further, management believes that the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due. From the very outset of COVID-19, the management has adopted various policies and practices to minimize adverse impact of COVID-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from COVID-19.

48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 28, 2021 by the Board of Directors of the Company.

49. CORRESPONDING FIGURES

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

50. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOOLDING

AS AT JUNE 30, 2021

Number of Share Holders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
2,473	1	100	51,422	0.02
1,198	101	500	377,092	0.16
887	501	1000	733,739	0.31
1,345	1001	5000	3,773,033	1.57
400	5001	10000	3,139,794	1.31
127	10001	15000	1,619,967	0.67
71	15001	20000	1,284,404	0.53
69	20001	25000	1,629,005	0.68
40	25001	30000	1,134,130	0.47
18	30001	35000	594,314	0.25
31	35001	40000	1,188,549	0.49
13	40001	45000	558,755	0.23
29	45001	50000	1,424,510	0.59
11	50001	55000	581,718	0.24
13	55001	60000	768,600	0.32
4	60001	65000	247,381	0.10
12	65001	70000	819,806	0.34
12	70001	75000	872,430	0.36
2	75001	80000	152,382	0.06
2	80001	85000	165,500	0.07
5	85001	90000	441,242	0.18
6	90001	95000	554,047	0.23
17	95001	100000	1,695,723	0.71
6	100001	105000	620,520	0.26
3	105001	110000	321,500	0.13
2	110001	115000	229,000	0.10
5	120001	125000	623,000	0.26
3	125001	130000	387,000	0.16
3	130001	135000	399,376	0.17
3	135001	140000	413,398	0.17
6	145001	150000	900,000	0.37
2	160001	165000	322,500	0.13
1	165001	170000	168,002	0.07
4	170001	175000	697,000	0.29
5	180001	185000	912,928	0.38
3	195001	200000	600,000	0.25
1	200001	205000	201,194	0.08
1	205001	210000	207,000	0.09
1	210001	215000	210,500	0.09

Number of Share Holders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	215001	220000	220,000	0.09
1	225001	230000	226,000	0.09
1	230001	235000	233,500	0.10
2	245001	250000	497,200	0.21
1	250001	255000	251,000	0.10
2	260001	265000	526,770	0.22
1	265001	270000	270,000	0.11
1	270001	275000	275,000	0.11
1	275001	280000	276,500	0.12
2	280001	285000	565,000	0.24
2	290001	295000	590,000	0.25
1	295001	300000	300,000	0.12
1	310001	315000	310,500	0.13
1	320001	325000	325,000	0.14
1	335001	340000	338,000	0.14
1	345001	350000	350,000	0.15
1	365001	370000	365,550	0.15
1	370001	375000	373,500	0.16
1	385001	390000	387,000	0.16
1	390001	395000	394,000	0.16
4	395001	400000	1,598,000	0.67
1	405001	410000	408,500	0.17
1	440001	445000	442,500	0.18
1	490001	495000	493,500	0.21
3	495001	500000	1,495,500	0.62
1	600001	605000	605,000	0.25
1	620001	625000	625,000	0.26
1	625001	630000	629,406	0.26
1	630001	635000	634,000	0.26
1	635001	640000	639,000	0.27
1	640001	645000	640,603	0.27
1	645001	650000	650,000	0.27
1	655001	660000	659,000	0.27
1	660001	665000	660,500	0.28
1	690001	695000	690,716	0.29
1	725001	730000	728,000	0.30
1	795001	800000	800,000	0.33
1	910001	915000	915,000	0.38
1	955001	960000	958,000	0.40
1	985001	990000	985,450	0.41
1	995001	1000000	1,000,000	0.42
1	1035001	1040000	1,035,500	0.43
1	1065001	1070000	1,069,250	0.45

Number of Share Holders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	1135001	1140000	1,135,500	0.47
1	1220001	1225000	1,225,000	0.51
1	1250001	1255000	1,251,000	0.52
1	1310001	1315000	1,314,000	0.55
1	1535001	1540000	1,536,758	0.64
1	1625001	1630000	1,629,603	0.68
1	1695001	1700000	1,697,000	0.71
1	1750001	1755000	1,752,500	0.73
1	1920001	1925000	1,924,000	0.80
1	2215001	2220000	2,215,016	0.92
1	2320001	2325000	2,325,000	0.97
1	2455001	2460000	2,458,014	1.02
1	3165001	3170000	3,166,800	1.32
1	3225001	3230000	3,229,633	1.35
1	3420001	3425000	3,421,974	1.43
1	5030001	5035000	5,034,368	2.10
1	5135001	5140000	5,139,064	2.14
1	5640001	5645000	5,644,999	2.35
1	5805001	5810000	5,807,791	2.42
1	6125001	6130000	6,130,000	2.55
1	8000001	8005000	8,005,000	3.33
1	8180001	8185000	8,180,719	3.41
1	8340001	8345000	8,343,914	3.47
1	11820001	11825000	11,822,562	4.92
1	13540001	13545000	13,544,000	5.64
1	20865001	20870000	20,866,776	8.69
1	54860001	54865000	54,860,632	22.85
6,913	**<------Total------>**		**240,119,029**	**100.00**

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2021

NISHAT (CHUNIAN) LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30, 2021

	CATEGORIES OF SHAREHOLDER	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
A)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mr. Shahzad Saleem	1	54,860,632	22.85
	Mrs. Farhat Saleem	3	5,915,838	2.46
	Mr. Zain Shahzad	1	1,035,500	0.43
	Mr. Farrukh Ifzal	1	500	0.00
	Spouse:			
	Mrs. Ayesha Shahzad w/o Mr. Shahzad Saleem	2	238,448	0.10
	TOTAL: -	8	62,050,918	25.84
B)	Executives			
	N/A	-	-	0.00
C)	Associated Companies, Undertakings and related parties	4	39,963,940	16.64
D)	Public Sectors Companies & Corporations	-	-	
E)	NIT and IDBP (ICP UNIT)	3	5,602	0.00
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions	25	25,762,250	10.73
H)	Insurance Companies	5	3,284,714	1.37
I)	Modarabas & Mutual Funds	31	11,907,180	4.96
J)	*Shareholding 5% or more	3	102,296,970	42.60
K)	Joint Stock Companies	89	5,730,165	2.39
L)	Others	59	12,270,286	5.11
M)	General Public	6,689	79,143,974	32.96
	TOTAL: -	6,913	240,119,029	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 5% or more

Name of Shareholder	Shares held	%
MR. SHAHZAD SALEEM	54,860,632	22.85
NISHAT MILLS LIMITED	32,689,338	13.61
NATIONAL BANK OF PAKISTAN	14,747,000	6.14
TOTAL :-	**102,296,970**	**42.60**

NISHAT (CHUNIAN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 June 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited

Opinion

We have audited the annexed consolidated financial statements of Nishat (Chunian) Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	**Inventory existence and valuation** Inventory of the textile business of the Group represented a material position in the consolidated statement of financial position. Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size and the judgment involved in valuation. For further information on inventory, refer to the following: - Summary of significant accounting policies, Inventories note 2.15 to the consolidated financial statements. - Stores, spare parts and loose tools note 18 and stock-in-trade note 19 to the consolidated financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management; • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets; • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice; • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any; • In the context of our testing of the calculation, we analysed individual cost components and traced

Sr. No.	Key audit matters	How the matter was addressed in our audit
		them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; • We also made enquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
2.	**Revenue recognition** We identified recognition of revenue of textile business of the Group as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Summary of significant accounting policies, Revenue recognition note 2.21 to the consolidated financial statements. - Revenue note 26 to the consolidated financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; • We also considered the appropriateness of disclosures in the consolidated financial statements.
3.	**Capital expenditures** The textile business of the Group is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Group's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Group and there is significant management judgment required that has significant impact on the reporting of the financial position for the Group. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Summary of significant accounting policies, Fixed assets - property, plant, equipment and deprecation note 2.5 to the consolidated financial statements. - Fixed assets note 14 to the consolidated financial statements.	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature; • We evaluated the appropriateness of capitalization policies and depreciation rates; • We performed tests of details on costs capitalized; • We verified the accuracy of management's calculation used for the impairment testing.

Sr. No.	Key audit matters	How the matter was addressed in our audit
4.	**Master Agreement and PPA Amendment Agreement** On 11 February 2021, Nishat Chunian Power Limited – Subsidiary Company signed the Amendment to the Power Purchase Agreement (PPA) and Master Agreement (the Agreements) with Central Power Purchasing Agency (Guarantee) Limited (CPPA-G / Power Purchaser) whereby settlements relating to capacity revenue dispute and its receivable have been made. The settlement resulted in an impairment of Rupees 174.487 million. Further, pursuant to the PPA Amendment Agreement, the existing term of Power Purchase Agreement (PPA) oftwenty-five years has been extended by 75 days. Nishat Chunian Power Limited – Subsidiary Company in consideration also agreed to forgo certain amounts under the Final Award. Further, subject to the terms of the PPA Amendment Agreement, Nishat Chunian Power Limited – Subsidiary Company agreed to forgo its right to late payment interest on late payment interest invoices. Signing of the above-mentioned agreements is a significant event during the year and the evaluation of its impact involves significant management judgement, therefore, we considered this as a key audit matter. For further information on Master Agreement and PPA Amendment Agreement, refer to the following: - Significant events occurred during the year, note 1.1 to the consolidated financial statements. - Contingent liabilities, note 13.1.32 to the consolidated financial statements. - Trade debts, note 20.9 and note 20.10 to the consolidated financial statements.	Our procedures included, but were not limited to: • Assessed whether the revenue and related trade debts / receivables have been recognized in accordance with the applicable accounting policies; • Obtained and assessed details of the Agreements and discussed the same with the Subsidiary Company's management; • Inspected the minutes of the meetings of Board of Directors during the year ended 30 June 2021; • Assessed the adequacy of impairment in relation to the disputed capacity receivables; • Assessed adequacy of the accounting treatment and related disclosures made in the consolidated financial statements, with regards to applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Syed Mustafa Ali.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 28, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	4,200,000,000	4,200,000,000
Issued, subscribed and paid-up share capital	4	2,401,190,290	2,401,190,290
Reserves	5	25,950,193,923	19,297,416,671
Equity attributable to equity holders of the Holding Company		28,351,384,213	21,698,606,961
Non-controlling interest		10,513,606,578	9,284,188,987
Total equity		38,864,990,791	30,982,795,948
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	6,419,912,708	6,733,616,426
Lease liabilities	7	74,518,895	71,968,923
Deferred liabilities	8	191,593,367	637,000
		6,686,024,970	6,806,222,349
CURRENT LIABILITIES			
Trade and other payables	9	5,405,062,409	5,098,724,753
Accrued mark-up / profit	10	514,554,913	835,368,006
Short term borrowings	11	29,084,279,595	32,275,703,713
Unclaimed dividend		68,194,087	69,654,364
Current portion of non-current liabilities	12	2,826,678,629	1,073,095,173
		37,898,769,633	39,352,546,009
Total liabilities		44,584,794,603	46,158,768,358
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		83,449,785,394	77,141,564,306

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	27,148,148,365	27,231,469,046
Right-of-use assets	15	107,398,163	93,072,385
Intangible assets	16	882,170	4,327,318
Long term loans to employees	17	20,446,927	14,352,910
Long term security deposits		30,567,609	31,789,760
		27,307,443,234	27,375,011,419
CURRENT ASSETS			
Stores, spare parts and loose tools	18	2,350,924,103	2,275,604,978
Stock-in-trade	19	19,491,127,966	20,058,504,481
Trade debts	20	26,987,823,812	23,134,992,082
Loans and advances	21	3,329,960,437	1,219,024,001
Short term deposits and prepayments	22	57,652,439	57,125,380
Other receivables	23	2,881,653,805	2,928,701,963
Short term investments	24	469,425,433	37,833,033
Cash and bank balances	25	573,774,165	54,766,969
		56,142,342,160	49,766,552,887
TOTAL ASSETS		83,449,785,394	77,141,564,306

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
REVENUE	26	61,475,820,517	49,580,084,590
COST OF SALES	27	(48,538,492,906)	(38,483,777,544)
GROSS PROFIT		12,937,327,611	11,096,307,046
DISTRIBUTION COST	28	(1,317,274,173)	(1,046,144,279)
ADMINISTRATIVE EXPENSES	29	(483,447,150)	(516,530,406)
OTHER EXPENSES	30	(516,487,711)	(109,593,156)
		(2,317,209,034)	(1,672,267,841)
		10,620,118,577	9,424,039,205
OTHER INCOME	31	899,891,899	137,902,045
PROFIT FROM OPERATIONS		11,520,010,476	9,561,941,250
FINANCE COST	32	(2,758,781,509)	(4,991,661,943)
PROFIT BEFORE TAXATION		8,761,228,967	4,570,279,307
TAXATION	33	(674,617,934)	(444,320,532)
PROFIT AFTER TAXATION		8,086,611,033	4,125,958,775
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE HOLDING COMPANY		6,857,193,442	1,860,714,980
NON-CONTROLLING INTEREST		1,229,417,591	2,265,243,795
		8,086,611,033	4,125,958,775
EARNINGS PER SHARE - BASIC AND DILUTED	34	28.56	7.75

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
PROFIT AFTER TAXATION	8,086,611,033	4,125,958,775
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	35,702,839	(114,053)
Other comprehensive income / (loss) for the year	35,702,839	(114,053)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,122,313,872	4,125,844,722
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	6,892,896,281	1,860,600,927
NON-CONTROLLING INTEREST	1,229,417,591	2,265,243,795
	8,122,313,872	4,125,844,722

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	8,427,052,350	9,465,536,033
Net decrease / (increase) in long term security deposits		1,222,151	(5,564,570)
Finance cost paid		(3,015,911,621)	(5,086,427,666)
Income tax paid		(330,908,431)	(290,144,373)
Net (increase) / decrease in long term loans to employees		(11,475,766)	4,406,270
Net cash generated from operating activities		5,069,978,683	4,087,805,694
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,932,869,998)	(2,013,821,248)
Capital expenditure on intangible assets		(300,251)	-
Investments made		(427,260,000)	(5,000,000)
Proceeds from sale of operating fixed assets		74,010,714	331,475,447
Interest received		10,172,275	35,144,804
Net cash used in investing activities		(2,276,247,260)	(1,652,200,997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		4,360,573,735	1,132,865,000
Repayment of long term financing		(3,197,570,663)	(3,788,048,587)
Repayment of lease liabilities		(40,426,714)	(21,917,766)
Short term borrowings - net		(3,191,424,118)	832,404,026
Payment for ordinary shares bought back		-	(3,485,918)
Dividend paid		(241,579,306)	(714,143,970)
Net cash from financing activities		(2,310,427,066)	(2,562,327,215)
Net increase / (decrease) in cash and cash equivalents		483,304,357	(126,722,518)
Impact of exchange translation		35,702,839	(114,053)
Cash and cash equivalents at the beginning of the year		54,766,969	181,603,540
Cash and cash equivalents at the end of the year		573,774,165	54,766,969

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY								NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES			TOTAL RESERVES	SHAREHOLDERS' EQUITY		
		Exchange translation reserve	Share premium	Capital reserve	Un-appropriated profit	Total				
	----------	----------	----------	----------	----------	Rupees	----------	----------	----------	
Balance as at 01 July 2019	2,402,215,560	(14,141,413)	600,553,890	1,629,221,278	15,823,940,210	17,453,161,488	18,039,573,965	20,441,789,525	7,018,945,192	27,460,734,717
Transactions with owners:										
Buy-back of ordinary shares	(1,025,270)	-	-	-	(2,460,648)	(2,460,648)	(2,460,648)	(3,485,918)	-	(3,485,918)
Final dividend for the year ended 30 June 2019										
@ Rupees 2.50 per share	-	-	-	-	(600,297,573)	(600,297,573)	(600,297,573)	(600,297,573)	-	(600,297,573)
	(1,025,270)	-	-	-	(602,758,221)	(602,758,221)	(602,758,221)	(603,783,491)	-	(603,783,491)
Profit for the year	-	-	-	-	1,860,714,980	1,860,714,980	1,860,714,980	1,860,714,980	2,265,243,795	4,125,958,775
Other comprehensive loss for the year	-	(114,053)	-	-	-	-	(114,053)	(114,053)	-	(114,053)
Total comprehensive income for the year	-	(114,053)	-	-	1,860,714,980	1,860,714,980	1,860,600,927	1,860,600,927	2,265,243,795	4,125,844,722
Balance as at 30 June 2020	2,401,190,290	(14,255,466)	600,553,890	1,629,221,278	17,081,896,969	18,711,118,247	19,297,416,671	21,698,606,961	9,284,188,987	30,982,795,948
Transaction with owners:										
Final dividend for the year ended 30 June 2020										
@ Rupee 1.00 per share	-	-	-	-	(240,119,029)	(240,119,029)	(240,119,029)	(240,119,029)	-	(240,119,029)
Profit for the year	-	-	-	-	6,857,193,442	6,857,193,442	6,857,193,442	6,857,193,442	1,229,417,591	8,086,611,033
Other comprehensive income for the year	-	35,702,839	-	-	-	-	35,702,839	35,702,839	-	35,702,839
Total comprehensive income for the year	-	35,702,839	-	-	6,857,193,442	6,857,193,442	6,892,896,281	6,892,896,281	1,229,417,591	8,122,313,872
Balance as at 30 June 2021	2,401,190,290	21,447,373	600,553,890	1,629,221,278	23,698,971,382	25,328,192,660	25,950,193,923	28,351,384,213	10,513,606,578	38,864,990,791

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED JUNE 30, 2021

1. THE GROUP AND ITS OPERATIONS

1.1 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 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 Power Limited

Nishat Chunian Power Limited 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 Limited. The principal activity of Nishat Chunian Power Limited 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. The address of the registered office of Nishat Chunian Power Limited is 31-Q, Gulberg II, Lahore. On 13 November 2007, Nishat Chunian Power Limited entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from 21 July 2010. The PPA has been extended by a period of 75 days as per the terms of PPA Amendment Agreement dated 11 February 2021 as explained below. On 11 February 2021, Nishat Chunian Power Limited, NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as ‘Power Purchaser’) have entered into a 'Novation Agreement' to transfer the rights, obligations and liabilities of NTDC under the PPA (as amended by the 'PPA Amendment Agreement') in favour of CPPA-G.

Significant events occurred during the year - Master Agreement and PPA Amendment Agreement

Nishat Chunian Power Limited along with other Independent Power Producers has agreed to amend its existing contractual arrangements with CPPA-G for the sale of electricity. In this respect, Nishat Chunian Power Limited entered into a ‘Master Agreement’ and a ‘PPA Amendment Agreement’ (hereinafter referred to as the ‘Agreements’) on 11 February 2021. Under these Agreements, Nishat Chunian Power Limited and CPPA-G have primarily agreed on the following matters that are subject to fulfilment of certain terms and conditions mentioned in the Agreements: mechanism of settlement of long outstanding receivables as at 30 November 2020 amounting to Rupees 14,619.019 million in two instalments; discounts in tariff components; sharing of future savings in fuel and O&M; reduction in delayed payment rate; conversion of the PPA to 'Take and Pay Basis' subject to mutual agreement of the Parties when competitive trading arrangement is implemented and becomes fully operational; and amicable resolution of the disputes as detailed in note 13.1.32, note 20.9 to these consolidated financial statements. The accounting implications of the same have been detailed in note 20.9 and note 2.5 to these consolidated financial statements

The management has also assessed the accounting implications of the above mentioned developments in relation to the impairment of Cash Generating Unit ('CGU') comprising of tangible and intangible assets under IAS 36, 'Impairment of assets'. However, according to management's assessment, there is no impact on these consolidated financial statements.

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.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Business units and office	Address
	Manufacturing units:	
1	Spinning Units 1, 4, 5, 7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
2	Spinning 2, 3, 6, Weaving and 46 MW and 8 TPH process steam coal fired power generation project.	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.
3	Dyeing, Printing and Stitching.	4th Kilometre, Manga Road, Raiwind.
4	Power Plant	Jamber Kalan, Tehsil Pattoki, District Kasur.
5	**Office – Pakistan**	31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore, Pakistan.
6	**Office – USA**	230 Fifth Avenue, Suite 1406, New York, NY 10001.
7	**Retail stores**	
8	The Linen Company (TLC) – I	Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore.
9	The Linen Company (TLC) – II	Shop No. 008, 2nd Floor, Packages Mall, Lahore.
10	The Linen Company (TLC) – III	Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.
11	The Linen Company (TLC) – IV	Shop No. 45, 3rd Floor, Centaurus Mall, Islamabad.
12	The Linen Company (TLC) – V	Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi.
13	The Linen Company (TLC) – VI	Plot No. HC-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.
14	The Linen Company (TLC) – VII	Shop 8, 1st Floor, Boson Road, Multan.
15	The Linen Company (TLC) – VIII	Shop No. G-57, Ground Floor, Opposite Carrefour, Emporium Mall, Johar Town, Lahore.
16	The Linen Company (TLC) – IX	Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt.

1.3 Significant restrictions

Cash and bank balances held in foreign country are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from these countries, other than through normal dividends. The carrying amount of these assets included within the consolidated financial statements to which these restrictions apply is Rupees 3.306 million (2020: Rupees 4.954 million).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements 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 accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the Group reviews the values of assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Accumulating compensated absences

The provision for accumulating compensated absences is made by the Holding Company on the basis of accumulated leave balance on account of employees.

Income tax

In making the estimates for income tax currently payable, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the consolidated statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group

Following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018;
- IFRS 3 (Amendments) 'Business Combination';
- IFRS 16 (Amendments) 'Leases';
  Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are amendments to published standards that are mandatory for accounting period beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial

Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the consolidated financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiary companies.

Intra group balances and transactions have been eliminated.

Non-controlling interest is that part of net results of the operations and of net assets of the subsidiary companies attributable to interest which is not owned by the Holding Company. Non-controlling interest is presented as a separate item in the consolidated financial statements.

b) Translation of the financial statements of foreign subsidiary

The financial statements of foreign subsidiary of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated in functional currency of the Group. Statement of financial position items are translated at the exchange rate at the reporting date and statement of profit or loss items are converted at the average rate for the period. Any resulting translation differences are recognized under exchange translation reserve in consolidated reserves.

2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The profits and gains of Nishat Chunian Power Limited – Subsidiary Company from electric power generation are exempt from tax under clause (132), Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. The aforesaid Subsidiary Company is also exempt from minimum tax on turnover (sale of electricity) under clause 11A(v), Part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, full provision is made in the consolidated statement of profit or loss on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

Provision for income tax on the income of foreign subsidiary – Nishat Chunian USA Inc. is computed in accordance with the tax legislation in force in the country where the income is taxable.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Nishat Chunian Power Limited - Subsidiary Company has not made provision for deferred tax as the management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132), Part I of the Second Schedule to the Income Tax Ordinance, 2001.

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

The Holding Company and Nishat Chunian Power Limited – Subsidiary Company operate funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employees and the employers' to funds in accordance with the funds' rules. The employers' contributions to the funds are charged to income currently.

Accumulating compensated absences

The Holding Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.5 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment of the Holding Company, is charged to income on the reducing balance method, except in case of Nishat Chunian Power Limited - Subsidiary Company and Nishat Chunian USA Inc. – Subsidiary Company, where this accounting estimate is based on straight line method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 14.1. Depreciation on standby generators is charged on the basis of number of hours used. Depreciation on power generation equipment is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 14.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognized.

Change in accounting estimate

During the year ended 30 June 2021, the term of PPA was extended by a period of 75 days as an 'Other Force Majeure Event', thereby resulting in an increase in useful lives of buildings on freehold land and plant and machinery of Nishat Chunian Power Limited - Subsidiary Company for the same number of days. Such a change in useful lives has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The effect of this change in the accounting estimate on the profit before taxation for the year ended 30 June 2021, carrying amount of property, plant and equipment as at the reporting date and future profits before taxation is not material, hence, has not been detailed in these consolidated financial statements.

2.6 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.7 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is not amortised but is reviewed for impairment at least annually.

2.8 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.9 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

Nishat Chunian Power Limited - Subsidiary Company has a Power Purchase Agreement (PPA) with its sole customer, CPPA-G for twenty-five years which commenced from 21 July 2010. SECP through SRO 986(I)/2019 dated 02 September 2019, has granted exemption from the requirements of IFRS 16 to all companies to the extent of their power purchase agreements executed before 01 January 2019. Therefore, IFRS 16 will not have any impact on the consolidated financial statements to the extent of power purchase agreement of Nishat Chunian Power Limited - Subsidiary Company.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. Nishat Chunian Power Limited - Subsidiary Company’s power plant’s control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if Nishat Chunian Power Limited - Subsidiary Company was to follow IFRS 16 with respect to its power purchase agreement, the effect on these consolidated financial statements would be as follows:

	2021 Rupees	2020 Rupees
De-recognition of property, plant and equipment	(9,611,311)	(10,347,142)
Recognition of lease debtor	11,343,919	10,899,874
De-recognition of trade debts	(7,575,910)	(6,912,852)
Decrease in un-appropriated profit at the beginning of the year	(6,360,120)	(4,481,072)
Increase / (decrease) in profit for the year	516,798	(1,879,048)
Decrease in un-appropriated profit at the end of the year	(5,843,322)	(6,360,120)

2.10 Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.11 Financial liabilities – Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts other than those due from the Government of Pakistan and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.14 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.15 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spares parts, loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currencies (except the results of foreign operation which are translated to Pak Rupees at the average rate of exchange for the year) during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the consolidated statement of profit or loss.

2.17 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

2.18 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

However, in respect of companies holding financial assets due from the Government of Pakistan, SECP through SRO 985(I)/2019 dated 02 September 2019 has notified that the requirements contained in IFRS 9 with respect to application of expected credit losses method shall not be applicable till 30 June 2021 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

2.19 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.20 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.21 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Group provides processing services to local customers. These services are sold separately and the Group’s contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Group’s contracts with its customers.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sale of electricity

Revenue from the sale of electricity to CPPA-G, the sole customer of Nishat Chunian Power Limited – Subsidiary Company, is recorded on the following basis:

Capacity purchase price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and Energy purchase price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to NTDC.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

Delayed payment mark-up on amounts due under the PPA is accrued on time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA.

Invoices are generally raised on a monthly basis and are due after 30 days from acknowledgment by CPPA-G.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2.22 Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.23 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.29 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at book value which approximates their fair value. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.30 Derivative financial instruments

Derivative that do not qualify for hedge accounting are recognized in the consolidated statement of financial position at estimated fair value with corresponding effect to consolidated statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

2.31 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.32 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the consolidated statement of profit or loss.

2.33 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

2.34 Contingent liabilities

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the consolidated financial statements.

2.35 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has following reportable business segments. Spinning – Zone 1, 2 and 3 (Producing different quality of yarn using natural and artificial fibers), Weaving – Unit 1 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating, transmitting and distributing power).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.36 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in consolidated statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

2.37 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.38 Dividend to ordinary shareholders and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Group's consolidated financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.39 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

3. SHARE CAPITAL

3.1 AUTHORIZED SHARE CAPITAL

2021	2020		2021	2020
(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	Preference shares of Rupees 10 each	200,000,000	200,000,000
420,000,000	420,000,000		4,200,000,000	420,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	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
240,119,029	240,119,029		2,401,190,290	2,401,190,290

4.1 Movement during the 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 (Note 4.1.1)	-	(1,025,270)
240,119,029	240,119,029		2,401,190,290	2,401,190,290

4.1.1 During the year ended 30 June 2020, the Holding Company purchased and cancelled 102,527 ordinary shares. The buy-back and cancellation were approved by shareholders at their extra ordinary general held on 31 August 2019. The ordinary shares were acquired at a price of Rupees 34 per ordinary share.

4.2 Ordinary shares of the Holding Company held by companies that are related parties:

	2021	2020
	(Number of shares)	
Nishat Mills Limited	32,689,338	32,689,338
D.G. Khan Cement Company Limited	7,274,602	7,274,602
	39,963,940	39,963,940

	2021 Rupees	2020 Rupees
5. RESERVES		
Composition of reserves is as follows:		
Capital reserve		
Exchange translation reserve [Note 2.2(b)]	21,447,373	(14,255,466)
Share premium (Note 5.1)	600,553,890	600,553,890
	622,001,263	586,298,424
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	23,698,971,382	17,081,896,969
	25,328,192,660	18,711,118,247
	25,950,193,923	19,297,416,671

5.1 This reserve can be utilized only for the purposes specified in section 81 of the Companies Act, 2017.

	2021 Rupees	2020 Rupees
6. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 6.1)	6,717,095,097	7,016,341,883
Long term musharaka (Note 6.2)	2,043,285,722	761,111,112
	8,760,380,819	7,777,452,995
Less: Current portion shown under current liabilities (Note 12)		
Long term loans	(2,090,468,111)	(1,018,836,569)
Long term musharaka	(250,000,000)	(25,000,000)
	(2,340,468,111)	(1,043,836,569)
	6,419,912,708	6,733,616,426

6.1 Long term loans

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Nishat (Chunian) Limited - Holding Company (Note 6.3)						
MCB Bank Limited	140,000,000	140,000,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 25 July 2019 and ending on 13 February 2028. (Note 6.5)	-	Quarterly
MCB Bank Limited	60,375,000	65,406,250	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 22 June 2019 and ending on 22 June 2027. (Note 6.5)	-	Quarterly
MCB Bank Limited	259,600,000	259,600,000	SBP rate for LTFF+ 1.25%	Ten equal half yearly instalments commenced on 18 October 2017 and ending on 18 April 2023. (Note 6.5)	-	Quarterly
MCB Bank Limited	174,485,050	174,493,313	6-month KIBOR + 0.90%	Ten equal half yearly instalments commenced on 29 September 2017 and ending on 01 April 2023. (Note 6.5)	Half yearly	Half yearly
Allied Bank Limited	-	1,929,500	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 22 October 2016 and ended on 22 July 2020.	-	Quarterly
Allied Bank Limited	18,000,000	18,000,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 07 January 2017 and ending on 10 October 2021. (Note 6.5)	-	Quarterly
Allied Bank Limited	19,375,000	19,375,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 20 January 2017 and ending on 20 October 2021. (Note 6.5)	-	Quarterly
Allied Bank Limited	13,149,000	13,149,000	SBP rate for LTFF + 1.00%	Sixteen equal quarterly instalments commenced on 11 May 2017 and ending on 11 February 2022. (Note 6.5)	-	Quarterly
Allied Bank Limited	190,937,500	190,937,500	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 24 February 2019 and ending on 24 November 2027. (Note 6.5)	-	Quarterly
Allied Bank Limited	111,121,875	111,121,875	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 18 April 2019 and ending on 18 January 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	329,906,250	329,906,250	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	80,662,500	80,662,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 21 May 2017 and ending on 21 February 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	103,075,000	103,075,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 03 April 2028. (Note 6.5)	-	Quarterly
Allied Bank Limited	61,642,000	300,000,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	104,692,000	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	18,778,300	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	32,005,000	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	14,971,000	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	67,911,620	-	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Allied Bank Limited	166,666,670	166,666,670	SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ending on 26 August 2022. (Note 6.5)	-	Quarterly
Allied Bank Limited	1,000,000,000	-	3-month KIBOR + 0.18%	Sixteen equal quarterly instalments commencing on 30 September 2022 and ending on 30 June 2026.	Quarterly	Quarterly
Askari Bank Limited	17,500,000	35,000,000	3-month KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 08 December 2015 and ending on 08 September 2021. (Note 6.5)	Quarterly	Quarterly
Askari Bank Limited	107,900,000	112,050,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 6.5)	-	Quarterly
Askari Bank Limited	13,000,000	13,500,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 6.5)	-	Quarterly
Askari Bank Limited	97,500,000	101,250,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027. (Note 6.5)	-	Quarterly
Askari Bank Limited	90,180,000	93,520,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	4,340,000	4,495,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 September 2017 and ending on 13 June 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	40,600,000	40,600,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	14,000,000	14,500,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	82,460,000	85,405,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	4,027,800	4,171,650	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	14,717,500	14,717,500	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	165,200,000	171,100,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5)	-	Quarterly
Askari Bank Limited	319,935,000	365,640,000	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 12 May 2021 and ending on 12 February 2031. (Note 6.5)	-	Quarterly
Bank Alfalah Limited (Note 6.8)	81,771,338	-	SBP rate for TERF + 2.00%	One hundred and twenty eight unequal quarterly instalments commencing on 26 August 2023 and ending on 30 June 2031.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	10,495,00	13,994,000	SBP rate for LTFF + 0.75%	Eighteen equal quarterly instalments commenced on 22 November 2016 and ending on 22 February 2022. (Note 6.5)	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	271,704,850	-	SBP rate for LTFF + 0.75%	Twenty equal quarterly instalments commencing on 05 January 2023 and ending on 05 October 2027.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	14,417,950	-	SBP rate for LTFF + 0.75%	Thirty two equal quarterly instalments commencing on 05 January 2023 and ending on 04 October 2030.	-	Quarterly

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
The Bank of Punjab	200,000,000	200,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 30 September 2017 and ending on 30 March 2023. (Note 6.5)	Quarterly	Quarterly
Habib Bank Limited	1,000,000,000	1,000,000,000	3-month KIBOR + 0.50%	Ten equal half yearly instalments commenced on 27 March 2018 and ending on 23 September 2027. (Note 6.5)	Quarterly	Quarterly
Habib Bank Limited	433,134,283	577,512,375	6-month KIBOR + 0.90%	Nine equal half yearly instalments commenced on 02 November 2017 and ending on 02 November 2022. (Note 6.5)	Quarterly	Quarterly
Habib Bank Limited (Note 6.6)	270,495,486	250,000,000	SBP rate for refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 01 January 2021 and ending on 01 October 2022.	-	Quarterly
Soneri Bank Limited	252,703,125	262,062,500	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 08 June 2019 and ending on 08 March 2028. (Note 6.5)	-	Quarterly
Soneri Bank Limited	194,250,000	194,250,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 6.5)	-	Quarterly
Soneri Bank Limited	-	200,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 01 April 2021 and ending on 01 January 2025. However, it has been fully repaid during the year.	Quarterly	Quarterly
	6,667,686,097	5,728,090,883				
Nishat Chunian Power Limited - Subsidiary Company						
Senior facility (Note 6.10)	-	1,126,820,000	3-month KIBOR + 3.00%	Forty unequal quarterly instalments commenced on 01 October 2010 ended on 01 July 2021.	Quarterly	Quarterly
Term finance facility (Note 6.10)	-	145,874,000	3-month KIBOR + 3.00%	Forty unequal quarterly instalments commenced on 01 October 2010 ended on 01 July 2021.	Quarterly	Quarterly
Loan under SBP Refinance Scheme (Note 6.11)	49,409,000	15,557,000	SBP rate for refinance scheme for payment of salaries and wages + 1.50% & 3.00%	Eight equal quarterly instalments commencing on 31 January 2021 ending on 31 October 2022.	-	Quarterly
	49,409,000	1,288,251,000				
	6,717,095,097	7,016,341,883				

6.2 Long term musharaka

LENDER	2021	2020	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS INTEREST	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Nishat (Chunian) Limited - Holding Company (Note 6.4)						
Al Baraka Bank (Pakistan) Limited	-	236,111,112	6 months KIBOR + 0.85%	Ten equal half yearly instalments commenced on 31 August 2017 and ended on 29 June 2021.	Half yearly	Half yearly
Dubai Islamic Bank Pakistan Limited	225,000,000	225,000,000	6 months KIBOR + 0.85%	Ten equal half yearly instalments commenced on 14 April 2017 and ending on 13 October 2022. (Note 6.5)	Half yearly	Half yearly
Meezan Bank Limited	261,134,784	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 24 March 2023 and ending on 24 December 2030.	-	Quarterly
Meezan Bank Limited (Note 6.9)	359,758,240	-	SBP rate for ITERF + 2.75%	One hundred and twenty eight unequal quarterly instalments commencing on 30 March 2023 and ending on 28 May 2031.	-	Quarterly
Meezan Bank Limited	6,638,000	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	16,634,400	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	11,972,100	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	68,445,600	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	14,260,000	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	113,834,700	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	197,652,000	-	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 17 September 2023 and ending on 17 June 2031.	-	Quarterly
MCB Islamic Bank Limited (Note 6.9)	127,670,049	-	SBP rate for ITERF + 1.50%	Sixty four unequal quarterly instalments commencing on 06 August 2023 and ending on 25 May 2031.	-	Quarterly
Faysal Bank Limited (Note 6.7)	353,981,414	-	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited (Note 6.7)	11,304,435	-	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.25%	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 30 December 2022.	-	Quarterly
Faysal Bank Limited	275,000,000	300,000,000	3-month KIBOR + 0.70%	Twenty equal quarterly instalments commenced on 21 May 2018 and ending on 21 February 2024. (Note 6.5)	Quarterly	Quarterly
	2,043,285,722	761,111,112				

6.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 18,533.254 million (2020: Rupees 14,618.28 million).

6.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 3,820.596 million (2020: Rupees 3,250 million).

6.5 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

6.6 These loans are obtained by Holding Company under SBP refinance scheme for payment of salaries and wages. These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.92% to 8.03% per annum.

6.7 These loans are obtained by Holding Company under SBP Islamic refinance scheme for payment of salaries and wages. These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.45% to 8.30% per annum.

6.8 These loans are obtained by Holding Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.38% to 8.41% per annum.

6.9 These loans are obtained by Holding Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 8.47% per annum.

6.10 This represented long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited was on murabaha basis. The overall financing was secured against registered exclusive charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of Nishat Chunian Power Limited - Subsidiary Company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the holding company in Nishat Chunian Power Limited - Subsidiary Company. The mark-up rate charged during the year on the outstanding balance ranged from 10.25% to 10.26% (2020: 14.22% to 16.85%) per annum.

6.11 This term finance facility, aggregating to Rupees 68.866 million (2020: Rupees 17.225 million) is obtained by the Subsidiary Company from Bank Alfalah Limited under SBP refinance scheme for payment of wages and salaries to workers and employees of business concerns. This is secured against joint ownership of diminishing musharaka assets with maximum participation of bank of Rupees 81.264 million, first joint parri passu charge on all the present and future current assets of the Subsidiary Company, including fuel stocks, inventories and energy price payment receivables from CPPA-G and demand promissory notes by the Subsidiary Company. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates of 10.25% to 11.18% (2020: 11.15% and 11.18%) per annum.

	2021 Rupees	2020 Rupees
7. LEASE LIABILITIES		
Total lease liabilities	120,881,507	100,145,527
Less: Current portion shown under current liabilities (Note 12)	(46,362,612)	(28,176,604)
	74,518,895	71,968,923

		2021 Rupees	2020 Rupees
7.1	**Reconciliation of lease liabilities**		
	Opening balance	100,145,527	-
	Adjustment on adoption of IFRS 16 on 01 July 2019	-	51,494,737
	Add: Additions during the year	61,162,694	70,568,556
	Add: Interest accrued on lease liabilities (Note 32)	12,057,781	9,684,288
	Less: Payments during the year	(52,484,495)	(31,602,054)
	Closing balance	120,881,507	100,145,527
7.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	28,070,945	19,329,064
	6-12 months	28,174,408	19,729,639
	1-2 years	38,665,927	34,413,124
	More than 2 years	45,294,327	48,771,215
		140,205,607	122,243,042
	Less: Future finance cost	(19,324,100)	(22,097,515)
	Present value of lease liabilities	120,881,507	100,145,527
7.3	**Amounts recognised in the consolidated statement of profit or loss**		
	Expense relating to short term leases (included in distribution cost)	41,845,215	36,163,272
	Interest accrued during the year	12,057,781	9,684,288
		53,902,996	45,847,560

7.4 Implicit rate against lease liabilities ranges from 7.01% to 13.97% (2020: 11.10% to 13.97%) per annum.

		2021 Rupees	2020 Rupees
8.	**DEFERRED LIABILITIES**		
	Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	52,920,380	-
	Deferred income - Government grant (Note 8.2)	138,672,987	637,000
		191,593,367	637,000
8.1	**Gas Infrastructure Development Cess (GIDC) Payable**		
	Gas Infrastructure Development Cess payable at amortized cost	450,332,761	-
	Add: Adjustment due to impact of IFRS 9 (Note 32)	25,501,528	-
	Less: Payments made during the year	(37,475,211)	-
	Balance as on 30 June	438,359,078	-
	Less: Current portion shown under current liabilities (Note 12)	(385,438,698)	-
		52,920,380	-

8.1.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Holding Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable has been recognized at amortized cost in accordance with IFRS 9.

		2021 Rupees	2020 Rupees
8.2	**Deferred income - Government grant**		
	Opening balance	1,719,000	-
	Government grant recognized during the year	243,758,229	1,827,000
	Less: Amortized during the year (Note 31)	(52,395,034)	(108,000)
		193,082,195	1,719,000
	Less: Current portion shown under current liabilities (Note 12)	(54,409,208)	(1,082,000)
		138,672,987	637,000

8.2.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses and through Circular No. 06 of 2020 dated 10 April 2020 introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Group has obtained these loans as disclosed in note 6 to these consolidated financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

		2021 Rupees	2020 Rupees
9.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 9.1)	2,236,354,865	2,050,294,204
	Sindh infrastructure cess payable (Note 9.2)	447,386,865	245,976,032
	Accrued liabilities	1,407,551,111	1,720,202,124
	Contract liabilities - unsecured (Note 9.3)	209,468,561	162,833,389
	Securities from customers - interest free (Note 9.4)	-	10,300,000
	Securities from contractors - interest free and repayable on completion of contracts (Note 9.4)	4,386,800	4,141,800
	Retention money	2,556,142	5,387,891
	Employees' provident fund payable	-	2,019,000
	Income tax deducted at source	26,987,874	24,085,018
	Fair value of forward exchange contracts	-	302,749,353
	Derivative financial instruments (Note 9.5)	3,884,821	-
	Workers' profit participation fund (Note 9.6)	834,730,188	431,132,964
	Workers' welfare fund (Note 9.7)	177,362,596	106,588,400
	Others	54,392,586	33,014,578
		5,405,062,409	5,098,724,753

9.1 These include Rupees 14.360 million (2020: Rupees Nil) due to Nishat Mills Limited - related party.

9.2 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Group filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Group and directed that bank guarantees should be encashed. Being aggrieved by the order, the Group along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

9.3 These include Rupees 0.218 million (2020: Rupees Nil) due to Nishat Mills Limited - related party.

9.4 These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors.

9.5 This represents Pak Rupees denominated interest rate swap the Holding Company entered into with two commercial banks. Under the terms of the Pak Rupees denominated interest rate swap arrangement, the Holding Company pays fixed interest to the arranging banks on the notional Pak Rupees amount for the purposes of the Pak Rupees denominated interest rate swap and receives three months KIBOR floating rate interest from the arranging banks on the Rupee amount. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The Pak Rupees denominated interest rate swap outstanding as at 30 June 2021 has been marked to market and the resulting gain has been recognized in consolidated statement of profit or loss.

		2021 Rupees	2020 Rupees
9.6	**Workers' profit participation fund**		
	Balance as at 01 July	431,132,964	344,320,708
	Add: Interest for the year (Note 32)	1,109,143	5,396,815
	Add: Provision for the year	433,588,188	260,279,964
		865,830,295	609,997,487
	Less: Payments during the year	(31,100,107)	(178,864,523)
	Balance as at 30 June	834,730,188	431,132,964

9.6.1 The Group retains workers' profit participation funds for their business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds utilized by the Group till the date of allocation to workers.

		2021 Rupees	2020 Rupees
9.7	**Workers' welfare fund**		
	Balance as at 01 July	106,588,400	-
	Add: Provision for the year	70,774,196	106,588,400
	Balance as at 30 June	177,362,596	106,588,400

	2021 Rupees	2020 Rupees
10. ACCRUED MARK-UP / PROFIT		
Long term financing	86,334,999	163,234,919
Short term borrowings	428,219,914	672,133,087
	514,554,913	835,368,006

	2021 Rupees	2020 Rupees
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Nishat (Chunian) Limited - Holding Company		
Short term running finances (Notes 11.1 and 11.2)	687,759,100	7,362,297,776
Export finances - Preshipment / SBP refinance (Notes 11.1 and 11.3)	11,343,154,317	10,162,627,812
Other short term finances (Notes 11.1 and 11.4)	6,867,000,000	4,778,983,174
Murabaha finance (Notes 11.1 and 11.5)	-	250,526,522
Nishat Chunian Power Limited - Subsidiary Company		
Running finances (Note 11.6)	5,262,724,000	6,306,349,000
Term finance (Note 11.7)	650,000,000	500,000,000
Running musharika and murabaha facilities (Note 11.8)	4,110,023,000	2,898,662,000
Nishat Chunian USA Inc. - Subsidiary Company		
Revolving credit line (Note 11.9)	163,619,178	16,257,429
	29,084,279,595	32,275,703,713

11.1 These finances are obtained from banking companies under mark-up arrangements and are secured by hypothecation of all present and future current assets of the Holding Company and lien on export bills to the extent of Rupees 40,959 million (2020: Rupees 42,359 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 5,667.333 million (2020: Rupees 667.667 million). These form part of total credit facilities of Rupees 35,175 million (2020: Rupees 31,915 million).

11.2 The rates of mark-up range from 7.50% to 9.53% (2020: 8.83% to 15.06%) per annum on the balance outstanding.

11.3 The rates of mark-up on Pak Rupee finances and US Dollar finances range from 2.25% to 13.45% (2020: 2.25% to 14.65%) per annum and 0.75% to 2.00% (2020: 2.00% to 4.00%) per annum respectively on the balance outstanding.

11.4 The rates of mark-up range from 7.55% to 9.45% (2020: 7.89% to 14.57%) per annum on the balance outstanding.

11.5 The rates of profit ranged from 8.62% to 11.69% (2020: 8.62% to 14.59%) per annum on the balance outstanding.

11.6 These running finance facilities are obtained from commercial banks under mark-up arrangements amounting to Rupees 6,212.500 million (2020: Rupees 6,416.667 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.25% to 2% (2020: one month to six months KIBOR plus 0.05% to 2%) per annum, payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company including fuel stocks, inventories and energy price payment receivables from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranges from 7.51% to 9.59% (2020: 9.33% to 15.84%) per annum.

11.7 These facilities are obtained from a financial institutions under mark-up arrangement amounting to Rupees 900 million (2020: Rupees 500 million). These facilities are secured against first joint pari passu charge on current assets of Nishat Chunian Power Limited - Subsidiary Company including fuel stocks, inventories and energy price payment receivables from CPPA-G. These facilities are available at mark-up rates ranging from three months KIBOR plus 2% to 2.5% (2020: three month KIBOR plus 2%), payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 9.27% to 10.14% (2020: 13.19% to 15.35%) per annum.

11.8 These murabaha and musharaka facilities are obtained from Islamic banks aggregating to Rupees 6,900 million (2020: Rupees 6,400 million) at profit rates ranging from one month to six months KIBOR plus 0.50% to 2.5% (2020: one month to six months KIBOR plus 0.1% to 2.5%) per annum. Profit on murabaha is payable at the maturity of the respective murabaha transaction, whereas, the profit on musharaka is payable quarterly on the balance outstanding. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from CPPA-G. The profit rate charged during the year on the outstanding balance ranges from 7.69% to 9.85% (2020: 9.33% to 14.86%) per annum.

11.9 Nishat Chunian USA Inc. - Subsidiary Company has a revolving credit pursuant to which it may borrow up to US Dollars 2,500,000 (Rupees 394.500 million) subject to borrowing base availability, bearing interest at prime rate plus 0.25% (3.5% at 30 June 2021). The borrowings base equals to 75% of the aggregate amount of all qualified accounts receivable, as defined. This note is collateralized by as first security interest in substantially all assets of Nishat Chunian USA Inc. - Subsidiary Company and is guaranteed by the Holding Company.

	2021 Rupees	2020 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	2,340,468,111	1,043,836,569
Lease liabilities (Note 7)	46,362,612	28,176,604
Gas Infrastructure Development Cess (GIDC) Payable (Note 8.1)	385,438,698	-
Deferred income - Government grant (Note 8.2)	54,409,208	1,082,000
	2,826,678,629	1,073,095,173

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Holding Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Holding Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 121.958 million (2020: Rupees 74.284 million) is payable on this account but the management of the Holding Company is confident that payment of electricity duty will not be required.

13.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Holding Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Holding Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Holding Company. The Holding Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Holding Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Holding Company has filed appeal before the Honourable High Court of Sindh on 07 December 2013 against the order of ATIR. The appeal is pending decision.

13.1.3 The Holding Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Holding Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 creating a tax demand of Rupees 6.773 million. The Holding Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR wherein the appeal has been decided partially in favour of the Holding Company. Being aggrieved, the Holding Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.4 As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 14.596 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Holding Company's appeal before ATIR was successful. The Commissioner Inland Revenue has filed appeal before Honorable Lahore High Court, Lahore against the order of ATIR, where the case is pending. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.5 An appeal effect order was issued in response to the order passed by ATIR in proceedings initiated under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011, whereby, the income tax refunds originally accruing to the Holding Company were reduced to Rupees 39.305 million from Rupees 137.801 million. Additionally, the income tax refunds of Rupees 6.822 million adjusted against the income tax demand originally created by ACIR in the instant proceedings, were also restored. In response to the appeal effect order, an appeal has been filed before CIR(A) contesting the reduction of income tax refunds. The outcome of the said appeal is expected to be in favor of the Holding Company.

13.1.6 The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Holding Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. The appeal of the Holding Company before ATIR was successful and input tax claim of the Holding Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these consolidated financial statements.

13.1.7 The DCIR through an order under section 161/205 of the Income Tax Ordinance, 2001 created a demand of Rupees 147.745 million for tax year 2012 on account of alleged non-deduction of income tax on payments against the heads commission to selling agents on exports and export marketing expenses. Being aggrieved, the Holding Company filed an appeal before CIR(A), who vide order dated 09 June 2016 accepted the stance of the Holding Company and deleted the demand related to commission to selling agents on exports, whereas, with respect to export marketing expenses, CIR(A) remanded back the case to DCIR. However, the Holding Company has filed appeal before ATIR which is pending for fixation. Based on grounds and facts, the appeal is likely to be decided in favour of the Holding Company.

13.1.8 The Holding Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.9 The Holding Company filed appeal before CIR(A) against the order of ACIR. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010 whereby a demand of Rupees 142.956 million has been raised. CIR(A) vide order dated 28 October 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department have preferred appeals before the ATIR which are pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.10 The Deputy Commissioner Inland Revenue passed an order under sections 161/205 of the Income Tax Ordinance, 2001 creating a demand of Rupees 19.073 million for the tax year 2014. The Holding Company preferred an appeal against this order before CIR(A). The CIR(A) adjudicated that impugned order is unsustainable and remanded back the matter to taxation officer for consideration of legal grounds and merits of the case. The Holding Company has also filed an appeal before ATIR against the order of CIR(A). The proceedings before both forums are pending for adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is confident of favorable outcome of its appeals.

13.1.11 Through show cause notice, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Holding Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honorable Sindh High Court at Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honorable High Court, the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order filed in ATIR, Karachi has been dismissed. Custom reference application has been filed in Sindh High Court, Karachi against the order of ATIR. There is sufficient case law on the subject and there is every likelihood that case will be decided in favour of the Holding Company.

13.1.12 The Holding Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 616.240 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these consolidated financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.

13.1.13 Being aggrieved, the Holding Company is in appeal before ATIR against the order of CIR(A). The ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Holding Company. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.14 The DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Holding Company, the DCIR issued an audit report u/s 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4)/122(5)/214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772

million. Being aggrieved with the order passed by the DCIR, an appeal has been filed before CIR(A)-I. CIR(A)-I vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124/122(4)/122(5)/214C of the Income Tax Ordinance, 2001, was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings will be re-initiated by the concerned DCIR by issuing a fresh notice. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Holding Company.

13.1.15 The DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the Holding Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by the DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

13.1.16 The DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.

13.1.17 The Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court has dismissed the writ petition of the Holding Company, therefore intra court appeal has been filed. The Holding Company has claimed input sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

13.1.18 In case of NC Electric Company Limited [now Nishat (Chunian) Limited - the Holding Company] proceedings were initiated by the Deputy Commissioner Inland Revenue (DCIR) under section 235/161/205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by the Commissioner Inland Revenue, Appeals-II (CIR, A-II). Subsequently, a remand back notice under section 124/161/205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR. The DCIR in response to submissions, passed an order under section 124/235/161 dated 29 June 2019 creating a demand to the tune of Rupees 5.699 million. Being aggrieved with the order passed by the DCIR, an appeal has been filled before CIR, A-II. Furthermore, hearing of the same was duly conducted and CIR, A-II once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR, A-II, an appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Holding Company.

13.1.19 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014. In response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings culminated in the ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating an income tax demand to the tune of Rupees 189.375 million. In response to the order passed by the ACIR, an appeal has been filed before the CIR(A). The appeal so filed has been duly heard for, but the order is yet to be passed. It is likely that the said proceedings will culminate in the Holding Company's favour.

13.1.20 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit certain records and documents with respect to certain treatments meted out in the annual income tax return for the tax year 2015. In response thereof, various replies were submitted with the ACIR. The subject proceedings culminated in the learned ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating a tax demand to the tune of Rupees 417.208 million. In response to the order passed by the ACIR, an appeal has been filed before the CIR (A). Based on the facts of the case, it is likely that the said proceedings will culminate in the Holding Company's favour.

13.1.21 DCIR initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filed before the CIR(A), which has been duly heard of. However, the order is yet to be passed. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

13.1.22 Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under section 161/205 of the Income Tax Ordinance, 2001 dated 29 April 2021 raising a tax demand to the tune of Rupees 105.480 million. In response to the aforesaid order, appeal has been preferred before CIR(A-1), the outcome of which is expected to be in favour of the Holding Company.

13.1.23 Proceedings under section 161/205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2016, which eventually culminated in the DCIR's order under section 161/205 of the Income Tax Ordinance, 2001 dated 28 May 2021 raising a tax demand to the tune of Rupees 77.349 million. In response to the aforesaid order, appeal has been preferred before CIR(A-1), the outcome of which is expected to be in favour of the Holding Company.

13.1.24 Guarantees of Rupees 858.017 million (2020: Rupees 782.085 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, 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.

13.1.25 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 4,715.577 million (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. Further, post dated cheques of Rupees 139.031 million (2020: Rupees 226.434 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

13.1.26 Assistant Commissioner Inland Revenue ('ACIR') has raised a demand of Rupees 1,161.548 million through its order dated 28 November 2013 by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by Nishat Chunian Power Limited - Subsidiary Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. ‘energy purchase price’ admissible to Nishat Chunian Power Limited - Subsidiary Company.

Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 10 December 2013 before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] who vacated the ACIR’s order on the issue regarding apportionment of input sales tax. However, CIR(A) did not adjudicate upon Nishat Chunian Power Limited - Subsidiary Company’s other grounds of appeal. Consequently, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 17 March 2014 before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Federal Board of Revenue ('tax department') also preferred an appeal on 08 May 2014 before the ATIR against the CIR(A)’s order. The ATIR decided the case in favour of Nishat Chunian Power Limited - Subsidiary Company on 11 September 2018. However, the tax department has filed a sales tax reference with Honourable Lahore High Court against the decision which is pending adjudication.

Furthermore, the Deputy Commissioner Inland Revenue (‘DCIR’) issued a show cause notice on 12 November 2014 whereby intentions were shown to raise a sales tax demand of Rupees 1,093.262 million by disallowing input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company for the tax periods from July 2010 to June 2012 on similar grounds as explained above. Nishat Chunian Power Limited - Subsidiary Company agitated the initiation of such proceedings through institution of a writ petition before the Honourable Lahore High Court, Lahore on 23 July 2015. The Honourable Lahore High Court disposed off the petition in Company's favour through its order dated 31 October 2016, by stating that there is no supply being made against capacity purchase price, hence, there is no existence of an “exempt supply”. Accordingly, Nishat Chunian Power Limited - Subsidiary Company is free to reclaim or deduct input tax under the relevant provisions of Sales Tax Act, 1990. However, the tax department filed a review petition before the Honourable Lahore High Court on 09 January 2017 and an appeal before the Honourable Supreme Court of Pakistan on 24 November 2017 against the aforementioned Honourable Lahore High Court's order, both of which are pending adjudication.

For the period July 2013 to June 2014, Nishat Chunian Power Limited - Subsidiary Company’s case was selected for audit by the tax department, which selection was objected to, on jurisdictional basis, by Nishat Chunian Power Limited - Subsidiary Company by way of filing a writ petition before the Honourable Lahore High Court on 20 November 2015. While, the Honourable Lahore High Court has allowed the tax department to proceed with audit proceedings, it has been directed that no adjudication order, consequent to conduct of audit, shall be passed after confronting the audit report. The audit proceedings were completed by the tax department during the financial year 2016 and audit report thereof was submitted to Nishat Chunian Power Limited - Subsidiary Company seeking explanations in regard to the issues raised therein. In the subject audit report, an aggregate amount of Rupees 631.769 million primarily including a disallowance of input sales tax of Rupees 622.263 million has been confronted on same grounds as explained above. The Honourable Lahore High Court through its order dated 9 January 2017 has allowed initiation of adjudication proceedings after issuance of audit report. On 17 May 2017, the DCIR issued a showcause notice as to why sales tax of the aforesaid amount of Rupees 631.769 million alongwith default surcharge should not be recovered from Nishat Chunian Power Limited - Subsidiary Company. Nishat Chunian Power Limited - Subsidiary Company filed a representation in this regard with the Chairman, Federal Board of Revenue. The Chairman, Federal Board of Revenue disposed of the case on the grounds that it did not invoke any provision of section 7 of the FBR Act 2007 as no issue of misadministration is involved therein. Nishat Chunian Power Limited - Subsidiary Company then challenged the show cause notice before the Honourable Lahore High Court. The Honourable Lahore High Court declared on 9 November 2018 that the show cause notice was issued without having jurisdiction.

The tax department filed appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan has decided the appeal in favour of tax department. On 21 January 2021, Deputy Commissioner Inland Revenue ('DCIR') issued notice to Nishat Chunian Power Limited - Subsidiary Company requiring to submit reply of the show cause notice. Nishat Chunian Power Limited - Subsidiary Company duly submitted its reply to the show cause notice. On 03 June 2021 DCIR issued the order wherein aggregate demand of Rupees 1,326.682 million including penalty and default surcharge was raised. Nishat Chunian Power Limited - Subsidiary Company being aggreived with the order of DCIR, preferred an appeal before the Commissioner Inland Revenue (Appeals) CIR(A), that is pending adjudication. Nishat Chunian Power Limited - Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted subsequent to the reporting period. The management based on the advice of its legal council, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

13.1.27 During the year ended 30 June 2019, the Commissioner Inland Revenue ('CIR') has raised a demand of Rupees 104.977 million against Nishat Chunian Power Limited - Subsidiary Company through his order dated 16 April 2019, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the various tax periods and sales tax default on account of suppression of sales related to various tax periods. Nishat Chunian Power Limited - Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, Nishat Chunian Power Limited - Subsidiary Company has filed appeals before CIR(A) and ATIR against the order. The ATIR decided the case against Nishat Chunian Power Limited - Subsidiary Company vide its order dated 6 May 2020. Nishat Chunian Power Limited - Subsidiary Company has filed sales tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication. The Honourable Lahore High Court, Lahore on an application of Nishat Chunian Power Limited - Subsidiary Company provided interim relief by restricting tax department from taking any coercive action against Nishat Chunian Power Limited - Subsidiary Company subject to furnishing of the bank guarantee of disputed amount. Management based on the advice of its legal councel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

13.1.28 An amendment order dated 31 August 2017 was issued by the DCIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2014 whereby income tax of Rupees 191.536 million was levied on other income, interest on delayed payments from CPPA-G, minimum tax on capacity sales, scrap sales and sale proceeds of fixed assets' disposal, and WWF was also levied of Rupees 12.946 million. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 25 September 2017 before the CIR(A) and the learned CIR(A) passed an order on 2 February 2018, declaring that the levy of income tax on interest on delayed payments from CPPA-G and minimum tax on capacity sales is not justified, while directing Nishat Chunian Power Limited - Subsidiary Company to pay income tax aggregating to Rupees 1.466 million on profit on debt, miscellaneous income, capital gain on disposal of securities, minimum tax on scrap sales and fixed assets' disposal and WWF of Rupees 4.552 million. Nishat Chunian Power Limited - Subsidiary Company and tax department both have filed appeals on 8 March 2018 and 26 March 2018 respectively, before the ATIR against the order of CIR(A) that are pending adjudication. ATIR decided the case in favour of tax department and dismissed Nishat Chunian Power Limited - Subsidiary Company's appeal to grant relief. Further, all relieves granted by CIR(A) have been vacated and original order of DCIR has been upheld. Nishat Chunian Power Limited - Subsidiary Company, being aggrieved by the ATIR's decision, filed income tax reference before the Honourable Lahore High Court, Lahore. The Honourable Lahore High Court, Lahore vide its order dated 25 January 2021 provided interim relief to Nishat Chunian Power Limited - Subsidiary Company and suspended the order of ATIR subject to furnishing of the bank guarantee of disputed amount, and the case is pending adjudication. Management based on the advice of its legal councel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

Further, another amendment order dated 15 December 2014 was issued by Additional Commissioner Inland Revenue under section 122 of the Income Tax Ordinance, 2001 for tax year 2013 whereby income tax of Rupees 25.340 million was levied on interest income and minimum tax on capacity sales and disallowed the tax credit under section 65B of the Income Tax Ordinance, 2001 amounting to Rupees 4.027 million. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before CIR(A) on 23 January 2015 and the learned CIR(A) passed an order on 03 April 2015, declaring that income tax on interest income and minimum tax on capacity sales is not justified, while upheld to disallow the tax credit under section 65B of the Income Tax Ordinance, 2001. Nishat Chunian Power Limited - Subsidiary Company and tax department both have filed appeals before the ATIR against the order of CIR(A) which is pending adjudication.

Furthermore, another amendment order dated 13 June 2018 was issued by the ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2012 and subsequently, rectification order dated 27 June 2018 under section 221 of the Income Tax Ordinance, 2001 was issued whereby income tax of Rupees 50.063 million was levied mainly comprising minimum tax on capacity sales. Nishat Chunian Power Limited - Subsidiary Company filed an appeal on 26 July 2018 before the CIR(A) against the aforesaid orders. The CIR(A), through its order dated 12 September 2018, has decided the case in favour of Nishat Chunian Power Limited - Subsidiary Company. However, the tax department has filed an appeal before the ATIR against the order of the CIR(A) which is pending adjudication.

The management considers that there exist meritorious grounds to defend Nishat Chunian Power Limited - Subsidiary Company's stance and the ultimate decision from the appellate authorities would be in Nishat Chunian Power Limited - Subsidiary Company's favour. Consequently, no provision has been made in these consolidated financial statements for the abovementioned amounts aggregating Rupees 283.912 million.

13.1.29 For the period from July 2015 to June 2016, Nishat Chunian Power Limited - Subsidiary Company's case was selected for sales tax audit by the tax department. The tax department conducted the audit and the Deputy Commissioner Inland Revenue - Audit [DCIR (Audit)] issued the audit report on 18 September 2019 in which observations involving sales tax amounting to Rupees 530.207 million were raised and comments were sought thereon from the management of Nishat Chunian Power Limited - Subsidiary Company. The main observation was apportionment of sales tax which is already decided in favour of Nishat Chunian Power Limited - Subsidiary Company by the Honorable Lahore High Court, Lahore in the previous case. Nishat Chunian Power Limited - Subsidiary Company submitted detailed reply on all the observations. DCIR (Audit) has further issued a show cause notice to Nishat Chunian Power Limited - Subsidiary Company on 8 October 2019 with the same amount. Nishat Chunian Power Limited - Subsidiary Company submitted detailed reply of the show cause notice but DCIR (Audit) issued final order on 27 November 2019 involving sales tax amounting to Rupees 530.207 million. Nishat Chunian Power Limited - Subsidiary Company has filed an appeal before CIR(A) against the above mentioned order of the DCIR (Audit). The CIR(A) vide its order dated 4 March 2020 accepted the stance of Nishat Chunian Power Limited - Subsidiary Company on main observation of apportionment of sales tax and remanded back the case for rest of observations to DCIR (Audit) which is pending adjudication.

13.1.30 On 19 April 2021, DCIR issued show cause notice to Nishat Chunian Power Limited - Subsidiary Company calling upon Rupees 223.773 million on account of inadmissible input sales tax on capacity purchase price claimed by Nishat Chunian Power Limited - Subsidiary Company for the period from July 2017 to January 2021. Nishat Chunian Power Limited - Subsidiary Company challenged the jurisdiction of DCIR to issue show cause notice before the Honourable Lahore High Court. On 31 May 2021, the Honourable Lahore High Court, Lahore directed Nishat Chunian Power Limited - Subsidiary Company to file the reply of show cause notice issued by DCIR and ordered the DCIR to first determine the jurisdiction as raised by Nishat Chunian Power Limited - Subsidiary Company. Nishat Chunian Power Limited - Subsidiary company filed its reply to show cause notice to DCIR. Lahore, DCIR determined its jurisdiction to be lawful. Subsequent to the reporting period, the DCIR passed an order where by a demand of Rupees 223.773 million was raised against Nishat Chunian Power Limited - Subsidiary Company. Against the aforesaid order of DCIR, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before CIR(A) which is pending adjudication. The management based on the advice of its legal council, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

13.1.31 During the year ended 30 June 2019, National Electric Power Regulatory Authority (NEPRA) initiated suo moto proceedings against Nishat Chunian Power Limited - Subsidiary Company and other Independent Power Producers ('IPPs') on the profits earned by the companies since Commercial Operation Date (COD). Nishat Chunian Power Limited - Subsidiary Company filed suit in Islamabad High Court and was provided an interim relief whereby the Court suspended the suo moto proceedings and whereas the suit is still pending adjudication. Based on the facts and law, Nishat Chunian Power Limited - Subsidiary Company expects no outflow at this stage and consequently, no provision has been made in these consolidated financial statements.

13.1.32 In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the Independent Power Producers

('IPPs'), including Nishat Chunian Power Limited - Subsidiary Company, in the tariff components. On 11 February 2021, Nishat Chunian Power Limited - Subsidiary Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" as detailed in note 1.1 to these consolidated financial statements wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between Nishat Chunian Power Limited - Subsidiary Company and GoP. Management believes that there are strong grounds that the matter will ultimately be decided in Nishat Chunian Power Limited - Subsidiary Company's favour. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these consolidated financial statements.

13.1.33 Letter of guarantees of Rupees 328.227 million (2020: Rupees 19.152 million) are given by the banks of Nishat Chunian Power Limited - Subsidiary Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess, Fedral Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases.

13.2 Commitments:

13.2.1 Letters of credit for capital expenditure amounting to Rupees 4,480.769 million (2020: Rupees Nil million).

13.2.2 Letters of credit other than for capital expenditure amounting to Rupees 530.855 million (2020: Rupees 407.110 million).

13.2.3 Outstanding foreign currency forward contracts of Rupees 10,106.645 million (2020: Rupees 7,248.326 million).

	2021 Rupees	2020 Rupees
14. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 14.1)	26,365,098,320	26,942,858,300
Capital work-in-progress (Note 14.2)	783,050,045	288,610,746
	27,148,148,365	27,231,469,046

14.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and at the end of the year are as follows:

Description	Operating fixed assets									
	Freehold land	Buildings on freehold land	Plant and machinery	Standby generators	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total
	Rupees									
At 30 June 2019										
Cost	985,876,493	4,746,344,971	37,113,129,227	972,492,382	689,240,696	275,252,868	162,426,570	172,119,093	251,774,466	45,368,656,766
Accumulated depreciation	-	(1,558,724,389)	(15,242,993,117)	(661,907,623)	(342,384,104)	(162,008,053)	(75,714,490)	(110,572,415)	(138,825,132)	(18,293,129,323)
Net book value	985,876,493	3,187,620,582	21,870,136,110	310,584,759	346,856,592	113,244,815	86,712,080	61,546,678	112,949,334	27,075,527,443
Year ended 30 June 2020										
Opening net book value	985,876,493	3,187,620,582	21,870,136,110	310,584,759	346,856,592	113,244,815	86,712,080	61,546,678	112,949,334	27,075,527,443
Additions	215,991,523	138,294,759	1,586,141,298	626,351	29,921,788	2,469,707	7,172,835	12,310,616	58,498,868	2,051,427,745
Disposals:										
Cost	-	-	(679,148,717)	-	(400,000)	(2,637,000)	(3,749,529)	(8,926,908)	(17,972,355)	(712,834,509)
Accumulated depreciation	-	-	378,349,487	-	13,333	2,492,000	149,659	4,615,626	13,506,327	399,126,432
	-	-	(300,799,230)	-	(386,667)	(145,000)	(3,599,870)	(4,311,282)	(4,466,028)	(313,708,077)
Assets written off:										
Cost	-	-	(2,415,293)	-	(377,500)	(9,266,461)	(2,337,411)	(4,078,590)	43,069)	(18,518,324)
Accumulated depreciation	-	-	1,546,116	-	175,342	5,311,816	1,531,093	2,379,035	35,481	10,978,883
	-	-	(869,177)	-	(202,158)	(3,954,645)	(806,318)	(1,699,555)	(7,588)	(7,539,441)
Adjustments:										
Cost	-	(87,000)	-	-	-	-	-	-	-	(87,000)
Accumulated depreciation	-	8,000	-	-	-	-	-	449,000	-	457,000
	-	(79,000)	-	-	-	-	-	449,000	-	370,000
Depreciation charge	-	(152,854,754)	(1,605,572,532)	(6,047,499)	(36,803,590)	(12,440,350)	(11,216,153)	(6,624,925)	(31,659,567)	(1,863,219,370)
Closing net book value	1,201,868,016	3,172,981,587	21,549,036,469	305,163,611	339,385,965	99,174,527	78,262,574	61,670,532	135,315,019	26,942,858,300
At 30 June 2020										
Cost	1,201,868,016	4,884,552,730	38,017,706,515	973,118,733	718,384,984	265,819,114	163,512,465	171,424,211	292,257,910	46,688,644,678
Accumulated depreciation	-	(1,711,571,143)	(16,468,670,046)	(667,955,122)	(378,999,019)	(166,644,587)	(85,249,891)	(109,753,679)	(156,942,891)	(19,745,786,378)
Net book value	1,201,868,016	3,172,981,587	21,549,036,469	305,163,611	339,385,965	99,174,527	78,262,574	61,670,532	135,315,019	26,942,858,300
Year ended 30 June 2021										
Opening net book value	1,201,868,016	3,172,981,587	21,549,036,469	305,163,611	339,385,965	99,174,527	78,262,574	61,670,532	135,315,019	26,942,858,300
Additions	148,447,680	174,957,639	934,007,154	-	38,042,414	47,704,274	35,252,365	19,014,338	41,004,835	1,438,430,699
Disposals:										
Cost	-	-	(267,572,198)	-	-	(1,048,000)	(173,579)	(1,719,975)	(36,266,574)	(306,780,326)
Accumulated depreciation	-	-	227,787,294	-	-	967,000	75,074	573,698	25,068,980	254,472,046
	-	-	(39,784,904)	-	-	(81,000)	(98,505)	(1,146,277)	(11,197,594)	(52,308,280)
Depreciation charge	-	(163,462,128)	(1,701,060,380)	(1,319,619)	(35,468,998)	(13,667,603)	(12,905,391)	(6,874,719)	(29,123,561)	(1,963,882,399)
Closing net book value	1,350,315,696	3,184,477,098	20,742,198,339	303,843,992	341,959,381	133,130,198	100,511,043	72,663,874	135,998,699	26,365,098,320
At 30 June 2021										
Cost	1,350,315,696	5,059,510,369	38,684,141,471	973,118,733	756,427,398	312,475,388	198,591,251	188,718,574	296,996,171	47,820,295,051
Accumulated depreciation	-	(1,875,033,271)	(17,941,943,132)	(669,274,741)	(414,468,017)	(179,345,190)	(98,080,208)	(116,054,700)	(160,997,472)	(21,455,196,731)
Net book value	1,350,315,696	3,184,477,098	20,742,198,339	303,843,992	341,959,381	133,130,198	100,511,043	72,663,874	135,998,699	26,365,098,320
Annual rate of depreciation (%)		4 - 6	4 - 25 and number of hours used	Number of hours used	10	10	10	10 - 30	20	

14.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of / written off during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
			Rupees					
Plant and machinery								
Auto Cone Machines	3	29,330,231	(22,581,726)	6,748,505	2,880,000	(3,868,505)	Negotiation	HIK Textile (Pvt) Limited, Lahore
Savio Orion (64*6)	1	11,133,419	(8,544,282)	2,589,137	810,000	(1,779,137)	Negotiation	HIK Textile (Pvt) Limited, Lahore
Savio Automatic Cone Winder Polar	1	28,083,112	(15,461,242)	12,621,870	960,000	(11,661,870)	Negotiation	HIK Textile (Pvt) Limited, Lahore
Ring Frame: Jingwei, Fa506.	4	3,317,626	(1,620,311)	1,697,315	3,000,000	1,302,685	Negotiation	AN Textile Mills Limited, Faisalabad
Auto Cone Machines	2	19,553,487	(15,315,311)	4,238,176	4,200,000	(38,176)	Negotiation	Sana Industrial Limited, Karachi
Toyota Jat-710 280 Cm	2	6,453,600	(5,410,877)	1,042,723	3,500,000	2,457,277	Negotiation	Combined Industries, Lahore
Toyota Jat-710 340 Cm	7	22,587,600	(18,064,582)	4,523,018	12,250,000	7,726,982	Negotiation	Combined Industries, Lahore
Toyota Jat-710 340 Cm	1	3,226,800	(2,627,160)	599,640	1,750,000	1,150,360	Negotiation	Combined Industries, Lahore
Ring Frame: Jingwei, Fa506.	2	1,658,813	(817,225)	841,588	1,500,000	658,412	Negotiation	AN Textile Mills Limited, Faisalabad
Warper Beams 2400X1000Mm	7	4,274,199	(2,429,892)	1,844,307	490,000	(1,354,307)	Negotiation	Combined Industries, Lahore
Ring Frame: Jingwei, Fa506.	4	3,317,626	(1,662,730)	1,654,896	3,400,000	1,745,104	Negotiation	AN Textile Mills Limited, Faisalabad
Ring Frame: Jingwei, Fa506.	3	2,488,219	(1,257,652)	1,230,567	2,550,000	1,319,433	Negotiation	AN Textile Mills Limited, Faisalabad
Motor vehicles								
Toyota Altis LEA-13-6151	1	2,014,360	(1,401,541)	612,819	1,512,786	899,967	Negotiation	Shafqat Riaz, Lahore
Honda City LE 16-A-6036	1	1,562,695	(838,479)	724,216	1,667,000	942,784	Negotiation	Khurram Ayub, Lahore
Shehzore 2600cc LES-18-8102	1	2,023,330	(666,350)	1,356,980	1,630,000	273,020	Negotiation	Rehan Sabri, Lahore
Honda City LEE 16-1908	1	1,560,187	(895,146)	665,041	1,560,187	895,146	Company Policy	Noreen, Holding Company's employee, Lahore
Honda Civic LEA-10-8903	1	1,070,000	(387,445)	682,555	1,070,000	387,445	Company Policy	M. Nouman, Holding Company's employee, Lahore
Toyota Altis LEA-14-3577	1	2,094,610	(1,454,117)	640,493	1,975,000	1,334,507	Negotiation	Shafqat Riaz, Lahore
Honda Civic LE-15-7545	1	2,190,820	(1,497,796)	693,024	2,180,000	1,486,976	Negotiation	M. Ansar, Lahore
Suzuki SWIFT LEF-16-6194	1	1,381,948	(810,957)	570,991	708,328	137,337	Company Policy	Hafiz Jamshaid, Holding Company's employee, Lahore
Honda Civic LEB-17-3026	1	2,083,451	(1,434,819)	648,632	2,837,000	2,188,368	Negotiation	M. Asif Rana, Lahore
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		155,374,193	(149,292,406)	6,081,787	21,580,413	15,498,626		
		306,780,326	(254,472,046)	52,308,280	74,010,714	21,702,434		

	2021 Rupees	2020 Rupees

14.1.2 The depreciation charge for the year has been allocated as follows:

	2021 Rupees	2020 Rupees
Cost of sales (Note 27)	1,946,021,414	1,847,125,657
Administrative expenses (Note 29)	17,860,985	15,641,713
	1,963,882,399	1,862,767,370

14.1.3 Particulars of immovable fixed assets are as follows:

Manufacturing units and office	Address	Area of land Acres
Nishat (Chunian) Limited - Holding Company		
Manufacturing units:		
Spinning Units 1,4,5,7 and 8	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	61.45
Coal fired electric power generation project	49th Kilometer, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	33.89
Spinning Units 2,3,6 and Weaving	49th Kilometer, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	117.62
Dyeing, Printing and Stitching	4th Kilometer, Manga Road, Raiwind.	34.78
Office	31-Q, 31-C-Q, 35-K and 10-N, Gulberg-II, Lahore.	2.02
Nishat Chunian Power Limited - Subsidiary Company		
Power plant	Jamber Kalan, Tehsil Pattoki, District Kasur.	24.59

14.2 Capital work-in-progress

	2021 Rupees	2020 Rupees
Civil works on freehold land	39,387,755	93,594,675
Plant and machinery	131,802,001	9,049,001
Electric installations	753,855	753,855
Mobilization advances	87,643,981	8,058,617
Advances for capital expenditures	523,462,453	177,154,598
	783,050,045	288,610,746

14.3 Movement in capital work in progress

	Civil works on freehold land	Plant and machinery	Electric installations	Mobilization advances	Advances for capital expenditures
	Rupees				
As at 30 June 2019	1,387,630	3,157,000	-	9,779,869	281,131,433
Add: Additions during the year	133,045,972	148,023,501	753,855	-	112,004,188
Less: Adjusted during the year	-	-	-	(1,721,252)	-
Less: Transferred to operating fixed assets during the year	(40,838,927)	(142,131,500)	-	-	(215,981,023)
As at 30 June 2020	93,594,675	9,049,001	753,855	8,058,617	177,154,598
Add: Additions during the year	31,646,438	405,946,752	-	125,078,192	1,101,712,027
Add / (less): Adjusted during the year	89,104,281	511,883,444	-	(45,492,828)	(755,404,172)
Less: Transferred to operating fixed assets during the year	(174,957,639)	(795,077,196)	-	-	-
As at 30 June 2021	39,387,755	131,802,001	753,855	87,643,981	523,462,453

15. RIGHT-OF-USE ASSETS

	2021 Rupees	2020 Rupees
Balance at 01 July	93,072,385	-
Recognition on initial application of IFRS 16	-	51,494,737
Add: Additions during the year	61,162,694	70,568,556
Less: Depreciation for the year (Note 28)	(46,836,916)	(28,990,908)
Balance at 30 June	107,398,163	93,072,385

15.1 Lease of buildings

The Holding 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.

15.2 There is no impairment of right-of-use assets.

16. INTANGIBLE ASSETS

	2021 Rupees	2020 Rupees
Balance as at 01 July	4,327,318	9,199,454
Addition during the year	300,251	-
Amortization during the year (Note 16.1)	(3,745,399)	(4,872,136)
As at 30 June	882,170	4,327,318
Cost as at 30 June	46,120,063	45,819,813
Accumulated amortization	(45,237,893)	(41,492,495)
Net book value as at 30 June	882,170	4,327,318

		2021 Rupees	2020 Rupees
16.1	The amortization charge for the year has been allocated as follows:		
	Cost of sales (Note 27)	3,613,000	3,613,000
	Administrative expenses (Note 29)	132,399	1,259,136
		3,745,399	4,872,136

16.2 Intangible assets have been amortized at the rates ranging from 20% to 30% per annum.

16.3 These include intangible assets of Rupees 25.892 million (2020: Rupees 22.392 million) which are fully amortized.

		2021 Rupees	2020 Rupees
17.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Executives (Notes 17.1 and 17.2)	17,913,659	13,437,980
	Other employees (Note 17.2)	12,681,169	5,681,082
		30,594,828	19,119,062
	Less: Current portion shown under current assets (Note 21)		
	Executives	(5,954,385)	(3,908,541)
	Other employees	(4,193,516)	(857,611)
		(10,147,901)	(4,766,152)
		20,446,927	14,352,910

17.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 22.026 million (2020: Rupees 16.156 million).

17.2 These represent motor vehicle loans and house building loans to executives and employees, payable in 36 to 48, 96 and 120 monthly instalments respectively. Interest on long term loans ranged from 4.25% to 10.02% (2020: 5.30% to 14.63%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of motor vehicles in the name of the respective Group Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.

17.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

		2021 Rupees	2020 Rupees
18.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	1,826,172,251	1,774,319,181
	Spare parts	479,479,803	463,317,837
	Loose tools	45,272,049	37,967,960
		2,350,924,103	2,275,604,978

18.1 Most of the items of stores and spares of Nishat Chunian Power Limited - Subsidiary Company are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2021 Rupees	2020 Rupees
19. STOCK-IN-TRADE		
Raw materials	13,413,319,834	14,065,560,681
Work-in-process (Note 19.2)	2,081,215,813	1,131,081,567
Finished goods (Note 19.3)	3,919,731,082	4,686,520,337
Waste	76,861,237	175,341,896
	19,491,127,966	20,058,504,481

19.1 Stock-in-trade of Rupees 152.551 million (2020: Rupees 282.578 million) is being carried at net realizable value.

19.2 This includes stock of Rupees 170.819 million (2020: Rupees 8.519 million) sent to outside parties for processing.

19.3 Finished goods include stock in transit of Rupees 971.128 million (2020: Rupees 1,260.884 million).

	2021 Rupees	2020 Rupees
20. TRADE DEBTS		
Considered good:		
Secured (Notes 20.8 and 20.9)		
- Others	25,111,578,370	21,126,306,349
Unsecured		
- Nishat Mills Limited - related party	159,222,732	215,718,793
- Others	1,723,797,234	1,792,978,208
	26,994,598,336	23,135,003,350
Less: Allowance for expected credit losses (Note 20.6)	(6,774,524)	(11,268)
	26,987,823,812	23,134,992,082
20.1 Foreign jurisdictions of trade debts		
Europe	1,457,944,821	914,665,868
Asia, Africa and Australia	2,239,801,443	1,130,783,114
United States of America and Canada	736,536,114	785,278,049
	4,434,282,378	2,830,727,031

	2021 Rupees	2020 Rupees
20.2 Types of counterparties		
Export		
Corporate	3,625,296,799	2,316,238,929
Other	808,985,579	514,488,102
	4,434,282,378	2,830,727,031
Local		
Corporate	22,464,016,618	20,264,966,658
Other	96,299,340	39,309,661
	22,560,315,958	20,304,276,319
	26,994,598,336	23,135,003,350

20.3 The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

	2021 Rupees	2020 Rupees
Nishat Mills Limited - related party	217,719,719	215,718,793

20.4 As at 30 June 2021, trade debts of Rupees 15,772.812 million (2020: Rupees 15,569.356 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2021 Rupees	2020 Rupees
Upto 1 month	757,199,543	842,831,070
1 to 6 months	3,311,523,892	4,313,190,092
More than 6 months	11,704,088,297	10,413,334,869
	15,772,811,732	15,569,356,031

20.5 As at 30 June 2021, trade debts due from related party amounting to Rupees 95.212 million (2020: Rupees 139.991 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2021 Rupees	2020 Rupees
Upto 1 month	95,212,392	131,425,840
1 to 6 months	-	8,565,288
More than 6 months	-	-
	95,212,392	139,991,128

	2021 Rupees	2020 Rupees
20.6 Allowance for expected credit losses		
Opening balance	11,268	5,049,905
Add: Recognized during the year (Note 30)	6,763,256	-
Less: Reversal during the year (Note 30)	-	(5,038,637)
Closing balance	6,774,524	11,268

20.7 Trade debt of Rupees 174.487 million (2020: Rupees 11.900 million) was impaired and written off during the year. The aging of the trade debt was more than one year. The trade debt does not include amount due from related parties.

20.8 These includes trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 11.53% to 18.41% (2020: 10.64% to 18.42%) per annum. Trade debts include unbilled receivables of Rupees 1,621.128 million (2020: Rupees 1,261.689 million).

20.9 Prior to the signing of the 'Master Agreement' and 'PPA Amendment Agreement' as referred to in note 1.1 to these consolidated financial statements, an amount of Rupees 966.166 million was included in trade debts relating to capacity revenue not acknowledged by Power Purchaser as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to nonpayment by Power Purchaser.

Since management considered that the primary reason for claiming these payments was that plant was available, however, it could not generate electricity due to non-payment by Power Purchaser, therefore, management believed that Nishat Chunian Power Limited - Subsidiary Company cannot be penalized in the form of payment deductions due to Power Purchaser's default of making timely payments under the PPA. Hence, Nishat Chunian Power Limited - Subsidiary Company took up this issue in consultation with Power Purchaser and appointed an Expert for dispute resolution under the PPA.

During the financial year 2016, the Expert gave his determination whereby the aforesaid amount was determined to be payable to Nishat Chunian Power Limited - Subsidiary Company by Power Purchaser. Pursuant to the Expert’s determination, Nishat Chunian Power Limited - Subsidiary Company demanded the payment of the aforesaid amount of Rupees 966.166 million from Power Purchaser. Nishat Chunian Power Limited - Subsidiary Company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed.

On 29 October 2017, the Arbitrator declared his Final Award whereby he ordered Power Purchaser to pay to Nishat Chunian Power Limited - Subsidiary Company: i) Rupees 966.166 million pursuant to Expert’s determination; ii) Rupees 224.229 million being Pre award interest; iii) Rupees 9.203 million for breach of arbitration agreement; iv) Rupees 1.684 million and USD 612,311 for Nishat Chunian Power Limited - Subsidiary Company’s cost of proceedings; v) GBP 30,157 for Nishat Chunian Power Limited - Subsidiary Company’s LCIA cost of Arbitration and vi) Interest at KIBOR + 4.5% compounded semi-annually from the date of Final Award until payment of these amounts by Power Purchaser (“the Final Award”) that works out to Rupees 599.591 million up to 30 June 2021. Thereafter, on 29 November 2017, Nishat Chunian Power Limited - Subsidiary Company filed an application before Lahore High Court for implementation / enforcement of Final Award that is pending adjudication. On prudence basis, the amounts other than the principal of Rupees 966.166 million were not recognised in these consolidated financial statements.

On 11 February 2021, as part of the PPA Amendment Agreement as referred to in note 1.1 to these consolidated financial statements, the Power Purchaser and Nishat Chunian Power Limited - Subsidiary Company acknowledged that the dispute relating to withheld capacity payment of Rupees 966.166 million which was awarded by LCIA, has now been settled through the extended disputed period of 75 days which shall be treated as an "Other Force Majeure Event" under the PPA commencing on 20 July 2021 and will end on 04 October 2021. Consequently, the term of PPA has been extended by 75 days, till 04 October 2035. Further, Power Purchaser agreed to make certain payments to Nishat Chunian Power Limited - Subsidiary Company, subject to certain terms, as compensation of the withheld capacity payments. In return, Nishat Chunian Power Limited - Subsidiary Company agreed to forgo certain amounts declared under the Final Award as enumerated above. Further, subject to fulfillment of certain conditions, Nishat Chunian Power Limited - Subsidiary Company and Power Purchaser agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honorable Lahore High Court.

Pursuant to the provisions of PPA Amendment Agreement as mentioned above, out of the recongized receivable of Rupees 966.166 million, Nishat Chunian Power Limited - Subsidiary Company has assessed that amounts aggregating Rupees 174.487 million are no longer recoverable and therefore, such amounts have been written off during the year in other expenses as referred to in note 30. On account of the remaining receivable, amounts aggregating Rupees 182.054 million have been duly verified by the Power Purchaser.

20.10 On 29 July 2017, Nishat Chunian Power Limited - Subsidiary Company instituted arbitration proceedings against CPPA-G / Government of Pakistan by filing a Request for Arbitration ('RFA') with the London Court of International Arbitration ('LCIA') (the 'Arbitration Proceedings') for disallowing delayed payment charges on outstanding delayed payment invoices. On 25 July 2019, Final Partial Award was issued in favour of Nishat Chunian Power Limited - Subsidiary Company. On 12 September 2019, the Memorandum of Corrections to the Final Partial Award has been issued which corrected the Final Partial Award to the amount of Rupees 1,518.767 million. On 28 October 2019, the Arbitrator declared his Final Award whereby he ordered CPPA-G to pay to Nishat Chunian Power Limited - Subsidiary Company in addition to the amount determined in Final Partial Award: i) Rupees 332.402 million being interest on Final Partial Award; ii) Rupees 27.302 million as the costs awarded in the Award; iii) Rupees 7.675 million as the amount of the costs awarded in respect of Interim Award and iv) Interest at KIBOR plus 4.5% per annum compounded semi-annually from the date of Final Award until payment of these amounts by CPPA-G that worked out to Rupees 1,029.200 million upto 30 June 2021.

However, under the Master Agreement, the CPPA-G has agreed to ensure that all present and future invoices shall follow the PPA's mandated FIFO payment principle. As long as this principle is followed by the CPPA-G in relation to past and future payments, Nishat Chunian Power Limited - Subsidiary Company in consideration thereof has agreed to forgo and waive all of its claims of delayed payment charges on delayed payment invoices and it shall withdraw all such invoices. However, this will have no impact on the existing revenue and receivables of Nishat Chunian Power Limited - Subsidiary Company, as Nishat Chunian Power Limited - Subsidiary Company has not recognized the income and corresponding receivable for the said amounts on prudence basis.

21. LOANS AND ADVANCES

	2021 Rupees	2020 Rupees
Considered good:		
Employees - interest free:		
- Executives	2,017,663	5,179,356
- Other employees	7,547,322	4,152,486
	9,564,985	9,331,842
Current portion of long term loans to employees (Note 17)	10,147,901	4,766,152
Advances to suppliers (Note 21.1)	3,173,084,719	1,168,540,355
Advances to contractors	1,156,837	1,500,723
Letters of credit	136,005,995	34,884,929
	3,329,960,437	1,219,024,001

21.1 It includes advances amounting to Rupees 3.075 million (2020: Rupees 4.057 million) to D.G. Khan Cement Company Limited - related party. These are neither past due nor impaired.

21.1.1 The maximum aggregate amount of advances to related parties at the end of any month during the year was as follows:

	2021 Rupees	2020 Rupees
D.G. Khan Cement Company Limited	3,074,592	5,148,795

		2021 Rupees	2020 Rupees
22.	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Margin against bank guarantees	11,032,000	10,165,497
	Prepayments	46,620,439	46,959,883
		57,652,439	57,125,380
23.	**OTHER RECEIVABLES**		
	Considered good:		
	Sales tax recoverable	1,221,139,149	1,460,014,615
	Advance income tax - net (Note 23.1)	331,760,017	675,469,520
	Export rebate and claims	45,157,621	29,116,697
	Duty drawback receivable	376,202,146	28,111,091
	Fair value of forward exchange contracts	56,576,881	-
	Receivable from employees' provident fund trust	101,101,822	11,438,626
	Recoverable from CPPA-G as pass through item:		
	Workers' profit participation fund (Note 23.2)	526,607,000	401,142,000
	Workers' welfare fund (Note 23.3)	142,301,000	92,115,000
	Private Power and Infrastructure Board's fee	9,409,335	-
	Insurance claim receivable	8,037,430	63,315,421
	Miscellaneous	63,361,404	167,978,993
		2,881,653,805	2,928,701,963
23.1	**Advance income tax - net**		
	Advance income tax	1,006,066,066	1,119,296,731
	Less: Provision for taxation	(674,306,049)	(443,827,211)
		331,760,017	675,469,520
23.2	**Workers' profit participation fund**		
	Balance as at the beginning of the reporting period	401,142,000	386,307,000
	Add: Provision for the year	125,465,000	230,289,000
	Less: Amount received during the year	-	(215,454,000)
	Balance as at 30 June	526,607,000	401,142,000
23.3	**Workers' welfare fund**		
	Balance as at the beginning of the reporting period	92,115,000	-
	Add: Provision for the year	50,186,000	92,115,000
	Balance as at 30 June	142,301,000	92,115,000
24.	**SHORT TERM INVESTMENTS**		
	At amortized cost		
	Term deposit receipts (Note 24.1)	463,420,226	36,160,226
	Add: Accrued interest	6,005,207	1,672,807
		469,425,433	37,833,033

24.1 These represent deposits under lien with the banks of the Group against bank guarantees of the same amount issued by the banks to Sui Northern Gas Pipelines Limited against gas connections Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess, Federal Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases. Interest on term deposit receipts ranges from 4.78% to 13.00% (2020: 3.62% to 13.00%) per annum. The maturity period of these term deposit receipts is 6 and 12 months.

		2021 Rupees	2020 Rupees
25.	**CASH AND BANK BALANCES**		
	Cash with banks:		
	On saving accounts (Note 25.1)		
	Including US$ 15,230 (2020: US$ 31,803)	300,165,493	6,964,672
	On current accounts		
	Including US$ 45,998 (2020: US$ 20,371)	269,979,622	45,322,203
		570,145,115	52,286,875
	Cash in hand	3,629,050	2,480,094
		573,774,165	54,766,969

25.1 Rate of profit on saving accounts ranges from 2.75% to 8.84% (2020: 0.08% to 13.00%) per annum.

		2021 Rupees	2020 Rupees
26.	**REVENUE**		
	Revenue from contracts with customers:		
	- Export sales	24,791,960,310	17,779,000,433
	- Local sales (Note 26.1 and 26.1.1)	36,040,752,957	31,215,223,076
	- Processing income	202,587,634	426,622,593
		61,035,300,901	49,420,846,102
	Export rebate	66,351,147	35,031,425
	Duty drawback	374,168,469	124,207,063
		61,475,820,517	49,580,084,590
26.1	**Local sales**		
	Sales	41,427,709,332	35,474,839,703
	Less: Sales tax	(5,146,801,696)	(4,032,419,718)
	Less: Advance income tax u/s 235 of the Income Tax Ordinance, 2001	-	(4,695,926)
	Less: Discount	(240,154,679)	(222,500,983)
		36,040,752,957	31,215,223,076

26.1.1 Local sales includes waste sales of Rupees 1,399.001 million (2020: Rupees 1,072.831 million).

26.2 The amount of Rupees 140.649 million included in contract liabilities (Note 9) at 30 June 2020 has been recognised as revenue in 2021 (2020: Rupees 112.500 million).

26.3 Disaggregation of revenue from contracts with customers

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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees									
Region										
Europe	128,982,007	111,473,028	415,157,533	753,725,910	6,265,657,424	2,422,197,961	-	-	6,809,796,964	3,287,396,899
United States of America and Canada	9,929,376	9,084,513	275,776,932	446,681,282	3,864,844,408	3,662,196,321	-	-	4,150,550,716	4,117,962,116
Asia, Africa, Australia	10,217,427,696	7,263,895,698	668,580,177	1,081,742,195	2,945,604,757	2,028,003,525	-	-	13,831,612,630	10,373,641,418
Pakistan	17,209,572,848	13,544,762,184	3,132,571,642	1,946,800,986	3,772,631,999	2,609,855,713	11,925,976,469	13,113,804,193	36,040,752,957	31,215,223,076
Processing income	1,000,580	673,230	1,231,451	2,285,039	200,355,603	423,664,324	-	-	202,587,634	426,622,593
Export rebate	-	-	404,605	611,533	65,946,542	34,419,892	-	-	66,351,147	35,031,425
Duty drawback	-	14,449,454	-	-	374,168,469	109,757,609	-	-	374,168,469	124,207,063
	27,566,912,507	20,944,338,107	4,493,722,340	4,231,846,945	17,489,209,201	11,290,095,345	11,925,976,469	13,113,804,193	61,475,820,517	49,580,084,590
Timing of revenue recognition										
Products and services transferred at a point in time	27,566,912,507	20,944,338,107	4,493,722,340	4,231,846,945	17,489,209,201	11,290,095,345	11,925,976,469	13,113,804,193	61,475,820,517	49,580,084,590
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
	27,566,912,507	20,944,338,107	4,493,722,340	4,231,846,945	17,489,209,201	11,290,095,345	11,925,976,469	13,113,804,193	61,475,820,517	49,580,084,590
Major products / service lines										
Yarn	26,321,048,054	20,130,536,629	56,378,166	132,220,149	1,129,292,907	917,438,237	-	-	27,506,719,127	21,180,195,015
Comber Noil	1,245,864,453	813,801,478	-	-	-	-	-	-	1,245,864,453	813,801,478
Grey Cloth	-	-	4,437,344,174	4,099,626,796	-	-	-	-	4,437,344,174	4,099,626,796
Process Cloth	-	-	-	-	2,664,975,748	2,037,188,922	-	-	2,664,975,748	2,037,188,922
Made Ups	-	-	-	-	13,486,295,248	8,132,904,499	-	-	13,486,295,248	8,132,904,499
Bed Sheets	-	-	-	-	208,645,298	202,563,687	-	-	208,645,298	202,563,687
Electricity	-	-	-	-	-	-	11,925,976,469	13,113,804,193	11,925,976,469	13,113,804,193
	27,566,912,507	20,944,338,107	4,493,722,340	4,231,846,945	17,489,209,201	11,290,095,345	11,925,976,469	13,113,804,193	61,475,820,517	49,580,084,590

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

	2021 Rupees	2020 Rupees
27. COST OF SALES		
Raw materials consumed	36,650,242,048	30,393,780,147
Packing materials consumed	1,488,636,510	950,858,921
Stores, spare parts and loose tools consumed	862,348,430	744,916,605
Processing charges	183,820,280	96,302,191
Salaries, wages and other benefits (Note 27.1)	3,066,508,242	2,866,835,784
Fuel and power	3,387,268,587	1,861,219,913
Fee and subscription	3,971,000	4,914,272
Insurance	335,217,281	334,301,144
Postage and telephone	4,292,986	4,601,499
Travelling and conveyance	24,179,257	23,410,867
Vehicles' running and maintenance	31,549,842	32,281,550
Entertainment	13,528,831	9,875,657
Electricity consumed in-house	19,577,000	35,656,447
Amortization on intangible assets (Note 16.1)	3,613,000	3,613,000
Depreciation on operating fixed assets (Note 14.1.2)	1,946,021,414	1,847,125,657
Repair and maintenance	472,220,898	492,937,777
Other factory overheads	130,361,632	97,511,021
	48,623,357,238	39,800,142,452
Work-in-process		
Add: Opening stock	1,131,081,567	1,039,191,965
Less: Closing stock	(2,081,215,813)	(1,131,081,567)
	(950,134,246)	(91,889,602)
Cost of goods manufactured	47,673,222,992	39,708,252,850
Add: Finished goods and waste - opening stocks		
Finished goods	4,686,520,337	3,577,038,911
Waste	175,341,896	60,348,016
	4,861,862,233	3,637,386,92
	52,535,085,225	43,345,639,777
Less: Finished goods and waste - closing stocks		
Finished goods	(3,919,731,082)	(4,686,520,337)
Waste	(76,861,237)	(175,341,896)
	(3,996,592,319)	(4,861,862,233)
	48,538,492,906	38,483,777,544

27.1 Salaries, wages and other benefits include Rupees 28.016 million (2020: Rupees 21.739 million) and Rupees 80.528 million (2020: Rupees 68.979 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

	2021 Rupees	2020 Rupees
28. DISTRIBUTION COST		
Salaries and other benefits (Note 28.1)	146,527,941	123,369,753
Ocean freight	246,204,997	124,155,266
Freight and octroi	256,606,913	235,267,224
Forwarding and other expenses	118,683,032	83,090,456
Local marketing expenses	7,860,993	7,237,545
Export marketing expenses	145,232,053	176,858,965
Commission to selling agents	275,398,591	206,275,820
Rent, rates and taxes	52,584,292	42,010,243
Printing and stationery	234,930	118,737
Travelling and conveyance	1,654,928	1,244,443
Postage and telephone	7,697,497	2,174,087
Legal and professional	2,738,945	4,099,495
Repair and maintenance	1,766,550	3,996,772
Electricity and sui gas	3,214,758	2,407,799
Entertainment	1,077,372	196,041
Depreciation on right-of-use assets (Note 15)	46,836,916	28,990,908
Miscellaneous	2,953,465	4,650,725
	1,317,274,173	1,046,144,279

28.1 Salaries and other benefits include Rupees 2.554 million (2020: Rupees 3.080 million) and Rupees 6.242 million (2020: Rupees 5.043 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

	2021 Rupees	2020 Rupees
29. ADMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 29.1)	284,537,925	280,772,722
Printing and stationery	4,901,540	5,857,798
Vehicles' running and maintenance	3,249,909	5,764,307
Travelling and conveyance	11,704,912	56,386,818
Postage and telephone	5,234,735	5,991,028
Fee and subscription	9,185,875	9,657,605
Legal and professional (Note 29.2)	83,319,809	55,522,661
Electricity and sui gas	3,333,634	5,625,508
Insurance	7,428,080	7,162,886
Repair and maintenance	19,856,422	13,390,272
Entertainment	8,174,902	13,741,380
Advertisement	161,000	121,000
Depreciation on operating fixed assets (Note 14.1.2)	17,860,985	15,641,713
Amortization on intangible assets (Note 16.1)	132,399	1,259,136
Miscellaneous	24,365,023	39,635,572
	483,447,150	516,530,406

29.1 Salaries and other benefits include Rupees 0.388 million (2020: Rupees 1.327 million) and Rupees 6.141 million (2020: Rupees 6.834 million) in respect of accumulating compensated absences and provident fund contribution by the Group respectively.

29.2 Legal and professional charges include the following in respect of auditor's remuneration:

	2021 Rupees	2020 Rupees
Audit fee	4,170,048	4,114,500
Special audit fee	-	1,057,164
Half yearly review	1,672,850	1,518,500
Certification fees	380,317	280,000
Reimbursable expenses	277,124	449,009
	6,500,339	7,419,173

30. OTHER EXPENSES

	2021 Rupees	2020 Rupees
Workers' profit participation fund	308,123,188	29,990,964
Workers' welfare fund	20,588,196	14,473,400
Donations (Note 30.1)	4,973,517	4,140,356
Impact of derecognition of financial instrument carried at amortized cost	-	1,704,840
Trade debt written off (Note 20.9)	174,487,000	11,900,456
Exchange loss	-	51,803,777
Allowance / (reversal of allowance) for expected credit losses (Note 20.6)	6,763,256	(5,038,637)
Miscellaneous	1,552,554	618,000
	516,487,711	109,593,156

30.1 These include donations amounting to Rupees 4.354 million (2020: Rupees 4.140 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Aftab Ahmad Khan, Director and Mrs. Farhat Saleem, Director are trustees.

31. OTHER INCOME

	2021 Rupees	2020 Rupees
Income from financial assets		
Return on bank deposits	14,504,675	38,440,087
Net exchange gain	619,619,238	-
Income from non-financial assets		
Gain on sale of operating fixed assets (Note 14.1.1)	21,702,434	10,227,929
Insurance claim	-	421,000
Sale of scrap	138,175,616	79,452,447
Amotization of deferred income - Government grant (Note 8.2)	52,395,034	108,000
Gain on initial recognition of GIDC payable at amortized cost	38,282,637	-
Credit balances written back	-	21,574
Miscellaneous	15,212,265	9,231,008
	899,891,899	137,902,045

		2021 Rupees	2020 Rupees
32.	**FINANCE COST**		
	Mark-up on :		
	- long term loans	471,500,555	870,416,936
	- long term musharaka	24,050,548	45,031,565
	- short term running finances	1,261,224,717	2,571,486,150
	- export finances - Preshipment / SBP refinances	386,284,259	648,753,390
	- short term finances	436,048,496	738,612,397
	Interest expense on lease liabilities (Note 7.1)	12,057,781	9,684,288
	Adjustment due to impact of IFRS9 on GIDC (Note 8.1)	25,501,528	-
	Interest on employees' provident fund	-	4,493,73
	Interest on workers' profit participation fund (Note 9.6)	1,109,143	5,396,815
	Bank charges and commission	141,004,482	97,786,668
		2,758,781,509	4,991,661,943
33.	**TAXATION**		
	Current (Note 33.1)	674,617,934	444,320,532

33.1 Provision for current taxation represents tax on local sales except electricity sales, final tax on export sales and tax on income from other sources at applicable rates. Provision for current taxation relating to Nishat Chunian USA Inc. is as per applicable laws of USA. Reconciliation of tax expense and product of accounting profit multiplied by applicable tax rate has not been presented, being impracticable.

		2021 Rupees	2020 Rupees
33.2	**Deferred income tax asset**		
	The asset for deferred income tax originated due to timing differences relating to:		
	Taxable temporary differences		
	Accelerated tax depreciation	(883,593,304)	(827,728,143)
	Amortization on intangible asset	(37,465)	(14,817)
	Right-of-use assets	(31,145,467)	(26,990,992)
		(914,776,236)	(854,733,952)
	Deductible temporary differences		
	Available tax losses	648,065,077	1,027,199,613
	Lease liabilities	35,055,637	29,042,203
	Allowance for expected credit losses	515,726	-
	Alternative corporate tax carry forward	65,179,342	-
	Minimum tax carry forward	679,302,990	668,866,531
		1,428,118,772	1,725,108,347
	Deferred income tax asset	513,342,536	870,374,395
	Deferred income tax asset not recognized in these financial statements	(513,342,536)	(870,374,395)
	Deferred income tax asset recognized in these financial statements	-	-

33.2.1 Deferred income tax asset of Rupees 513.343 million (2020: Rupees 870.374 million) has not been recognized in these consolidated financial statements as the Holding Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

33.2.2 The gross movement in net deferred income tax asset recognised in these consolidated financial statements during the year is as follows:

	2021 Rupees	2020 Rupees
Opening balance	-	-
(Charged) / credited to other comprehensive income	-	-
(Credited) / charged to consolidated statement of profit or loss	-	-
Closing balance	-	-

	Accounting year to which the tax loss relates	Amount of minimum tax	Accounting year in which tax loss will expire
Tax losses related to un-absorbed tax depreciation		Rupees	
	2020	311,584,958	Unlimited
	2019	133,222,280	Unlimited
	2018	16,074,382	Unlimited
	2017	597,663,697	Unlimited
	2016	294,979,321	Unlimited
	2015	430,183,179	Unlimited
	2014	450,999,343	Unlimited
		2,234,707,160	

Accounting year to which minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	Rupees	
2021	41,321,199	2026
2020	251,194,081	2025
2019	243,135,016	2024
2018	140,580,039	2023
2017	3,072,655	2022
	679,302,990	

Accounting year to which alternative corporate tax relates	Amount of alternative corporate tax	Accounting year in which alternative corporate tax will expire
	Rupees	
2021	65,179,342	2031

33.3 For the purposes of current taxation of Nishat Chunian Power Limited - Subsidiary Company, tax credit available for carry forward is estimated at Rupees Nil (2020: Rupees 86.730 million). Management believes that the tax credit available for carry forward may not be utilized in the foreseeable future. Consequently, based on the prudence principle, deferred tax asset on tax credit available for carry forward has not been recognized in these consolidated financial statements.

33.4 Nishat Chunian USA Inc. has net operating loss carry forwards (NOL) of approximately Rupees 25.564 million (2020: Rupees 33.946 million) which carry forward indefinitely, to reduce future federal and state taxable income, if any. The Subsidiary Company has not recognized deferred tax asset resulting from NOL of approximately Rupees 5.365 million (2020: Rupees 7.058 million) based on prudence principle.

	2021	2020

34. EARNINGS PER SHARE - BASIC AND DILUTED

	2021	2020
Profit after taxation attributable to shareholders of the Holding Company (Rupees)	6,857,193,442	1,860,714,980
Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,148,723
Basic earnings per share (Rupees)	28.56	7.75

34.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2021 and 30 June 2020 as the Holding Company has no potential ordinary shares as on 30 June 2021 and 30 June 2020.

35. CASH GENERATED FROM OPERATIONS

	2021 Rupees	2020 Rupees
Profit before taxation	8,761,228,967	4,570,279,307
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	1,963,882,399	1,862,767,370
Depreciation on right-of-use assets	46,836,916	28,990,908
Amortization on intangible assets	3,745,399	4,872,136
Gain on sale of property, plant and equipment	(21,702,434)	(10,227,929)
Finance cost	2,758,781,509	4,991,661,943
Return on bank deposits	(14,504,675)	(38,440,087)
Impact of derecognition of financial instrument carried at amortized cost	-	1,704,840
Amortization of deferred income	(52,395,034)	(108,000)
Gain on initial recognition of GIDC payable at amortized cost	(38,282,637)	-
Credit balances written back	-	(21,574)
Trade debt written off (Note 20.9)	174,487,000	11,900,456
Exchange (gain) / loss	(619,619,238)	51,803,777
Allowance / (reversal of allowance) for expected credit losses (Note 20.6)	6,763,256	(5,038,637)
Working capital changes (Note 35.1)	(4,542,169,078)	(2,004,608,477)
	8,427,052,350	9,465,536,033

35.1 Working capital changes

	2021 Rupees	2020 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(75,319,125)	35,947,633
Stock-in-trade	567,376,515	(2,654,484,413)
Trade debts	(3,414,462,748)	(2,185,261,933)
Loans and advances	(2,105,554,687)	366,695,662
Short term deposits and prepayments	(527,059)	(17,110,038)
Other receivables	(296,661,345)	1,415,528,982
	(5,325,148,449)	(3,038,684,107)
Increase in trade and other payables	782,979,371	1,034,075,630
	(4,542,169,078)	(2,004,608,477)

35.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2021			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2020	7,777,452,995	100,145,527	2,275,703,713	69,654,364
Financing / borrowings obtained	4,360,573,735	-	-	-
Lease liabilities recognised during the year	-	-	-	-
Addition in lease liabilities during the year	-	61,162,694	-	-
Repayment of financing / borrowings	(3,197,570,663)	-	-	-
Repayment of lease liabilities	-	(40,426,714)	-	-
Short term borrowings - net	-	-	(3,191,424,118)	-
Dividend declared	-	-	-	240,119,029
Dividend paid	-	-	-	(241,579,306)
Other changes - non-cash movement	(180,075,248)	-	-	-
Balance as at 30 June 2021	8,760,380,819	120,881,507	29,084,279,595	68,194,087

	2020			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2019	10,434,355,582	-	31,443,299,687	183,500,761
Financing / borrowings obtained	1,131,146,000	-	-	-
Lease liabilities recognised during the year	-	51,494,737	-	-
Addition in lease liabilities during the year	-	70,568,556	-	-
Repayment of financing / borrowings	(3,788,048,587)	-	-	-
Repayment of lease liabilities	-	(21,917,766)	-	-
Short term borrowings - net	-	-	832,404,026	-
Dividend declared	-	-	-	600,297,573
Dividend paid	-	-	-	(714,143,970)
Balance as at 30 June 2020	7,777,452,995	100,145,527	32,275,703,713	69,654,364

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Directors		Executive	
	2021	2020	2021	2020	2021	2021
	Rupees					
Managerial remuneration	21,731,872	21,731,872	4,000,000	3,600,000	88,257,419	85,440,000
Contribution to provident fund	-	-	333,200	299,880	7,351,843	7,117,152
House rent	8,692,749	8,692,749	1,600,000	1,440,000	35,302,968	34,176,000
Utilities	2,173,187	2,173,187	400,000	360,000	8,825,742	8,544,000
Others	-	3,731,872	300,015	-	9,768,175	11,391,621
	32,597,808	36,329,680	6,633,215	5,699,880	149,506,147	146,668,773
Number of persons	**1**	**1**	**1**	**1**	**46**	**45**

36.1 The Holding Company provides to chief executive, director and certain executives with free use of Holding Company maintained cars and residential telephones.

36.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2020: seven) directors of the Holding Company was Rupees 460,000 (2020: Rupees 920,000).

36.3 No remuneration was paid to non-executive directors of the Company.

37. TRANSACTIONS WITH RELATED PARTIES

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:

	2021 Rupees	2020 Rupees
Associated undertakings		
Mark up on borrowings	-	53,368,175
Insurance premium paid	-	399,285,463
Insurance claims received	-	276,472,000
Long term loans repaid	-	30,062,500
Short term loans obtained	-	450,000,000
Other related parties		
Purchase of goods	493,833,716	178,060,189
Sales of goods	2,078,165,714	2,704,919,060
Dividend paid	39,963,940	103,156,100
Group's contribution to employees' provident fund trusts	92,910,187	85,206,596
Interest on employees' provident fund	-	4,493,734
Consultancy charges	41,335,000	-

37.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 36.

37.2 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	Percentage of shareholding
Nishat Mills Limited	Shareholding	Yes	None
D.G. Khan Cement Company Limited	Shareholding	Yes	None
Saleem Memorial Trust Hospital	Common directorship	No	None
Pakgen Power Limited	Common directorship	No	None
Mian Muhammad Yahya Trust	Common trusteeship	Yes	None
Lalpir Power Limited	Common directorship of Subsidiary Company	No	None
Lalpir Solar Power (Private) Limited	Common directorship	No	None
Nishat Energy Limited	Common directorship	No	None
Nishat Papers Products Company Limited	Common directorship	No	None
Nishat (Aziz Avenue) Hotel and Properties Limited	Common directorship	No	None
Nishat Hospitality (Private) Limited	Common directorship	No	None
Nishat (Raiwind) Hotel and properties Limited	Common directorship	No	None
National Investment Trust Limited	Common directorship	No	None
Nishat Real Estate Development Company (Private) Limited	Common directorship of Subsidiary Company	No	None
Security General Insurance Company Limited	Common directorship of Subsidiary Company	No	None
Nishat Hotels and Properties Limited	Common directorship	No	None
Provident Funds	Post-employment benefit plans	Yes	None

38. PROVIDENT FUND

Nishat (Chunain) Limited - Holding Company

As at the reporting date, Nishat (Chunian) Limited - Employees Provident Fund is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

Nishat Chunian Power Limited - Subsidiary Company

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2021	2020
39. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	7,532	6,307
Average number of employees during the year	7,582	6,522

40. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Group	
	Zone - 1		Zone - 2		Zone - 3		Unit - 1		Unit - 2									
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees																	
Sales																		
External:																		
- Export	9,124,454,157	7,384,453,240	-	-	1,231,884,925	-	-	-	1,359,514,642	2,282,149,386	13,076,106,586	8,112,397,807	-	-	-	-	24,791,960,310	17,779,000,433
- Local	926,437,120	388,655,435	7,965,097,319	6,546,986,260	8,318,038,406	6,609,120,490	3,001,969,278	1,850,710,314	130,602,363	96,090,673	2,643,339,069	2,182,470,133	11,925,976,470	13,113,804,193	-	-	34,911,460,025	30,787,837,498
- Export rebate and duty drawback	-	14,449,454	-	-	-	-	-	-	404,605	611,533	440,115,011	144,177,501	-	-	-	-	440,519,616	159,238,488
- Others	-	-	1,000,580	673,230	-	-	1,231,451	2,285,039	-	-	1,329,648,535	851,049,902	-	-	-	-	1,331,880,566	854,008,171
	10,050,891,277	7,787,558,129	7,966,097,899	6,547,659,490	9,549,923,331	6,609,120,490	3,003,200,729	1,852,995,353	1,490,521,610	2,378,851,592	17,489,209,201	11,290,095,343	11,925,976,470	13,113,804,193	-	-	61,475,820,517	49,580,084,590
Inter-segment	-	-	1,549,259,425	1,573,738,283	3,234,781,734	2,160,174,552	774,169,346	557,805,249	6,278,656,921	4,361,529,122	1,514,518,825	1,044,841,250	3,315,638,635	4,576,703,988	(16,667,024,886)	(14,274,792,444)	-	-
	10,050,891,277	7,787,558,129	9,515,357,324	8,121,397,773	12,784,705,065	8,769,295,042	3,777,370,075	2,410,800,602	7,769,178,531	6,740,380,714	19,003,728,026	12,334,936,593	15,241,615,105	17,690,508,181	(16,667,024,886)	(14,274,792,444)	61,475,820,517	49,580,084,590
Cost of sales	(8,456,408,886)	(6,940,236,080)	(7,878,732,300)	(7,397,849,356)	(10,757,604,279)	(7,811,578,087)	(3,414,100,321)	(2,175,730,295)	(7,022,016,478)	(6,647,932,392)	(16,685,490,997)	(10,725,682,953)	(10,991,164,531)	(11,059,560,825)	16,667,024,886	14,274,792,444	(48,538,492,906)	(38,483,777,544)
Gross profit	1,594,482,391	847,322,049	1,636,625,024	723,548,417	2,027,100,786	957,716,955	363,269,754	235,070,307	747,162,053	92,448,322	2,318,237,029	1,609,253,640	4,250,450,574	6,630,947,356	-	-	12,937,327,611	11,096,307,046
Distribution cost	(245,722,270)	(141,644,958)	(56,597,411)	(39,728,278)	(132,587,658)	(68,819,195)	(23,139,567)	(97,632,961)	(47,592,748)	(38,397,037)	(811,634,519)	(659,921,850)	-	-	-	-	(1,317,274,173)	(1,046,144,279)
Administrative expenses	(95,118,491)	(59,851,926)	(28,003,041)	(40,907,704)	(43,198,291)	(58,769,539)	(14,304,563)	(45,528,325)	(29,421,184)	(17,905,355)	(117,051,707)	(144,917,620)	(156,349,873)	(148,649,937)	-	-	(483,447,150)	(516,530,406)
	(340,840,761)	(201,496,884)	(84,600,452)	(80,635,982)	(175,785,949)	(127,588,734)	(37,444,130)	(143,161,286)	(77,013,932)	(56,302,392)	(928,686,226)	(804,839,470)	(156,349,873)	(148,649,937)	-	-	(1,800,721,323)	(1,562,674,685)
Profit / (loss) before taxation and unallocated income and expenses	1,253,641,630	645,825,165	1,552,024,572	642,912,435	1,851,314,837	830,128,221	325,825,624	91,909,021	670,148,121	36,145,930	1,389,550,803	804,414,170	4,094,100,701	6,482,297,419	-	-	11,136,606,288	9,533,632,361
Unallocated income and expenses																		
Other expenses																	(516,487,711)	(109,593,156)
Other income																	899,891,899	137,902,045
Finance cost																	(2,758,781,509)	(4,991,661,943)
Taxation																	(674,617,934)	(444,320,532)
Profit after taxation																	8,086,611,033	4,125,958,775

40.1 Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile		Power Generation		Total - Group	
	Zone - 1		Zone - 2		Zone - 3		Unit - 1		Unit - 2							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees															
Total assets for reportable segments	6,025,496,706	6,378,804,213	7,364,495,974	7,796,316,260	8,926,661,787	9,450,080,315	1,578,966,146	1,062,016,713	3,247,568,982	2,969,302,797	13,455,759,643	9,206,780,062	37,660,264,320	36,818,362,161	78,259,213,558	73,681,662,521
Unallocated assets:																
Long term investments															-	222,604,840
Other receivables															2,881,653,805	2,928,701,963
Short term investments															469,425,433	37,833,033
Cash and bank balances															573,774,165	54,766,969
Other corporate assets															1,265,718,433	215,994,980
Total assets as per statement of financial position															83,449,785,394	77,141,564,306
Total liabilities for reportable segments	398,760,746	426,721,747	487,374,245	521,548,802	590,756,661	632,180,366	151,764,603	123,918,525	312,144,765	346,465,003	1,703,592,020	1,641,177,240	1,660,247,506	1,355,952,837	5,304,640,546	5,047,964,520
Unallocated liabilities:																
Long term financing															8,760,380,819	7,777,452,995
Accrued mark-up															514,554,913	835,368,006
Short term borrowings															29,084,279,595	32,275,703,713
Other corporate liabilities															920,938,730	222,279,124
Total liabilities as per statement of financial position															44,584,794,603	46,158,768,358

40.2 Geographical information

The Group's revenue from external customers by geographical location is detailed below:

	2021 Rupees	2020 Rupees
Europe	6,809,796,964	3,287,396,899
United States of America, Canada and South America	4,150,550,716	4,117,962,116
Asia, Africa and Australia	13,831,612,630	10,373,641,418
Duty drawback and rebate	440,519,616	159,238,488
Pakistan	36,243,340,591	31,641,845,669
	61,475,820,517	49,580,084,590

40.3 Almost all non-current assets of the Group as at reporting dates are located and operating in Pakistan.

40.4 Revenue from major customers

Nishat Chunian Power Limited - Subsidiary Company sells electricity only to CPPA-G. The Holding Company earns revenue from a large mix of customers.

	2021	2020
41. PLANT CAPACITY AND ACTUAL PRODUCTION		
Nishat (Chunian) Limited - Holding Company		
Spinning		
Number of spindles installed	223,668	222,708
Number of spindles worked	211,567	196,222
Capacity after conversion into 20/1 count (Kgs.)	80,813,152	73,548,828
Actual production of yarn after conversion into 20/1 count (Kgs.)	79,449,352	72,461,901

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

	2021	2020
Weaving		
Number of looms installed	379	379
Number of looms worked	379	373
Capacity after conversion into 50 picks - square yards	345,597,351	244,492,844
Actual production after conversion into 50 picks - square yards	300,663,935	211,262,191
Under utilization of available capacity was due to the following reasons:		
- change of articles required		
- higher count and cover factor		
- due to normal maintenance		
Power plant		
Number of engines installed	17	17
Number of engines worked	17	17
Generation capacity (KWh)	747,894,000	747,894,000
Actual generation (KWh)	323,400,200	224,500,149
Under utilization of available capacity was due to normal maintenance and demand.		
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	4	4
Capacity in meters	36,500,000	36,500,000
Actual processing of fabrics - meters	36,256,326	30,339,338
Under utilization of available capacity was due to normal maintenance and demand.		
Printing		
Number of printing machines	1	1
Capacity in meters	10,800,000	9,125,000
Actual processing of fabrics - meters	9,711,359	6,534,206
Under utilization of available capacity was due to normal maintenance and demand.		
Digital printing		
Number of printing machines	5	5
Capacity in meters	9,125,000	9,125,000
Actual processing of fabrics - meters	3,698,556	3,221,600

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

	2021	2020
Nishat Chunian Power Limited - Subsidiary Company		
Installed capacity [based on 8,760 hours (2020: 8,784 hours)] - MWH	1,714,525	1,719,222
Actual energy delivered - MWH	537,568	351,228

Output produced by plant is dependent on the load demanded by CPPA-G and plant availability.

42. INTERESTS IN OTHER ENTITIES

42.1 Non-controlling interests (NCI)

Set out below is summarised financial information for Nishat Chunian Power Limited - Subsidiary Company that has non-controlling interests that are material to the Group. The amounts disclosed for Subsidiary Company are before inter-company eliminations.

	2021 Rupees	2020 Rupees
Summarised balance sheet		
Current assets	23,236,819,000	20,376,070,000
Current liabilities	11,602,952,000	11,255,581,000
Current net assets	11,633,867,000	9,120,489,000
Non-current assets	9,858,654,000	10,574,636,000
Non-current liabilities	17,291,000	729,185,000
Non-current net assets	9,841,363,000	9,845,451,000
Net assets	21,475,230,000	18,965,940,000
Accumulated non-controlling interest	10,513,606,578	9,284,188,987
Summarised statement of comprehensive income		
Revenue	11,643,346,000	13,022,871,000
Profit for the year	2,509,290,000	4,605,770,000
Other comprehensive income	-	-
Total comprehensive income	2,509,290,000	4,605,770,000
Profit allocated to non-controlling interest	1,229,417,591	2,265,243,795
Summarised cash flows		
Cash flows from operating activities	1,610,960,000	3,067,682,000
Cash flows (used in) / from investing activities	(394,481,000)	187,362,000
Cash flows used in financing activities	(1,238,728,000)	(2,336,464,000)
Net (decrease) / increase in cash and cash equivalents	(22,249,000)	918,580,000

43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance departments of the Group Companies under policies approved by the respective Board of Directors. The finance departments evaluate and hedges financial risks. The Board of each Group Company provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great British Pound (GBP) and Euro. Currently, the Group's foreign exchange risk exposure is restricted to bank balances, borrowings and the amounts receivable / payable from / to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2021	2020
Cash at banks - USD	61,228	52,174
Trade debts - USD	28,316,239	25,631,737
Trade debts - EURO	1,895,597	1,916,556
Trade debts - GBP	1,188,591	-
Trade and other payables - USD	(746,098)	(439,487)
Trade and other payables - EURO	(69,234)	(132,693)
Trade and other payables - GBP	(14,840)	(7,268)
Short term borrowings - USD	(9,766,626)	(153,802)
Accrued mark-up - USD	(29,556)	(13,172)
Net exposure - USD	17,835,187	25,077,450
Net exposure - EURO	1,826,363	1,783,863
Net exposure - GBP	1,173,751	(7,268)

The following significant exchange rates were applied during the year:

	2021	2020
Rupees per US Dollar		
Average rate	159.81	158.82
Reporting date rate	157.80	168.05
Rupees per EURO		
Average rate	191.29	175.53
Reporting date rate	188.12	188.61
Rupees per GBP		
Average rate	216.28	200.38
Reporting date rate	218.58	207.68

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 160.483 million (2020: Rupees 209.264 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is not exposed to equity and commodity price risks.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant interest-bearing assets except long term loans to employees, overdue trade debts of Nishat Chunian Power Limited - Subsidiary Company, bank balances in saving and deposit accounts. The Group's interest rate risk mainly arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group’s interest bearing financial instruments was:

	2021 Rupees	2020 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	5,435,261,486	2,641,002,195
Short term borrowings	9,211,091,253	6,216,743,000
	14,646,352,739	8,857,745,195
Financial assets		
Long term loans to employees	23,335,096	8,717,838
Trade debts - past due	13,317,810,000	10,928,228,000
Short term investments	469,425,433	37,833,033
	13,810,570,529	10,974,778,871
Net exposure	(835,782,210)	2,117,033,676
Floating rate instruments		
Financial assets		
Long term loans to employees	7,259,732	10,401,224
Bank balances - saving accounts	300,165,493	6,964,672
	307,425,225	17,365,896
Financial liabilities		
Long term financing	3,325,119,333	5,136,450,800
Short term borrowings	19,873,188,342	26,058,960,713
	23,198,307,675	31,195,411,513
Net exposure	(22,890,882,450)	(31,178,045,617)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 217.463 million (2020: Rupees 289.956 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021 Rupees	2020 Rupees
Security deposits	41,599,609	41,955,257
Trade debts	26,987,823,812	23,134,992,082
Loans and advances	40,159,813	28,450,904
Other receivables	806,293,050	724,551,414
Short term investments	469,425,433	37,833,033
Bank balances	570,145,115	52,286,875
	28,915,446,832	24,020,069,565

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2021	2020
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	1,702,637	1,746,262
Askari Bank Limited	A1+	AA+	PACRA	15,000	576,000
Allied Bank Limited	A1+	AAA	PACRA	-	179,974
Bank Alfalah Limited	A1+	AA+	PACRA	1,864,919	1,998,728
Bank Al-Habib Limited	A1+	AAA	PACRA	1,539,169	5,381,967
Bank Islami Pakistan Limited	A1	A+	PACRA	2,000	-
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	1,212,643	854,421
Faysal Bank Limited	A1+	AA	PACRA	69,279	74,037
Habib Bank Limited	A-1+	AAA	VIS	8,924,614	7,976,566
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	12,320,001
Industrial and Commercial Bank of China Limited	P-1	A1	Moody's	331,804	345,374
JS Bank Limited	A1+	AA-	PACRA	511,336	-
MCB Bank Limited	A1+	AAA	PACRA	47,957,453	10,964,501
Meezan Bank Limited	A-1+	AAA	VIS	200,741,507	977,495
National Bank of Pakistan	A1+	AAA	PACRA	297,914,530	180,052
Samba Bank Limited	A-1	AA	JCR-VIS	112,820	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	232,724	247,245
The Bank of Punjab	A1+	AA+	PACRA	892,221	1,477
United Bank Limited	A-1+	AAA	VIS	2,814,248	3,509,108
JPMorgan Chase Bank, N.A.		Not available		27,968	29,785
Habib American Bank		Not available		3,278,243	4,923,882
				570,145,115	52,286,875
Investments					
Bank Islami Pakistan Limited	A1	A+	PACRA	21,351,808	22,054,670
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	15,971,666	15,778,363
Habib Bank Limited	A-1+	AAA	JCR-VIS	311,931,000	-
The Bank of Punjab	A1+	AA+	PACRA	120,170,959	-
				469,425,433	37,833,033
Trade debts - CPPA-G		Not available		4,921,446,000	3,832,540,000
				5,961,016,548	3,922,659,908

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

Trade debts

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts other than those due from Government of Pakistan.

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2021, the Group had Rupees 20,144 million (2020: Rupees 12,996 million) available borrowing limits from financial institutions and Rupees 573.774 million (2020: Rupees 54.767 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2021:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	8,760,380,819	9,961,795,133	1,366,842,967	1,218,758,646	2,297,023,685	5,079,169,835
Lease liabilities	120,881,507	140,205,607	28,070,945	28,174,408	38,665,927	45,294,327
Short term borrowings	29,084,279,595	29,599,786,515	26,140,150,680	3,459,635,835	-	-
Trade and other payables	3,705,241,504	3,705,241,504	3,705,241,504	-	-	-
Unclaimed dividend	68,194,087	68,194,087	68,194,087	-	-	-
Accrued mark-up / profit	514,554,913	514,554,913	514,554,913	-	-	-
Derivative financial liabilities	3,884,821	3,884,821	3,884,821	-	-	-
	42,257,417,246	43,993,662,580	31,826,939,917	4,706,568,889	2,335,689,612	5,124,464,162

Contractual maturities of financial liabilities as at 30 June 2020:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	7,777,452,995	8,968,120,312	386,155,274	1,207,390,495	3,022,302,485	4,352,272,058
Lease liabilities	100,145,527	122,243,042	19,329,064	19,729,639	34,413,124	48,771,215
Short term borrowings	32,275,703,713	36,241,202,847	19,725,047,829	16,516,155,018	-	-
Trade and other payables	3,823,340,597	3,823,340,597	3,823,340,597	-	-	-
Unclaimed dividend	69,654,364	69,654,364	69,654,364	-	-	-
Accrued mark-up / profit	835,368,006	835,368,006	835,368,006	-	-	-
Derivative financial liabilities	302,749,353	302,749,353	302,749,353	-	-	-
	45,184,414,555	50,362,678,521	25,161,644,487	17,743,275,152	3,056,715,609	4,401,043,273

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at reporting date. The rates of interest / mark up have been disclosed in note 6, note 7 and note 11 to these consolidated financial statements.

43.2 **Financial instruments by categories**

Assets as per statement of financial position

	2021		2020	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL
	Rupees	Rupees	Rupees	Rupees
Security deposits	41,599,609	-	41,955,257	-
Trade debts	26,987,823,812	-	23,134,992,082	-
Loans and advances	40,159,813	-	28,450,904	-
Other receivables	749,716,169	56,576,881	724,551,414	-
Short term investments	469,425,433	-	37,833,033	-
Cash and bank balances	573,774,165	-	54,766,969	-
	28,862,499,001	56,576,881	24,022,549,659	-

Liabilities as per statement of financial position

	2021		2020	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term financing	8,760,380,819	-	7,777,452,995	-
Lease liabilities	120,881,507	-	100,145,527	-
Trade and other payables	3,705,241,504	3,884,821	3,823,340,597	302,749,353
Accrued mark-up / profit	514,554,913	-	835,368,006	-
Short term borrowings	29,084,279,595	-	32,275,703,713	-
Unclaimed dividend	68,194,087	-	69,654,364	-
	42,253,532,425	3,884,821	44,881,665,202	302,749,353

43.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2021		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Security deposits	41,599,609	-	41,599,609
Trade debts	26,987,823,812	-	26,987,823,812
Loans and advances	40,159,813	3,289,800,624	3,329,960,437
Other receivables	806,293,050	2,075,360,755	2,881,653,805
Short term investments	469,425,433	-	469,425,433
Cash and bank balances	573,774,165	-	573,774,165
	28,919,075,882	5,365,161,379	34,284,237,261

	2021		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	8,760,380,819	-	8,760,380,819
Lease liabilities	120,881,507	-	120,881,507
Trade and other payables	3,709,126,325	1,695,936,084	5,405,062,409
Accrued mark-up / profit	514,554,913	-	514,554,913
Short term borrowings	29,084,279,595	-	29,084,279,595
Unclaimed dividend	68,194,087	-	68,194,087
	42,257,417,246	1,695,936,084	43,953,353,330

	2020		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Security deposits	41,955,257	-	41,955,257
Trade debts	23,134,992,082	-	23,134,992,082
Loans and advances	28,450,904	1,190,573,097	1,219,024,001
Other receivables	724,551,414	2,204,150,549	2,928,701,963
Short term investments	37,833,033	-	37,833,033
Cash and bank balances	54,766,969	-	54,766,969
	24,022,549,659	3,394,723,646	27,417,273,305

	2020		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	7,777,452,995	-	7,777,452,995
Lease liabilities	100,145,527	-	100,145,527
Trade and other payables	4,126,089,950	972,634,803	5,098,724,753
Accrued mark-up / profit	835,368,006	-	835,368,006
Short term borrowings	32,275,703,713	-	32,275,703,713
Unclaimed dividend	69,654,364	-	69,654,364
	45,184,414,555	972,634,803	46,157,049,358

43.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

44. 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 these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group 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 June 2021	Level 1	Level 2	Level 3	Total
	----------	---------- Rupees	----------	----------
Financial assets				
Derivative financial assets	-	56,576,881	-	56,576,881
Total financial assets	-	56,576,881	-	56,576,881
Financial liabilities				
Derivative financial liabilities	-	3,884,821	-	3,884,821
Total financial liabilities	-	3,884,821	-	3,884,821

Recurring fair value measurements At 30 June 2020	Level 1	Level 2	Level 3	Total
	----------	---------- Rupees	----------	----------
Financial liabilities				
Derivative financial liabilities	-	302,749,353	-	302,749,353
Total financial liabilities	-	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 Group’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 equity 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 Group 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.

45. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in note 6 and note 11 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2021	2020
Borrowings	Rupees	38,037,742,609	40,054,875,708
Total equity	Rupees	38,864,990,791	30,982,795,948
Total capital employed	Rupees	76,902,733,400	71,037,671,656
Gearing ratio	Percentage	49.46	56.39

46. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2021	2020	2021	2020
	Rupees			
Total facilities	18,987,260,000	19,671,032,000	49,227,905,000	45,272,000,000
Utilized at the end of the year	6,680,009,030	782,085,000	29,084,279,595	32,275,703,713
Unutilized at the end of the year	12,307,250,970	18,888,947,000	20,143,625,405	12,996,296,287

47. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on September 28, 2021 has proposed cash dividend of Rupees 5 per ordinary share (2020: Rupee 1.00 per ordinary share) in respect of the year ended 30 June 2021. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these consolidated financial statements.

48. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 28, 2021 by the Board of Directors of the Holding Company.

49. CORRESPONDING FIGURES

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

50. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

PROXY FORM

I/We ____

of ____

being a member of Nishat (Chunian) Limited hereby appoint ____________________

____

of ____

or failing him/her ____

of ____

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 28, 2021 (Thursday) at 10:45 A.M. at 31-Q, Gulberg-II, Lahote.

as witness may hand this __________ day of __________ 2021

Signed by the said member ____________________

In presence of ____________________

Please affix

revenue stamp

Rs.50/-

Signature (s) of Member(s)

Signature of witness..

Name ....

....

CNIC# ....

Signature of witness..

Name ....

....

CNIC# ....

Please quote:

Folio#	Shared held	CDC A/C No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at 31-Q, Gulberg-II, Lahore not later than 48 hours before the time of holding the general meeting

NISHAT (CHUNIAN) LIMITED
CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of NISHAT (CHUNIAN) LIMITED (”Company”), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in may Email address.

Iunderstand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

Name of Shareholder(s):	
Fathers / Husband Name:	
CNIC:	
NTN:	
Fathers / Husband Name:	
E-mail address:	
Telephone:	
Mailing Address:	

Date: ____________________

Signature: (In case of corporate shareholders, the authorized signatory must sign)

NISHAT (CHUNIAN) LIMITED
STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of Member: ______________________________

2. CNIC/Passport Number: ______________________________

3. Participant ID / Folio No/Sub A/C: ______________________________

8. Registered Address: ______________________________

____

I/We hereby request you to provide me/us a hard copy of the Annual Report of NISHAT (CHUNIAN) LIMITED for the year ended June 30, 2021at my above mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: samina@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)

The Company Secretary/Share Registrar,

I/We,________________________________, holding CNIC No.___________________________,being the registered shareholder of the company under folio no._________________________, state that pursuant the relevant provisions of Section 242 of the Companies Act, 2017 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur through revised E-Dividend Form.

Title of Bank Account	
Bank Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Sharehold	

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant

Date:_______________

Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: samina@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

FORM FOR VIDEO CONFERENCE FACILITY

The Company Secretary/Share Registrar,

I/we, ______________________________ , of ________________________ , being the registered shareholder(s) of the company under Folio No(s). ________________________ / CDC Participant ID No. _____ and Sub Account No. ____ CDC Investor Account ID No., and holder of ______________ Ordinary Shares, hereby request for video conference facility at ________________________ for the Annual General Meeting of the Company to be held on 28th October, 2021.

Date: ____________________ Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: samina@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

پراکسی فارم (مختار نامہ)

کمپنی سیکرٹری

نشاط (چونیاں) لمیٹڈ

31-Q، گلبرگ II، لاہور

میں/ہم ____

ساکن ____

بحثیت رکن نشاط (چونیاں) لمیٹڈ اور حامل __________ عام حصص بمطابق شیئر رجسٹر فولیو نمبر ______________

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر __________ پارٹیسپنٹ آئی ڈی نمبر __________)

بذریعہ ہذا

محترم/محترمہ ______________ ساکن ____________________

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر - - - - - - - - - - - - - یا (اسکی غیر موجودگی میں محترم/محترمہ - - - - - - - - - - - - - - - -

ساکن ______________ جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر ______________ کو

مورخہ 28 اکتوبر 2021ء کو کمپنی کے صدر دفتر Q-31 گلبرگ II، لاہور میں منعقد ہونے والے کمپنی کے 32ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، شرکت کرنے کے لئے اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ میرے دستخط............... آج بروز............... بتاریخ............... 2021ء

دستخط گواہ ....   دستخط گواہ ....

5 روپے کا رسیدی
ٹکٹ چسپاں کریں

نوٹ:

1۔ پراکسیاں تا نکہ موئثر ہو سکیں کمپنی کے رجسٹرڈ دفتر/صدر دفتر میں باقاعدہ مہر، دستخط اور گواہی شدہ اجلاس سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئیں۔

2۔ دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں۔

نشاط (چونیاں) لمیٹڈ

اطلاع برائے سالانہ اجلاسِ عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ نشاط (چونیاں) لمیٹڈ (دی "کمپنی") کے حصص داران کا 32واں سالانہ اجلاسِ عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ۔ II، لاہور پر 28 اکتوبر 2021ء کو صبح 10:45 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 16 اپریل 2021 کو منعقدہ گزشتہ اجلاسِ عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2021 مختتمہ سال کیلئے کمپنی کے نظرثانی شدہ الگ اور مشترکہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غوروخوض اور منظوری دینا۔

3۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 50% حتمی نقد منافع منقسمہ (یعنی 5 روپے فی شیئر) کی ادائیگی پر غوروخوض اور منظوری دینا۔

4۔ محاسب کا تقرر اور اُن کے مشاہرہ کا تعین کرنا۔ اراکان کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے ریٹائرڈ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ کی کمپنی کے محاسب کے طور پر دوبارہ تقرری کی منظوری دی ہے۔

خصوصی امور:

5۔ کمپنیز ایکٹ 2017 کے سیکشن 199 کی دفعات کے مطابق، اراکان کو ارسال کیئے گئے نوٹس ہذا کے ساتھ ملحق مادی حقائق کے بیان میں جیسا کہ تجویز کیا گیا ہے، نشاط چونیاں پاور لمیٹڈ، ایک ذیلی کمپنی میں قرضوں/پیشگیوں کے طریقے سے 1.00 ارب روپے کی سرمایہ کاری کی اجازت پر غوروخوض اور اگر بہتر خیال کیا گیا تو خصوصی قرارداد کو پاس کرنا۔

(نوٹس ہذا کے ساتھ ملحق شدہ مادی حقائق کا بیان کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت مطلوبہ، مذکورہ بالا خصوصی امور اور خصوصی قراردادوں کے ڈرافٹ کا احاطہ کرتا ہے)

لاہور

مورخہ: 06 اکتوبر 2021

بحکم بورڈ

ثمینہ اسلم

کمپنی سیکرٹری

نوٹ:

1۔ حصص منتقلی کتابوں کی بندش

AGM میں شرکت کے لئے

کمپنی کی حصص منتقلی کتابیں از 2021-10-21 تا 2021-10-28 (بشمول دونوں ایام) کے لئے بند رہیں گی۔ وہ منتقلیاں، مادی/سی ڈی ایس، جو کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور کو 2021-10-20 کو کاروبار کے اختتام تک موصول ہوں گی وہی اجلاس میں شرکت کے مقصد کیلئے بروقت تصور ہونگی۔

حتمی نقد منافع کے استحقاق کیلئے:

کمپنی کی حصص منتقلی کتابیں از 2021-10-21 تا 2021-10-28 (بشمول دونوں ایام) 50 فیصد حتمی نقد منافع منقسمہ یعنی 5 روپے فی شیئر کے استحقاق کے لئے بند رہیں گی۔ وہ منتقلیاں، مادی/سی ڈی ایس، جو کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور کو 2021-10-20 کو کاروبار کے اختتام تک موصول ہوں گی وہی مذکورہ بالا استحقاق کے لئے بروقت تصور ہونگی۔

2۔ سالانہ اجلاس عام میں شرکت

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ باقاعدہ مہر اور دستخط شدہ پراکسی تقرری کے فارم کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً موصول ہو جانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سکیورٹیز اینڈ ایکسچینج کمشن آف پاکستان سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

A۔ اجلاس میں شرکت کیلئے:

i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

ii)۔ بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ معہ نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہونگے (اگر پہلے مہیا نہیں کئے گئے)۔

B۔ پراکسیز تقرری کیلئے:

(i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اوپر دی گئی ریکوائرمنٹ کے مطابق پراکسی فارم جمع کرانا ہوگا۔

(ii)۔ پراکسی فارم، دو (2) افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہونگے، سے گواہی شدہ ہونگے۔

(iii)۔ بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہونگی۔

(iv)۔ پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا/گی۔

(v)۔ بصورت کارپوریٹ ادارے، بورڈ آف ڈائریکٹرز قرارداد/مختارنامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے مہیا نہیں کئے)۔

3۔ ڈیویڈینڈ وارنٹس پر CNIC/NTN نمبر (لازمی)

وہ افراد جنہوں نے ابھی تک اپنے درست CNIC کی کاپی کمپنی کے پاس جمع نہیں کروائی اُن سے ایک بار پھر درخواست کی جاتی ہے کہ اپنے درست CNIC کی کاپی جلد از جلد کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور پر ارسال

کریں۔ ڈیویڈینڈ وارنٹس پر بھی رجسٹرڈ شیئر ہولڈر یا اُس کے نامزد کردہ فرد کا CNIC درج ہوگا (ماسوائے کم عمر شیئر ہولڈر یا کارپوریٹ ادارے کے شیئر ہولڈر ہونے کی صورت میں)۔

لہٰذا، ڈیویڈینڈ وارنٹس کا اجراء حصص داران کی طرف سے CNIC (انفرادی)/ NTN (کارپوریٹ اینٹٹیز) کے جمع کرانے کے حوالہ سے ہوگا۔

4۔ انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت ڈیویڈینڈ سے انکم ٹیکس کی ڈیڈکشن (لازمی)

(i)۔ فنانس ایکٹ 2021 کی پرویژنز کی پیروی میں ڈیویڈینڈ ادائیگیوں سے انکم ٹیکس کی ڈیڈکشن کی شرح انکم ٹیکس آرڈیننس کے تحت درج ذیل ہیں:

فائلرز	15%
نان فائلرز	30%

تمام حصص داران سے درخواست ہے کہ ایف بی آر کی ویب سائٹ پر مہیا ایکٹو ٹیکس پیئرز فہرست (ATL) میں اپنا سٹیٹس چیک کریں اور اگر درکار ہو، ٹیکس ڈیڈکشن کی کم شرح سے مستفید ہونے کے لئے تو ATL میں اپنے نام کا اندراج کرانے کے لئے ضروری اقدامات اُٹھائیں۔

(ii)۔ مزید برآں، فیڈرل بورڈ آف ریونیو (ایف بی آر) کی وضاحت کے مطابق بصورت مشترکہ اکاؤنٹ ہر ایک جوائنٹ ہولڈر سے انکے شیئر ہولڈنگ تناسب کی بنیاد پر اصل شیئر ہولڈر اور جوائنٹ ہولڈر کے طور پر یا تو فائلر یا نان فائلر الگ الگ ود ہولڈنگ ٹیکس کا تعین کیا جائیگا اس حوالہ سے تمام حصص داران جو مشترکہ حصص رکھتے ہیں سے التماس ہے کہ اپنے ملکیتی حصص کی بابت اصل شیئر ہولڈر اور جوائنٹ ہولڈر کا شیئر ہولڈنگ تناسب درج ذیل کے مطابق تحریری صورت میں ہمارے شیئر رجسٹرار کو مہیا کریں۔

کمپنی کا نام	فولیو / سی ڈی ایس اکاؤنٹ نمبر	کل حصص	اصل حصص دار		مشترکہ حصص دار	
			نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)

مطلوبہ معلومات ہمارے شیئر رجسٹرار کو نوٹس ہذا کے 10 یوم کے اندر پہنچ جانی چاہئیں بصورت دیگر یہ تصور کر لیا جائے گا کہ اصل شیئر ہولڈر اور جوائنٹ ہولڈر شیئرز کی مساوی تعداد کا مالک ہے۔

(iii)۔ کسی تفتیش / مسئلہ / معلومات کے لئے سرمایہ کار ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور فون: 2-042-37235081 یا ای میل: shares@hmaconsultants.com پر رابطہ فرمائیں۔

iv۔ سی ڈی سی اکاؤنٹس کے حامل کارپوریٹ شیئر ہولڈرز کو اپنے متعلقہ پارٹیسپنٹس کے ہاں اپنے قومی ٹیکس نمبر (NTN) کو اپ ڈیٹ رکھنا چاہئے جبکہ کارپوریٹ مادی حصص داران کو اپنے NTN سرٹیفکیٹ کی کاپی ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ کو ارسال کرنی چاہئے۔ NTN یا NTN سرٹیفکیٹس جو بھی صورت ہو ارسال کرتے وقت حصص داران کو کمپنی کا نام اور اپنے متعلقہ فولیو نمبر لازماً تحریر کرنے چاہئیں۔

v۔ ڈیویڈینڈ آمدنی سے ود ہولڈنگ ٹیکس ایگزیمپشن کی صرف اس صورت میں اجازت دی جائے گی اگر ٹیکس ایگزیمپشن سرٹیفکیشن کی کاپی 30 اکتوبر، 2021 تک ہمارے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو دستیاب ہو۔

5۔ زکوٰۃ، زکوٰۃ اور عشر قوانین کے تحت ڈیویڈینڈ زپر اُسی وقت منہا کی جائے گی اور متعلقہ اتھارٹی کے ہاں مجوزہ مدت کے اندر جمع کرائی جائے گی۔ کوئی شیئر ہولڈرز جو ایگزیمپشن کلیم کرنا چاہتا ہو زکوٰۃ اور عشر آرڈیننس 1980ء اور زکوٰۃ (ڈیڈکشن اینڈ ری فنڈ) رولز 1980ء کے رول 4 کے تحت تو اپنی زکوٰۃ ڈیکلریشنز CZ-50 فارم میں ہمارے شیئر رجسٹرار، میسرز، حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کو جمع کرائیں، بصورت دیگر ایگزیمپشن نہیں دی جائے گی۔ حصص یافتگان زکوٰۃ ڈیکلریشن ارسال کرتے وقت کمپنی کا نام اور اپنے متعلقہ فولیو نمبرز / سی ڈی سی اکاؤنٹ نمبرز لازماً تحریر کریں۔ یکم شعبان سے قبل موصول ہونے والی زکوٰۃ ڈیکلیریشن استحقاق کی اہل ہیں۔

6۔ نقد منافع منقسمہ کی الیکٹرونیکلی ادائیگی

کمپنیز ایکٹ 2017ء کے سیکشن 242 کی پرویژنز کے مطابق، نقد منافع منقسمہ کا لین دین فقط الیکٹرانک موڈ کے ذریعہ براہ راست حقدار حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائے گا۔

تمام حصص داران سے التماس ہے کہ اپنے بینک مینڈیٹ کی مندرجہ ذیل تفصیلات:

(i) عنوان اکاؤنٹ --

(ii) IBAN نمبر --

(iii) بینک کا نام --

(iv) برانچ کا نام، کوڈ اور پتہ --

(v) حصص دار کے دستخط --

کمپنی کے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو مہیا کریں۔ حصص داران جو حصص پارٹیسپنٹس / سنٹرل ڈیپازٹری کمپنی پاکستان (CDC) کے ہاں حصص رکھتے ہیں سے درخواست ہے کہ مذکورہ بالا بینک مینڈیٹ تفصیلات متعلقہ پارٹیسپنٹس / سی ڈی سی کو مہیا کریں۔

اگر شیئر ہولڈر چاہے تو وہ کمپنی کی ویب سائٹ www.nishat.net پر دستیاب "ڈیویڈنڈ مینڈیٹ فارم" کا استعمال کرتے ہوئے ڈیویڈنڈ مینڈیٹ حاصل کرنے کا اختیار رکھتے ہیں۔

7۔ ڈیجیٹل سٹوریج کے ذریعے سالانہ رپورٹس کی ترسیل

نشاط (چونیاں) لمیٹڈ کے حصص داران کمپنی کے 27ویں AGM میں سالانہ رپورٹس بشمول محاسب شدہ سالانہ حسابات، AGM کے نوٹسز اور کمپنی کی دیگر معلومات ہارڈ کاپی کی بجائے سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ترسیل کی اپنی رضامندی کی منظوری دے چکے ہیں۔ حصص داران جو مذکورہ بالا دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکرٹری / شیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹسز بذریعہ ای میل بھی وصول کرنا چاہتے

ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

8۔ وڈیو کانفرنس سہولت

کمپنیز ایکٹ کی پروویژنز کی پیروی میں، کمپنی کے کل پیڈ اپ کیپٹل کے کم از کم 10% کے مالک لاہور کے علاوہ شہر میں سکونتی ارکان کمپنی سے اجلاس میں شرکت کے لئے وڈیولنک کی سہولت مہیا کرنے کا مطالبہ کر سکتے ہیں۔ وڈیولنک سہولت کا مطالبہ مذکورہ بالا پتہ پر شیئر رجسٹرار کے ذریعے سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم پر اجلاس کی تاریخ سے کم از کم 7 یوم قبل وصول کیا جائے گا۔

9۔ پتہ کی تبدیلی

ممبران سے التماس ہے کہ اپنے پتہ میں کسی تبدیلی سے فی الفور مطلع فرمائیں۔ حصص داران سے التماس ہے کہ مذکورہ بالا معلومات / دستاویزات (i) متعلقہ سنٹرل ڈیپازٹری سسٹم (CDS) پارٹیسپنٹس اور (ii) مادی سیکورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کریں۔

10۔ حصص داروں کے سالانہ اجلاس عام کے لئے کورونا وائرس ہنگامی منصوبہ بندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") کی طرف سے 03 مارچ 2021 کو جاری کردہ 2021 کے سرکلر نمبر 6 کے مطابق کمپنی نے شیئر ہولڈرز کو ان کے گھروں سے اپنے اسمارٹ فونز یا کمپیوٹر ڈیوائسز کے ذریعے میٹنگ میں شرکت کے لیے وڈیو لنک کی سہولت کا اہتمام کیا ہے۔ وڈیو لنک کے ذریعے میٹنگ میں شرکت کی دلچسپی رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ ایک ای میل درج ذیل معلومات اور شناختی کارڈ کی دونوں اطراف کی کاپی کیساتھ 'shahbazahsan@nishat.net' پر بھیج کر خود کو رجسٹر کریں

نام حصص دار	CNIC نمبر	فولیو نمبر/ CDC اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس

حصص داران جو اُوپر دی گئی معلومات کے مطابق ضروری توثیق کے بعد رجسٹرڈ ہوں گے کو کمپنی ای میل کے ذریعے پاسورڈ پروٹیکٹڈ وڈیولنک فراہم کرے گی۔ مذکورہ لنک AGM کی تاریخ کو صبح 10:30 بجے سے اجلاس کے اختتام تک کھلا رہے گا۔ حصص داران AGM کے ایجنڈا آئٹمز کے لئے اپنی آراء اور استفسارات بھی shahbazahsan@nishat.net پر فراہم کر سکتے ہیں۔

مادی حصص کو CDS میں تبدیل کرنا

کمپنیز ایکٹ کے سیکشن 72 کے تقاضوں کے مطابق، ہر موجودہ لسٹڈ کمپنی کو اس کے مادی حصص کو بک انٹری فارم کے ساتھ اس انداز میں تبدیل کرنے کی ضرورت ہوگی جو کہ ایس ای سی پی کی طرف سے نہ صرف مخصوص کردہ ہو بلکہ مطلع کردہ تاریخ میں بھی ہو اور وہ تاریخ کمپنیز ایکٹ کے لاگو ہونے یعنی کہ 30 مئی 2017 کے چار سال کے اندر اندر ہوگی۔

مادی شیئر سرٹیفکیٹ رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ جلد سے جلد اپنے شیئرز کو مادی فارم سے بک انٹری فارم میں تبدیل کریں۔ یہ ممبروں کو کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل، حصص کا نقصان نہ ہونا، ڈپلیکیٹ شیئرز کے اجراء کے لیے درکار رسمی شرائط سے بچنا اور منڈی میں آسانی سے شیئرز کی بہتر نرخوں پر فروخت اور خریداری ہونا شامل ہے۔

11۔ کمپنی 30 جون 2021 مختتمہ سال کے لئے نظرثانی شدہ الگ اور مشترکہ مالی حسابات معہ ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اپنی ویب سائٹ www.nishat.net پر رکھ چکی ہے۔

خصوصی کاروبار سے متعلق کمپنیز ایکٹ، 2017 کی دفعہ (3)134 کے تحت بیان:

پس منظر

نشاط چونیاں پاور لمیٹڈ (این سی پی ایل) ایک پبلک لمیٹڈ کمپنی ہے جو سال 2007 میں پاور پالیسی 2002 کے تحت بطور آزاد پاور پروڈیوسر (آئی پی پی) قائم کی گئی ہے۔ یہ نشاط چونیاں لمیٹڈ ("کمپنی") کا ذیلی ادارہ ہے۔ اس وقت یہ پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہے۔ اس کمپنی کی اصل سرگرمی 200 میگاواٹ کی مجموعی گنجائش کے حامل فیول فائر پاور اسٹیشن کی تعمیر، چلانا اور برقرار رکھنا ہے۔ این سی پی ایل کو اپنے وصولیوں میں تاخیر کا مسئلہ درپیش ہے کیونکہ این ٹی ڈی سی کی طرف سے ادائیگیوں میں تاخیر کی وجہ سے اتار چڑھاؤ آتا رہتا ہے۔ اس وجہ سے این سی پی ایل میں لیکوڈیٹی کی پریشانی پیدا ہوتی ہے اور اسے اپنے ورکنگ سرمایہ کی ضروریات کو پورا کرنے کے لئے فنڈز کی ضرورت ہوتی ہے۔ کمپنی کی انتظامیہ نے NCPL میں 1.00 ارب کے قرضوں/ ایڈوانس تک کی اپنے فنڈز سے سرمایہ کاری کی کی تجویز دی ہے۔ اس قرض/ ایڈوانس کی شرح سود 3 ماہ KIBOR جمع 200 بی پی ایس ہوگی جو کے مطلقہ مدت کے KIBOR یا کمپنی کی قرض لینے کی لاگت سے کم نہیں ہوگی۔ سود کی ادائیگی ماہانہ بنیاد پر ہوگی۔ اس سرمایہ کاری کا مقصد ماتحت ادارہ کے آپریشنز کی حمایت کرنا ہے جو کمپنی کو مستقل آمدنی فراہم کرتا ہے۔

مستعدی

ڈائریکٹرز نے ضوابط کے مطابق، مجوزہ سرمایہ کاری کے لئے مطلوبہ ضروری کاروائی کی ہے جس کے لئے کمپنیز ایکٹ، 2017 کی دفعہ 199 کے تحت خصوصی قرارداد کے ذریعے حصص داران کی رضامندی لازمی ہے۔ بورڈ کی طرف سے مستعدی رپورٹ سالانہ عام اجلاس میں ممبروں کے معائنے کے لئے دستیاب ہوگی۔

کمپنی میں این سی پی ایل اور اس کے سپانسرز اور ڈائریکٹرز کی دلچسپی

ضابطہ (1)4 کے تقاضے کے مطابق، یہ اعلان کیا جاتا ہے کہ:

1۔ این سی پی ایل، نشاط چونیاں لمیٹڈ میں کوئی حصص نہیں رکھتی ہے اور مشترکہ ڈائریکٹرشپ کے علاوہ اس کی کمپنی میں کوئی دلچسپی نہیں ہے۔

2۔ این سی پی ایل کے سپانسرز/ ڈائریکٹرز نشاط چونیاں لمیٹڈ میں درج ذیل حصص رکھتے ہیں۔

نام	حصص کی تعداد
محترمہ فرحت سلیم	5,915,838
محترمہ عائشہ شہزاد	238,448
جناب فرخ افضال	500

نشاط چونیاں پاور لمیٹڈ کے آڈٹ شدہ مالیاتی گوشوارے

ضابطہ (3)4 کے مطابق، 30 جون 2021 کو این سی پی ایل کے حالیہ مالیاتی گوشوارے اور گزشتہ عبوری مالی حسابات سالانہ اجلاس عام میں ممبروں کے معائنے کے لئے دستیاب ہوں گے۔

خصوصی قراردادیں:

تجویز دی گئی ہے کہ مندرجہ ذیل قرارداد کو معہ یا بغیر کسی ترمیم کے ساتھ خصوصی قرارداد تصور اور منظور کیا جائے۔

"قرار پایا کہ نشاط چونیاں لمیٹڈ (" کمپنی ") کے ممبروں کی منظوری ہے اور بذریعہ ہذا کمپنیز ایکٹ، 2017 کی دفعہ 199 کے تحت 1.00 ارب روپے (صرف ایک ارب روپے) تک کمپنی کے ذیلی ادارہ نشاط چونیاں پاور لمیٹڈ ("این سی پی ایل") میں وقتاً فوقتاً، قرضوں اور ایڈوانس کے ذریعہ، اور جب این سی پی ایل کو ضرورت ہو تو، 3 ماہ کے KIBOR+200 بی پی ایس کی شرح پر سرمایہ کاری کی جائے گی واضح کیا جاتا ہے کہ سود کی شرح متعلقہ مدت کے KIBOR یا سرمایہ کار کمپنی کی قرضہ کی قیمت جو بھی زیادہ ہو سے کم نہ ہو اور اس طرح کے قرض اور/ یا ایڈوانس کی واپسی قرض اور/ یا ایڈوانس مہیا کرنے کے ایک سال کے اندر اور ممبروں کو انکشاف کردہ دیگر شرائط وضوابط کے مطابق ہوگی۔

مزید قرار پایا کہ مذکورہ قرارداد 1 (ایک) سال کے لئے کارآمد ہوگی اور کمپنی کا چیف فنانشل آفیسر اور کمپنی سیکرٹری مشترکہ طور پر بااختیار اور مجاز ہوں گے اور جب مناسب اور ضروری خیال کریں گے کمپنی اور اس کے حصص یافتگان کے بہترین مفاد میں تب مذکورہ سرمایہ کاری کا فیصلہ کریں گے اور اس سلسلے میں مطلوب کسی بھی دستاویزات اور معاہدوں پر عمل درآمد اور تمام کاروائیوں، معاملات، اعمال اور چیزیں جو ہوسکتی ہیں اُس کے لئے مشترکہ اور واحد مجاز ہوں گے۔

مزید معلومات

کمپنیز (شریک کمپنیوں یا شریک انڈرٹیکنگز میں سرمایہ کاری) ریگولیشنز 2012 (ریگولیشنز) کے تحت درکار درج ذیل مزید معلومات فراہم کی گئی ہیں۔

حوالہ نمبر	ریکوائرمنٹ	معلومات
i	نام شریک کمپنی	نشاط چونیاں پاور لمیٹڈ ("NCPL")
ii	تعلق کی بنیاد	NCPL ایک ذیلی کمپنی ہے
iii	گذشتہ تین سالوں کی آمدنی / (نقصان) فی شیئر	سال — آمدنی/(نقصان) فی شیئر (روپے) 2021 — 6.83 2020 — 12.54 2019 — 9.30
iv	گزشتہ نظرثانی شدہ مالی حسابات پر مبنی، بریک اپ ویلیو فی شیئر	58.64 روپے
v	حالیہ مالی حسابات کی بنیاد پر منافع اور نقصانات کے حسابات اور مالی حیثیت کے حسابات کی اہم آئٹمز سمیت مالی حالت	30 جون 2021 مختتمہ سال کے لئے نظرثانی شدہ مالیاتی گوشوارے ظاہر کرتے ہیں: بیلنس شیٹ — '000' روپے **اثاثے** نان کرنٹ اثاثے — 9,858,654 کرنٹ اثاثے — 23,236,819 کل اثاثے — 33,095,473 **واجبات** طویل مدتی — 17,291 مختصر مدتی — 11,602,952 کل واجبات — 11,620,243 نفع اور نقصان فروخت — 11,643,346 مجموعی منافع — 3,770,154 مجموعی منافع تناسب — 32.4% بعد از ٹیکس خالص منافع — 2,509,290 بعد از ٹیکس خالص منافع تناسب — 21.6% فی شیئر آمدنی — 6.83
vi	وابستہ کمپنی یا وابستہ انڈرٹیکنگز کے منصوبہ جس نے آپریشنز کا آغاز نہیں کیا کے سلسلہ میں سرمایہ کاری کی صورت میں، درج ذیل مزید معلومات، بنامی:	قابل اطلاق نہیں
	I۔ منصوبہ کی تفصیل اور Conceptualization سے اسکی ہسٹری	قابل اطلاق نہیں
	II۔ کام کی تاریخ آغاز اور تکمیل کی متوقع تاریخ	قابل اطلاق نہیں
	III۔ مدت جس میں ایسا منصوبہ تجارتی پیداوار دینا شروع کردے گا	قابل اطلاق نہیں
	IV۔ متوقع مدت جس میں منصوبہ سرمایہ کاری پر منافع دینا شروع کردے گا	قابل اطلاق نہیں

	V۔ پروموٹرز، اسپانسرز، وابستہ کمپنی یا وابستہ انڈرٹیکنگز کی طرف سے لگائے گئے فنڈز یا کی جانے والی سرمایہ کاری پر نقد اور غیر نقد رقوم کے درمیان فرق	قابل اطلاق نہیں
	(B) عام وضاحت	
i	زیادہ سے زیادہ سرمایہ کاری کی رقم	1.00 ارب پاکستانی روپے (ایک ارب روپے صرف)
ii	مقصد، ایسی سرمایہ کاری سے سرمایہ کار کمپنی اور اس کے ارکان کو حاصل ہونے والے فوائد اور سرمایہ کاری کی مدت	سرمایہ کاری کی تفصیلی وضاحت مذکورہ بالا بیکگراونڈ معلومات میں کی گئی ہے۔ یہ ذیلی کمپنی کے آپریشنز کی مددگار ہوگی۔ سرمایہ کار کمپنی کو سرمایہ کاری سے آمدنی حاصل ہوگی۔
iii	سرمایہ کاری کے لئے استعمال ہونے والے فنڈز کے ذرائع اور جہاں ادھار لیے گئے فنڈز استعمال کرنے کا ارادہ ہے	انٹرنل کیش جنریشن
	I۔ قرضہ کے ذریعے سرمایہ کاری کے لئے جسٹیفکیشن	قابل اطلاق نہیں
	II۔ ایسے فنڈز کے حصول کے لئے کولیٹرل، مہیا کردہ گارنٹیوں اور پلیجڈ اثاثوں کی تفصیل	قابل اطلاق نہیں
	III۔ فائدہ کے تجزیہ کی لاگت	قابل اطلاق نہیں
iv	تجویز کردہ سرمایہ کاری کی بابت وابستہ کمپنی یا وابستہ انڈرٹیکنگ کے ساتھ معاہدات، اگر کوئی ہوں، کی نمایاں خصوصیات	مجوزہ سرمایہ کاری کے لئے NCPL کے ساتھ کوئی معاہدہ نہیں کیا گیا ہے۔ حصص داران کی منظور کردہ شرائط وضوابط کی بنیاد پر قرضہ کی توسیع سے قبل معاہدہ کیا جائے گا۔
v	وابستہ کمپنی یا وابستہ انڈرٹیکنگ یا زیر غور لین دین میں ڈائریکٹر، سپانسرز، اکثریتی حصص داران اور ان کے رشتہ داروں اگر کوئی ہو، کی بالواسطہ یا بلاواسطہ دلچسپی	ڈائریکٹر، سپانسرز، اکثریتی حصص داران اور ان کے رشتہ دار اس کمپنی میں اپنی شیئر ہولڈنگ، اگر کوئی/ ڈائریکٹر شپ ہو، کی حد تک کے سوائے کوئی دلچسپی نہیں رکھتے ہیں۔ NCPL، این سی ایل کی رکن نہیں ہے۔ اسکے ڈائریکٹرز NCL کے نامزد کردہ ہیں۔

vi	وابستہ کمپنی یا وابستہ انڈرٹیکنگ میں پہلے سے کی گئی کسی سرمایہ کاری کی صورت میں، کسی خرابی یا تحریری مکمل معلومات/ جسٹیفکیشن سمیت ایسی سرمایہ کاری کی کارکردگی کا جائزہ یا پھر کسی بھی رائٹ آف کا جواز	حصص داران نے 28 اکتوبر 2020 کو منعقدہ اپنے اجلاس میں 1.00 ارب روپے کی سرمایہ کاری کی منظوری دی ہے۔ مذکورہ سرمایہ کاری حصص داران کی منظور کردہ شرائط وضوابط کے مطابق مارک اپ کے ساتھ واپس ادا کردی گئی ہے۔

(c) 1 ورکنگ کیپیٹل کی صورت میں سرمایہ کاری کی بابت اضافی وضاحت

	کیٹگری وائز سرمایہ کاری کی رقم	1.00 ارب روپے بطور قرضہ / پیشگی
i	سرمایہ کار کمپنی کی اوسط قرضہ کی لاگت، متعلقہ مدت کے لئے KIBOR، شریعہ کمپلینٹ مصنوعات کیلئے ریٹرن کی شرح، اور ریٹرن غیر فنڈڈ سہولیات کی شرح، جو بھی صورت ہو، متعلقہ مدت کے لئے	جون 2020 کو ختم ہونے والے سال کے لئے کمپنی کی موجودہ اوسط قرضہ کی لاگت 7.95% سالانہ تھی۔ متعلقہ مدت کے لئے 3 ماہ KIBOR
ii	سرمایہ کار کمپنی کی طرف سے وصول کی جانے والی سود، مارک اپ، منافع، فیس یا کمیشن وغیرہ کی شرح	3 ماہ KIBOR پلس 2%
iii	مجوزہ سرمایہ کاری کے سلسلے میں حاصل ہونے والی ضمانت یا سیکورٹی کی تفصیلات۔	کوئی سیکورٹی حاصل نہیں کی جائے گی کیونکہ این سی پی ایل ایک ذیلی ادارہ ہے۔
iv	اگر سرمایہ کاری تبدیلی کی خصوصیت رکھتی ہے یعنی یہ سیکورٹیز میں تبدیلی کے قابل ہے، یہ حقیقت معہ شرائط وضوابط بشمول کنورشن فارمولا، حالات جس میں کنورشن ہوسکتی ہے اور مدت جب کنورشن کی جاسکتی ہے۔	قابل اطلاق نہیں
v	شریک کمپنی یا شریک انڈرٹیکنگ کو دیئے گئے قرضوں یا پیشگیوں کی واپس ادائیگی کا شیڈول اور شرائط و ضوابط	حصص داران کی منظوری کے مطابق اصل رقم کی ادائیگی ایک سال کے اندر جبکہ مارک اپ کی ادائیگی باقاعدہ ماہانہ بنیاد پر کی جائے گی۔

مجلس نظماء کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2021 کو اختتام شدہ مالی سال کے لئے مالیاتی نتائج پیش کرنے پر خوش ہیں جس میں محاسب شدہ الگ اور مشترکہ مالیاتی گوشوارے شامل ہیں۔

جائزہ

مالی سال 21-2020 گزشتہ سالوں میں وبا کے منفی اثرات کے بعد صنعت کی بحالی کی وجہ سے ایک شاندار سال تھا، تاہم مجموعی طور پر کاروباری ماحول مشکل رہا۔ نیٹ وصولیاں نمایاں اضافے کے ساتھ 2020 کے 35.66 ارب روپے کے مقابلے میں 2021 میں 49.28 ارب رہیں۔

اپنے منافع بخش ٹریک ریکارڈ کو جاری رکھتے ہوئے، کمپنی بعد از ٹیکس فروخت کا 11.4 فیصد منافع کا اعلان کر رہی ہے جو پچھلے سال 0.7 فیصد تھا اور یہ بہت زیادہ اضافہ ہے۔ کمپنی کے اتنے شاندار منافع کی وجہ، آمدنی میں نمایاں اضافہ، بہتر مارجن، بہتر انوینٹری کوریج اور کمپنی کا ہموار آپریشن کو یقینی بنانے کے لئے اپنے ملازمین کو ویکسین لگوا کر ایک حفاظتی خول بنانا ہے۔

مجموعی بنیادوں پر، کمپنی نے 61.48 ارب روپے کا مجموعی کاروبار حاصل کیا جو کہ گزشتہ سال کے 49.58 ارب روپے کے کاروبار کے مقابلے میں 24 فیصد زیادہ ہے۔

سال ایک نظر میں

آمدنی: 49.28 ارب روپے (38.18%+)

آپریشنز سے منافع: 8.02 ارب روپے (137.98%+)

سال کا خالص منافع: 5.59 ارب روپے (2009.84%+)

مالی جھلکیاں	مختتمہ سال 2021	مختتمہ سال 2020
فروخت (روپے)	49,283,753,375	35,666,860,338
مجموعی منافع (روپے)	8,969,146,793	4,204,386,583
بعد از ٹیکس منافع (روپے)	5,598,856,785	265,369,380
مجموعی منافع فیصد	18.2%	11.8%
بعد از ٹیکس منافع فیصد	11.4%	0.7%
فی شیئر آمدنی (روپے)	23.32	1.11

منافع

اس سال کے دوران حاصل ہونے والی آمدنی 49.28 ارب روپے گذشتہ سال سے 38.18 فیصد زیادہ رہی جبکہ اس سال کا مجموعی منافع اور خالص منافع گذشتہ سال کے 11.8% فیصد اور 0.7% فیصد کے مقابلے 18.2% فیصد اور 11.4 فیصد رہا۔ تمام ڈویژنوں کی فروخت کی کارکردگی غیر معمولی طور پر اچھی رہی جبکہ برآمدات میں نمایاں اضافہ ریکارڈ کیا گیا۔ کمپنی کی آمدنی اور خالص منافع میں اضافہ بنیادی طور بہتر مارجن اور وبا کے بعد معیشتوں کے کھلنے سے ہوا۔

تصرفات

کمپنی کی مجلس نظماء نے 28 ستمبر 2021ء کو منعقدہ اپنے اجلاس میں نقد منافع منقسمہ 5 روپے فی عام شیئر ادا کرنے کی تجویز دی ہے۔

سرمایہ کاری

سال کے دوران آپریشنل کارکردگی کی صلاحیت میں اضافہ اور بہتر بنانے کے لئے ٹیکسٹائل کے مختلف شعبوں میں اہم سرمایہ کاری گئی۔ مختصر جائزہ حسبِ ذیل ہے:

کاروبار کا شعبہ	مشینری کا اضافہ	سرمایہ کاری (روپے ملین میں)
سپننگ	• 4 ٹیوٹا رنگ فریمس	288.9
	• 5 مُراتا آٹومیٹک کون وائنڈر	131.3
	• 2 ٹووسٹنگ مشین	19.7
	ٹوٹل	**439.9**
ویونگ	• 10 لومز	73.21
	• 1 چلر	36.94
	• 10 ہوکنگ مشین	144.6
	• دیگر	2.5
	ٹوٹل	**257.25**
ہوم ٹیکسٹائل	• کل سرمایہ کاری	**42.38**

شعبہ وار آمدنی

اسپننگ اب بھی کمپنی کے لیے آمدنی پیدا کرنے کا مرکزی دھارا ہے، جبکہ ہوم ٹیکسٹائل ڈویژن نے اپنے مارکیٹ شیئر میں اضافہ کیا ہے۔ آمدنی کے لحاظ سے ویونگ تیسرا حصہ دار ہے۔

سپننگ

سپننگ 27.6 ارب کی چوٹی کی وصولیوں کے ساتھ سب سے عمدہ رہا۔ حکومت کی جانب سے صنعت کی صلاحیت کو بڑھانے کے لیے اٹھائے گئے اقدامات، سوت کی ملکی اور سرحد پار طلب میں اضافہ، اور روئی کی بڑھتی قیمت یہ سب کچھ پچھلے سال کے مقابلے سیلز میں 32 فیصد سے زیادہ اضافے کا سبب بنا۔ مزید یہ کہ کمپنی کے منافعے پر اس کا بہت زیادہ اثر پڑا۔

ملک کی سوت کی برآمدات نے مالی سال 2021 میں 1 بلین ڈالر سے تجاوز کر کے ایک نیا سنگِ میل عبور کیا ہے جو کہ پچھلے سال کے مقابلے میں 3 فیصد زیادہ ہے۔ بین الاقوامی مارکیٹ میں اچھے ردِعمل اور پوری دنیا کے خریداروں کا امریکہ۔ چین تجارتی جنگ اور بھارت میں کووڈ-19 کی وبائی شدت کے باعث اپنے آرڈر پاکستان میں منتقل کرنے کی وجہ سے ہماری کتائی (سپننگ) کی برامدات میں 41 فیصد کا اِضافہ ہوا۔ پچھلے سال کی نسبت دھاگے کی بنگلہ دیش اور چین کو برامدات میں بلترتیب 69 فیصد اور 40 فیصد کا اِصافہ ہوا، کیا یہ ایک پائیدار رجحان ہے یہ دیکھنا ابھی باقی ہے۔

اِس سال روئی کی ملکی مجموعی پیداوار 48 فیصد گر کر 5.6 ملین گانٹھوں (2020 میں 10.8 ملین گانٹھوں) تک آ گئی، یہ تین دہائیوں کی کم ترین سطح ہے۔ اِس کی وجہ زیادہ بارش، کیڑوں کا حملہ اور کسانوں کی دلچسپی کا فقدان ہے۔ اسی کی وجہ سے مقامی کپاس کی قیمتوں میں اضافہ جاری ہے۔ مقامی کپاس کی عدم دستیابی نے کمپنی کو کپاس درآمد کرنے پر مجبور کیا۔ دوسری طرف درامد شدہ پولیسٹر، زیرِ جائزہ مدت کے دوران مہنگا ہو گیا۔ اس مہنگے پن کی وجہ بین الاقوامی سطح پر پٹرولیم مصنوعات کی قیمتوں میں اِضافہ ہے۔ پہنچائی (فریٹ) دو وجوہات کی بنیاد پر نمایاں طور پر زیادہ ہوئی ہے (۱) تیل کی قیمت میں اِضافے کی وجہ سے کراچی سے آنے والی کھیپ کی لاگت میں اِضافہ اور (۲) عالمی سطح پر کنٹینرز کی کمی کا تنازعہ سمندری مال برداری کی لاگت میں اضافے کا باعث ہے۔ تاہم، مارکیٹ پر مبنی ہونے کی وجہ سے سوت کی قیمتوں میں نمایاں بہتری آئی ہے، جس سے کمپنی مذکورہ بالا اخراجات میں اضافے کے خاطر خواہ اثرات اپنے صارفین کو منتقل کر سکتی ہے۔ اس طرح زیرِ جائزہ سال کے دوران کتائی کا کاروبار، کامیاب اور منافع بخش ثابت ہوا ہے۔

ویونگ

وبا کے بعد عالمی معیشتیوں کے معمول پر آنے کی وجہ سے روز بہ روز بڑھتی مانگ نے پاکستان کی ٹیکسٹائل صنعت کو ایک ایسی راہ پر لا کھڑا کیا ہے جہاں بہترین صنعتی فائدہ متوقع ہے۔ اِس بڑھوتری اور اِس کے ساتھ ساتھ منافع میں اِضافے اور ملکی سطح پر بڑھتی ہوئی خام کپڑے کی مانگ نے حالات بُنائی (ویونگ) کے کاروبار کے حق میں کر دیے ہیں۔ مقامی مارکیٹ اِس کاروبار میں پچھلے سال کی نسبت 60 فیصد اِضافے کے ساتھ آگے ہے بہ نسبت برآمدی مارکیٹ کے جہاں برآمدی فروخت پچھلے سال کی نسبت کم رہی۔ وبا کے نتیجے میں یورپ اور امریکہ میں بڑے مینوفیکچرنگ یونٹس کے لاک ڈاؤن کی وجہ سے بنے ہوئے کپڑے کی بین الاقوامی مانگ ادھوری رہ گئی۔

ہوم ٹیکسٹائل

زیرِ جائزہ سال میں ہوم ٹیکسٹائل کی فروخت پچھلے سال سے 61 فیصد اِضافے کے ساتھ 16.9 ارب رہی۔ آمدنی میں یہ اضافہ بنیادی طور پر گھریلو ٹیکسٹائل مصنوعات کی غیر معمولی مانگ سے منسوب رہا، جس کی وجہ وبا کے بعد دنیا بھر میں مارکیٹوں کے کھلنے اور دوسرے ممالک سے بڑے آرڈرز کی پاکستان منتقلی ہے۔ بین الاقوامی مارکیٹ میں معیشت کی بحالی کے ساتھ، کاروباری سرگرمیوں میں کافی بہتری آئی ہے اس وجہ سے آمدنی میں حجم اور قیمت دونوں کے لحاظ سے بڑھوتری کا رجحان دیکھا گیا۔

منڈیوں کی ضرورت، مصنوعات کی لائن میں تنوع اور ہماری صارفین سے وابستگی کی وجہ سے پیداواری صلاحیتوں کو بڑھانے کے منصوبہ بنایا گیا ہے۔ صرف پروسیسنگ یونٹ میں، نئی پروڈکشن لائن لگانے سے 15 فیصد سے زیادہ صلاحیت میں اضافہ کیا جائے گا۔ کمپنی 50 جوکی مشینوں کو شامل کر کے نئے سلائی یونٹ لگانے کا بھی ارادہ رکھتی ہے، جس سے موجودہ صلاحیت تقریباً 12 فیصد بڑھے گی، کمپنی بنیادی طور پر موجودہ کسٹمر بیس کے ساتھ ساتھ ممکنہ نئے صارفین کی مانگ کو پورا کرنے کے لیے اعلی درجے کی مصنوعات پر توجہ مرکوز کر رہی ہے۔ اس کے علاوہ، سلائی ڈویژن نے نئی مینجمنٹ اور کارکردگی کی تکنیکوں پر توجہ مرکوز کر کے اپنی کارکردگی کو بہتر بنایا ہے اور اس کی پیداواری صلاحیت میں تقریباً 15 فیصد کا شاندار اضافہ ہوا ہے۔

لینن کمپنی (ٹی ایل سی) نے سال کے دوران تین نئی دکانیں کھولی ہیں، جن میں سے ایک ملتان اور دو لاہور میں ہیں اس سے کل ریٹیل دکانوں کی تعداد نو ہو گئی ہے۔ ای کامرس نے ملکی اور بین الاقوامی دونوں گاہکوں کو اپنی طرف متوجہ کیا ہے، جس کی وجہ سے آن لائن فروخت سالانہ 3 گنا بڑھ گئی ہے۔ گاہکوں کے زبردست ردِعمل کی وجہ سے، کمپنی ملک کے مختلف شہروں میں ریٹیل دکانوں کی تعداد کو مزید بڑھانے کا ارادہ رکھتی ہے۔

مانگ کی وجہ سے، انتظامیہ عالمی مارکیٹ میں داخلے کا منصوبہ رکھتی ہے۔ اس مقصد کے لیے، کمپنی دبئی میں ایک مکمل ملکیتی ماتحت کمپنی کو بنانے کے عمل میں ہے، تاکہ وہ اپنا پہلا بیرون ملک اسٹور وہاں سے شروع کرے۔

پاور

انضمام کے بعد، 46 میگا واٹ کول پر مبنی پاور پلانٹ نے نشاط (چونیاں) لمیٹڈ کے حصے کے طور پر کام کرنا شروع کر دیا ہے۔ اس کی صلاحیت کا زیادہ تر حصہ ہمارے کتائی (سپننگ) اور بنائی (ویونگ) یونٹس استعمال کر رہے ہیں، جبکہ تھوڑا سا حصہ بیرونی خریداروں کو جاتا ہے۔ تاہم اس کا مستقل استعمال کوئلے کی قیمتوں پر مُنحصر ہے جو مالی سال 21-2020 کی پہلی ششماہی کے لئے تقریباً 69 ڈالر فی ٹن جبکہ اِسی سال کی دوسری ششماہی کے لئے تقریباً 100 ڈالر فی ٹن تھی۔ فی الحال جب کے کوئلے کی قیمت 175 ڈالر فی ٹن تک جا پہنچی ہے تو اب یہ فائدہ مند ہے کہ حکومت کی فراہم کردہ کم نرخوں والی متبادل ذرائع پر جایا جائے جو کے LESCO کا 9cents/kwh اور گیس کا 6.5$/MMBTU ہے۔

ذیلی کمپنیاں

کمپنی نے بین الاقوامی رپورٹنگ معیارات اورکمپنیز ایکٹ 2017 کی ضروریات کے مطابق مشترکہ مالی حسابات کے ساتھ ساتھ الگ مالی حسابات بھی منسلک کیے ہیں۔گروپ نتائج میں نشاط (چونیاں) لمیٹڈ (ہولڈنگ کمپنی)،نشاط چونیاں پاور لمیٹڈ (NCPL) اورنشاط چونیاں یوایس اے انکارپوریٹڈ کے مالی حسابات شامل ہیں۔

مالی جھلکیاں	2021 (روپے ملین میں)	2020 (روپے ملین میں)
کل آمدنی	61,476	49,580
مجموعی منافع	12,937	11,096
ٹیکس سے پہلے منافع	8,761	4,570
ٹیکسیشن	675	444
ٹیکس کے بعد منافع	8,087	4,126
فی شیئر آمدنی (بنیادی اور معتدل)۔روپے	28.56	7.75

نشاط چونیاں لمیٹڈ کی تمام ذیلی کمپنیوں کی مختصر تفصیل درج ذیل ہے:

نشاط چونیاں پاور لمیٹڈ، 23 فروری 2007 کمپنیز آرڈیننس 1984 کے تحت انکارپوریٹڈ ہے۔یہ نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی لمیٹڈ (NTDCL) کے ساتھ 25 سالہ "ٹیک یا پے" کے تحت 200 میگاواٹ کی مجموعی صلاحیت کے حامل بجلی پیدا کرنے کا منصوبہ قائم کرنے کے مقصد کے ساتھ قائم ہوئی۔NCPL نے 21 جولائی 2010 کو اپنے آپریشنز کا آغاز کیا۔کمپنی کراچی، اسلام آباد اور لاہور اسٹاک ایکسچینجز (اب، پاکستان اسٹاک ایکسچینج) میں درج ہے۔نشاط (چونیاں) لمیٹڈ فی الحال نشاط (چونیاں) پاور لمیٹڈ کے 51.07% شیئرز پر کنٹرول رکھتی ہے۔30 جون 2021 کو ختم ہونے والے سال کے لئے NCPL کی کارکردگی پر تفصیلی ڈائریکٹرز رپورٹ الگ پیش کی گئی ہے۔

نشاط چونیاں یوایس اے انکارپوریٹڈ، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیو یارک کے تحت غیر ملکی ذیلی انکارپوریٹڈ ہے۔یہ مکمل ذیلی کمپنی ہے اور اس کا مقصد ہولڈنگ کمپنی کے مارکیٹنگ ڈیپارٹمنٹ کے ساتھ رابطہ رکھنا اور امریکی مارکیٹ سے متعلقہ رسائی، معلومات اور دیگر خدمات مہیا کرنا ہے اور امریکہ میں مقامی ریٹیلرز کو ہوم ٹیکسٹائل مصنوعات درآمد اور تقسیم کرنا ہے۔

مستقبل کا نقطہ نظر، مشکلات اور مواقع

پاکستانی مارکیٹ میں گارمنٹس اور گھریلو ٹیکسٹائل کی صلاحیت میں اِضافے کے ساتھ، مینجمنٹ کو توقع ہے کہ یہ بڑھتی ہوئی مانگ کا رجحان مستقبل میں مزید مضبوط ہوگا۔اہم خام مال کی قیمتوں میں مسلسل اضافہ اور روپے کی قدر میں کمی منافع کے لیے خطرہ بن سکتی ہے۔تاہم، انتظامیہ چاہتی ہے کہ اس طرح کی قیمتوں میں اضافے کو معقول حد تک صارفین کو منتقل کیا جانا چاہیے۔مزید یہ کہ بہتر سورسنگ حکمت عملیوں پر مینجمنٹ کا یقین اور آپریشنل بہتری پر توجہ اس شعبے میں منافع اور بڑھوتری کو مزید فروغ دے گا۔

مزید برآں، سال کے دوران، کمپنی نے اپنی پیداواری صلاحیت میں مزید جدت لانے کے لیے جدید ترین جیکورڈ لومز لگائے ہیں۔جیکورڈ کپڑا اعلی معیار کا پریمیم کپڑا ہے جسے کئی ڈیزائننگ پیٹرن پر بُنا جاسکتا ہے۔اس توسیع نے بنائی کے کاروبار میں مزید جدت پیدا کی ہے اور کسٹمر بیس کو وسیع کیا ہے۔

مسلسل عمل میں بہتری اور آٹومیشن ہمیشہ ہماری پہچان رہی ہے۔ترقی کی طرف ہمارے اگلے قدم کے طور پر، ہم اوپن اینڈ اسپننگ بزنس میں داخل ہونے کے لیے تیار ہیں۔تقریباً 5 ارب روپے کے اخراجات کے ساتھ، ہمارے پاس پائپ لائن میں ترقی کے پُرکشش منصوبے ہیں جو پہلے ہی نفاذ کے مرحلے میں ہیں۔اس میں شلافورسٹ کی طرف سے جدید ترین آٹوکورو مشینوں کی تنصیب

شامل ہے جس میں انقلابی سنگل اسپننگ یونٹ ٹیکنالوجی ہے جس میں 2880 روٹرز شامل ہیں، اس کے ساتھ بیک پروسیس کی گنجائش بھی ہے۔ ویسٹ ریکوری پلانٹ پہلے ہی آزمائشی مرحلہ مکمل کر رہا ہے، ایک بار مکمل طور پر کام کرنے کے بعد، یہ یقینی طور پر پیداواری کارکردگی کو بڑھا دے گا۔ ہم جدید ترین ہائی ٹیک مشینری لگا کر رنگ فریموں اور آٹو شنک مشینوں کی تعداد کو بہتر بنانے کے مرحلے میں ہیں، اس سے آپریٹنگ صلاحیت 9000 تکلا سے بڑھ جائے گی۔

ہوم ٹیکسٹائل ڈویژن میں اِنتظامیہ پیداواری صلاحیت، جس میں دونوں پروسیسنگ اور سلائی شامل ہے، کو بہتر بنانے کے لئے حرکت میں آ چکی ہے۔ صرف پروسیسنگ یونٹ میں، نئی پروڈکشن لائن کی تنصیب سے پیداواری صلاحیت میں 15 فیصد سے زیادہ اضافہ ہوگا۔ کمپنی 50 جوکی مشینوں کو شامل کر کے نئے سلائی یونٹ لگانے کا بھی ارادہ رکھتی ہے، جس سے اس کی موجودہ صلاحیت میں تقریباً 12 فیصد اضافہ ہوگا۔ ہوم ٹیکسٹائل ڈویژن کے لیے مجموعی سرمایہ کاری تقریباً 500 ملین روپے ہوگی۔

مینجمنٹ اپنے ریٹیل بزنس پر کافی توجہ مرکوز کئے ہوئے ہے، اور اس کاروبار کو دنیا بھر میں لے جانے کا ارادہ رکھتی ہے، اِسلیئے دبئی میں اپنا پہلا بین الاقوامی اور آن لائن سٹور بیک وقت کھولنے کا ارادہ کر رہی ہے۔ مزید براں، پاکستان اور پاکستان سے باہر مزید دُوکانیں بھی کھولی جائیں گی۔

پاکستان کو ٹیکسٹائل ویلیوایڈڈ سیکٹر میں پیدا ہونے والی جگہ کو پُر کرنے کا ایک شاندار موقع ملا ہے جو کہ چین اور امریکہ کے تجارتی تعلقات میں تناؤ کے باعث پیدا ہوا ہے۔ مزید جس شدت سے وبا نے کچھ ٹیکسٹائل برآمد کرنے والے مما لک کو متاثر کیا ہے اُس شدت سے پاکستان محفوظ رہا ہے۔ لہذا، بہت سے بین الاقوامی خریدار اس خلا کو پُر کرنے کے لیے پاکستان جیسے مما لک کے منتظر ہیں اور بہت سی مقامی کمپنیاں فعال طور پر اس موقع سے فائدہ اُٹھا رہی ہیں، جیسا کہ ویلیوایڈڈ ٹیکسٹائل سیکٹر میں گنجائش کی مسلسل توسیع سے دیکھا جا سکتا ہے۔ صلاحیت میں یہ اضافہ مقامی طور پر تیار کردہ سوت اور خام کپڑے کی مانگ کو مستحکم کرنے کے ساتھ ساتھ اس کے مارجن کو بھی مستحکم کرے گا، حالانکہ کپاس کی قیمتوں میں اضافے سے پیدا ہونے والے مارجن کو معمول پر آنا چاہیے۔

معاشی محاذ پر، میکرو انڈیکیٹر جس میں کرنٹ اکاؤنٹ خسارہ، ڈالر کی قدر میں کمی اور افراط زر کی زیادہ شرح شامل ہے، ہر ماہر معاشیات کی نظر میں رہیں گے۔ کاروباری افراد پالیسی کی شرح میں اضافے کی توقع کر رہے ہیں جس کے نتیجے میں معیشت سست اور 2018 والا بحران آئے گا۔ تاہم، حکومت کو یقین ہے کہ معیشت درست راستے پر ہے اور اٹھائے گئے تمام اقدامات درمیانے سے طویل عرصے میں فائدہ مند ثابت ہوں گے۔

کارپوریٹ سماجی ذمہ داری

سماجی بہبود اور کمیونٹی کی خدمت ہمارے وژن کا لازمی حصہ ہے۔ ہم مختلف ٹیکسز، ڈیوٹیز اور لیویز کی ادائیگی کے ذریعے قومی خزانے میں نہ صرف قابل ذکر اضافہ کرتے ہیں بلکہ ہماری برآمدات کی آمدنی ملک کی غیر ملکی زرمبادلہ کی پوزیشن کو مستحکم کرنے میں کافی اہم کردار ادا کرتی ہے۔

ہم مساوی مواقع فراہم کرنے والے آجر ہیں اور ہم اپنے ملازمین کو کام کا ایسا ماحول فراہم کرنے کے لئے مصروف عمل ہیں جو صحت مند، محفوظ اور مسلسل سیکھنے کے لئے موزوں ہو۔ کمپنی میرٹ پر یقین رکھتی ہے اس لئے بلا امتیاز نسل، ثقافت اور جنس لوگوں کو روزگار فراہم کر رہی ہے۔

کمپنی ہوم ٹیکسٹائل ڈویژن میں ایڈوانس واٹر ٹریٹمنٹ پلانٹ لگا کر ماحول دوست ٹیکنالوجی میں بھی سرمایہ کاری کر رہی ہے۔ مزید برآں، سپننگ اور ویونگ ملز میں استعمال شدہ پانی مقامی کاشتکاروں کو بلا معاوضہ فراہم کیا جاتا ہے۔ مستقل بنیاد پر راکھ کے مسئلے سے نمٹنے کے لئے کمپنی ایک اینٹیں بنانے کا پلانٹ لگانے کا منصوبہ بنا رہی ہے جو کول پاور پلانٹ کی راکھ استعمال کر کے اینٹیں تیار کرے گا۔

رفاہی کوششوں میں، کمپنی ایک اسکول کو عطیہ کرتی ہے، اسکول برائے نام فیس پر اعلی معیار کی تعلیم فراہم کرتا ہے۔ مذکورہ بالا کے علاوہ، کمپنی معہ اس کے اسپانسرز اور دیگر مخیرّ حضرات غیر منافع بخش جدید، سلیم میموریل ٹرسٹ ہسپتال (SMTH) قائم کرنے کے پراسیس میں ہیں۔ یہ 350 بستر کا ہسپتال جو 39 کنال کے رقبہ پر تعمیر کیا جا رہا ہے اور یہ غیر مراعات یافتہ کو ایک مثالی رعایتی طبی علاج فراہم کرے گا۔ ہسپتال کا جزوی سیکشن آئندہ سال تک کھول دیا جائے گا۔

COVID-19 کے باعث لاک ڈاؤن کے مشکل دور میں انتظامیہ اپنے ملازمین کے ساتھ رہی اور کسی بھی ملازم کو نکالا نہیں گیا۔

رسک مینجمنٹ

ہم سمجھتے ہیں کہ کسی بھی ایسا کاروبار جو انڈسٹری میں ترقی اور مسابقت کا خواہاں ہے اُس کے لئے خطرہ ناگزیر ہے۔ کمپنی کو متعدد مالی خطرات لاحق ہیں: مارکیٹ کا خطرہ (کرنسی کا خطرہ، سود کی شرح خطرہ سمیت)، کریڈٹ رسک اور لیکویڈیٹی رسک۔ اس کے لئے ایک سخت رسک مینجمنٹ سسٹم کے قیام کی ضرورت ہے، جس میں کمپنی کی سرگرمیوں سے متعلق خطرات کی شناخت، تشخیص، نگرانی اور ان کا انتظام کرنے کے لئے داخلی کنٹرول تیار کرنا ہوتا ہے۔ ہم مختلف حالات میں خطرہ/انعام کے تناسب کے بارے میں اپنی فہم کو مستقل طور پر بہتر بنانا اور خطرات کو قابل قبول سطح تک کم کرنا چاہتے ہیں۔

ہم یہ کام پورے تنظیم میں، متوقع خطرے اور اس کے تخفیف کے کلچر کو فروغ دے کر کرتے ہیں۔ کمپنی نے خطرات کے انتظام کے مختلف معیاری آپریٹنگ طریقہ کار نافذ کیا ہے۔ متروکہ ہونے سے بچنے کے لئے انتظامیہ کے ذریعہ وقتاً فوقتاً ان کا جائزہ لیا جاتا ہے اور اس کو جدید حالات کے ساتھ اپ ڈیٹ کیا جاتا ہے۔ بورڈ طریقہ کار کی تعمیل کی نگرانی کرتا ہے۔ ہم ہر سطح پر ملازمین میں بیداری پیدا کرنے کے ساتھ، کاروبار کی اخلاقیات میں رسک مینجمنٹ کو سرایت کرانے میں یقین رکھتے ہیں۔

داخلی مالیاتی کنٹرول

نشاط (چونیاں) لمیٹڈ میں ہمارا مضبوط داخلی کنٹرول اور رسک مینجمنٹ نظام ہے۔ رسک مینجمنٹ اور داخلی کنٹرول کے عوامل کو کمپنی کی اثاثوں کی حفاظت اور کمپنی کو درپیش بڑھتے ہوئے خطرات سے مناسب طریقے سے نمٹنے اور/یا کم کرنے کے لئے تیار کئے گئے ہیں۔ کمپنی میں ایک انٹرنل آڈٹ ڈیپارٹمنٹ ہے جو مقررہ وقت پر آڈٹ کرتا ہے اور مینجمنٹ کو رپورٹ پیش کرتا ہے۔ رپورٹس نہ صرف کمی یا لوپ ہولز پیش کرتی ہیں بلکہ موجودہ نظام میں بہتری کی تجاویز بھی دیتی ہیں۔

بورڈ ایک کارگر اور مؤثر انٹرنل کنٹرول سسٹم کو قائم اور منظم کرنے کے لئے اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ بورڈ اندرونی آڈٹ فنکشن کی طرف سے پیش کردہ تجاویز کے متواتر جائزے اور مناسب نفاذ کی براہ راست نگرانی کرتا ہے۔ اس کے نتیجے میں، اندرونی کنٹرول کا نفاذ یقینی بنایا جاتا ہے اور ان کی فعالیت پر بھروسہ کیا جاتا ہے۔

ماحولیاتی اثرات

کمپنی باقاعدگی سے ماحول اور معاشرے کی فلاح و بہبود کو بہتر بنانے کے اقدامات کرتی ہے۔

توانائی کی بچت

قابل تجدید توانائی کے ذرائع سے بجلی کی پیداوار کو فروغ دینے کے لیے، ہم نے اپنے ہیڈ آفس کو مکمل طور پر شمسی توانائی پر منتقل کیا ہے۔ ہم توانائی کو بچانے کے طریقے تلاش کرنے میں سرگرم ہیں اور ہم نے توانائی بچانے کے لیے اپنی ملوں میں ایل ای ڈی لائٹس لگائی ہیں۔ مزید یہ کہ ملازمین کے لیے توانائی کے تحفظ کو فروغ دینے کے لیے تربیتی سیشن بھی منعقد کیے جاتے ہیں۔

ماحولیاتی تحفظ

ہم مسلسل ماحولیاتی تحفظ کے سلسلے میں حکومت کی طرف سے دی جانے والی تجویز کا جائزہ اور عمل درآمد کر رہے ہیں۔ ہم نے اپنے انڈسٹریل پروسیس کے خطرناک اثرات سے ماحول کو محفوظ بنانے کے لئے ای ویسٹ واٹر ٹریٹمنٹ پلانٹ قائم کیا ہے۔ کمپنی نے ویسٹ واٹر سے کاسٹک نکالنے کے لئے کاسٹک ریکوری پلانٹ نصب کیا ہے۔ ہم ماحول دوست ڈائیز اور کیمیکل استعمال کرتے ہیں جو ہمارے فضلہ کے ذخائر پر کم آلودگی کا بوجھ رکھتے ہیں۔ اس کے علاوہ، آن لائن ایمشن مانیٹرنگ سسٹم کول پاور پلانٹ میں نصب کیا جا رہا ہے۔ مزید یہ کہ، ہم باقاعدگی سے ماحولیاتی مانیٹرنگ رپورٹس کو ٹریک کرتے ہیں تاکہ معلوم کیا جا سکے کہ ہم تمام ریگولیٹری معیارات کے مطابق ہیں یا نہیں۔

پیشہ ورانہ حفاظت اور صحت

ہم صحت اور حفاظت سے متعلق آگاہی کے باقاعدہ پروگرام چلاتے ہیں اور کبھی کبھار مفت میڈیکل کیمپوں کا بھی اہتمام کرتے ہیں۔ مزید برآں، ڈینگی اور کورونا وائرس جیسی بیماریوں سے بچنے کے لئے فورگنگ مشینوں کا استعمال کر کے تمام مینوفیکچرنگ سہولیات کے احاطے میں باقاعدگی سے فیومیگیشن کی جاتی ہے۔

کووڈ 19 وبائی بیماری کے دوران، ہم نے حکومت کی طرف سے جاری کردہ ایس او پیز پر سختی سے عمل پیرا ہونا یقینی بنایا ہے۔ ہمارے ملازمین کی صحت اور تندرستی کو یقینی بنانے کے لئے ماسک اور سینیٹائزر ہماری تمام تر پیداواری سہولیات پر دستیاب ہیں۔ وبا میں معاشرتی فاصلہ کے اصولوں کا نفاذ اور سختی سے عمل کیا گیا ہے۔ مزید ہم نے یہ یقینی بنایا کہ ہمارے تمام ملازمین ویکسینیٹڈ ہوں۔

کمپنی اپنی تمام ترمینوفیکچرنگ سہولیات پر فائر فائٹنگ آلات اور گاڑیاں برقرار رکھتی ہے۔ باقاعدگی سے آگ بجھانے کی مشقیں کی جاتی ہیں اور ملازمین کو کسی بھی حادثہ سے بچنے کے لئے انہیں بنیادی تربیت فراہم کی جاتی ہے۔

تعمیل کا بیان

کمپنی نے، پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ضابطے میں شامل کوڈ آف کارپوریٹ گورننس کی ضروریات پر عمل اور باقاعدہ تعمیل کی ہے،اس کا بیان رپورٹ سے منسلک ہے۔

ویلیو ایڈیشن اور تقسیم کا بیان

	روپے ملین میں
پیدا کردہ دولت	
کل وصولی اور دیگر آمدنی	50,147
مال اور خدمات میں خرید	(42,704)
	7,443
دولت کی تقسیم	
حکومت اور معاشرہ کو	
ملازمین کی تنخواہ	3,288
عطیہ	5
ٹیکس اور WPPF	1,003
سرمایہ فراہم کنندگان کو	
مالی لاگت	1,747
منافع منقسمہ	240
سرمایہ کاری اور مستقبل کی ترقی کے لئے محفوظ	
فرسودگی، کساد بازاری اور محفوظ منافع	1,160
	7,443

کارپوریٹ گورننس

سال کے دوران آپ کی کمپنی کارپوریٹ گورننس کے ضابطہء اخلاق کی ضروریات پر عمل پیرا رہی ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل:

ارکان کی صنف، علم، مہارت اور مہارت کے متنوع مرکب ہمارے بورڈ کی مؤثریت میں اضافہ کرتی ہے۔ ہمارے بورڈ کی تشکیل حصص داران کے تمام اقسام کے مفادات کی نمائندگی کرتی ہے اور یہ مشتمل ہے:

ڈائریکٹرز کی کل تعداد

مرد 6

خاتون 1

ترتیب

بورڈ کی ترتیب مندرجہ ذیل ہے:

a) آزاد ڈائریکٹر: 02، نام درج ذیل ہیں:

i۔ جناب فیصل فرید خان

ii۔ جناب محمد زاہد خان

b) دیگر نان ایگزیکٹو ڈائریکٹرز: 03، نام درج ذیل ہیں:

i۔ محترمہ فرحت سلیم، چیئرپرسن

ii۔ جناب آفتاب احمد خان

iii۔ جناب فرخ افضال

a)۔ ایگزیکٹو ڈائریکٹر: 02، نام درج ذیل ہیں:

i۔ جناب شہزاد سلیم (چیف ایگزیکٹو)

ii۔ جناب زین شہزاد

بورڈ آف ڈائریکٹرز کے اجلاس:

زیرجائزہ سال کے دوران چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹرز	تعداد حاضری
محترمہ فرحت سلیم (چیئرپرسن)	0
جناب شہزاد سلیم (چیف ایگزیکٹو)	4
جناب زین شہزاد	2
جناب آفتاب احمد خان	4
جناب فرخ افضال	4
جناب محمد زاہد خان	3
جناب شعیب احمد خان (مستعفی 16-04-2021)	3
جناب فیصل فرید (03 ستمبر 2020 کو مقرر ہوئے)	3

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ اور بورڈ کے اجلاس کی فیس کا تعین کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق منظور شدہ پالیسی کے ذریعے کیا گیا ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی، بورڈ آف ڈائریکٹرز کی طرف سے مقررہ ریفرنس کی شرائط کے مطابق اپنے فرائض انجام دے رہی ہے۔ آڈٹ کمیٹی کی تشکیل درج ذیل ہے:

جناب محمد زاہد خان	چیئرمین
جناب فرخ افضال	ممبر
جناب آفتاب احمد خان	ممبر

R&HR کمیٹی

ضابطہ کی تعمیل میں، کمپنی کے بورڈ آف ڈائریکٹرز نے ایک HR & R کمیٹی قائم کی ہے۔ HR & R کمیٹی کی تشکیل درج ذیل ہے:

جناب فیصل فرید	چیئرمین
جناب فرخ افضال	ممبر
جناب محمد زاہد خان	ممبر

نمونہ حصص داری

30 جون 2021ء کے مطابق نمونہ حصہ داری منسلک ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر حصص داران، بینکوں، مالیاتی اداروں اور کسٹمرز کا شکر گزار رہے، جن کے تعاون، مسلسل حمایت اور تحفظ نے کمپنی کو مسلسل بہتری کی طرف گامزن کیا ہے۔ زیرِ جائزہ مدت کے دوران، مینجمنٹ اور ملازمین کے درمیان تعلقات ہموار رہے ہیں اور ہم کمپنی کے ملازمین اور کارکنوں کی لگن اور سخت محنت کا بھی شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ

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چیف ایگزیکٹو

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ڈائریکٹر

لاہور: 28 ستمبر 2021ء

چیئرپرسن کی جائزہ رپورٹ

مجھے آپ کے سامنے 30 جون 2021 کو ختم ہونے والے سال کے لیے اقتصادی اور کاروباری خاکہ اور کمپنی کے مقاصد کو حاصل کرنے میں بورڈ آف نشاط (چونیاں) لمیٹڈ کے کلیدی کردار کو پیش کرنے پے بیحد خوشی ہو رہی ہے۔

معاشی ادراک

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

مینوفیکچرنگ سیکٹر نے حکومت کی حوصلہ افزا پالیسیوں کی مدد سے قابل ذکر ترقی کی ہے، خاص طور پر، برآمدی شعبے کو گیس اور بجلی کی سبسڈی، سیلز ٹیکس کی بروقت پروسیسنگ اور ڈی ایل ٹی ایل کی ادائیگی کی صورت میں ریلیف دیا گیا ہے۔ مزید برآں، تعمیراتی شعبے کے لیے صنعتی سپورٹ پیکج اور موسم سرما کے مہینوں کے لیے بجلی کے نرخوں میں کمی نے واقعی ترقی کو مزید متاثر کن بنایا۔

کاروباری کارکردگی

پاکستان کے ٹیکسٹائل سیکٹر کے لیے یہ سال غیر معمولی رہا، کیونکہ سوت کے مارجن میں زبردست اضافہ ہوا اور ویلیو ایڈڈ مصنوعات کے بڑے عالمی آرڈرز ان ممالک سے پاکستان کی طرف آئے جنہیں وبائی امراض نے سخت متاثر ہے۔ ہماری وصولیاں 38 فیصد اضافے کے ساتھ 49 ارب (2020 میں 35.7 ارب) روپے تک بڑھ گئی ہیں۔ مجموعی اور آپریٹنگ مارجن بھی متاثر کن رہے ہیں۔ اگرچہ بڑھتی ہوئی افراط زر کی وجہ سے خام مال اور آپریٹنگ اخراجات بہت زیادہ تھے، تاہم اچھی حکمت اور انتظامیہ کی حکمت عملی کمپنی کو غیر معمولی نتائج دینے کے قابل بنانے میں اہم ثابت ہوئی۔

بورڈ

نشاط (چونیاں) لمیٹڈ کو اپنے بورڈ آف ڈائریکٹرز پر فخر ہے جو بلاشبہ اس کی بنیادی طاقت ہونے کے ساتھ ساتھ کمپنی کی اسٹریٹجک سمت متعین کرتے ہیں۔ جاری عالمی مخمصے کے باوجود، کمپنی نے ٹیکسٹائل سیکٹر میں اپنی پوزیشن برقرار رکھی ہے اور اپنے ڈائریکٹرز کی مسلسل اور انتھک کوششوں کے ذریعے اپنے منافع میں اضافہ کیا ہے۔ مزید براں، کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی ہدایات کے ساتھ ساتھ بورڈ، ڈائریکٹرز اور ان کی کمیٹیوں کے حوالے سے کمپنیز ایکٹ، 2017 میں درج شرائط پر بھی عمل کیا گیا ہے۔

(8) ممبروں پر مشتمل بورڈ نے اپریل 2021 میں اپنی مدت پوری کی اور 16 اپریل 2021 کو ہونے والی غیر معمولی جنرل میٹنگ میں کمپنیز ایکٹ، 2017 کے سیکشن 159 کی دفعات کے مطابق، بورڈ آف ڈائریکٹرز کی متعین کردہ تعداد، (7) ڈائریکٹرز کو، اگلی تین سال کی مدت کے لیے، منتخب کرنے کے لیے دوبارہ انتخابات منعقد کیے۔

جناب یاسر احمد اعوان، جنہوں نے ابتدا میں الیکشن لڑنے کے لیے نامزدگی جمع کروائی تھی نے بعد میں اپنی دستبرداری جمع کرادی، اس کے علاوہ جناب شعیب احمد خان (آزاد ڈائریکٹر) نے دوبارہ انتخاب کے لیے مقابلہ نہیں کیا، چنانچہ باقی امیدوار بلا مقابلہ منتخب ہوئے۔

تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل میں مکمل طور پر حصہ لیا۔ ایک منجھے ہوئے معیار کے مطابق بورڈ کی کارکردگی جائزہ لیا جاتا ہے اور ان کی طرف سے انتہائی اہلیت اور تندہی کو ہی مدِنظر رکھا جاتا ہے۔ بورڈ کی کامیابیوں کی اہم خصوصیات درج ذیل ہیں:

- کمپنی کے وژن، مشن اور اقدار کو واضح طور پر سمجھنا اور اُس کی تعمیل کو ہر سطح پر یقینی بنانا۔
- اسٹریٹجک منصوبے بنانا اور کلیدی فیصلے کرنا جو کمپنی اور اس کے اسٹیک ہولڈرز کے مفادات کے مطابق ہوں۔
- اندرونی اور بیرونی آڈیٹرز اور آزاد مشیروں کے تلاش کردہ اہم نکات کی روشنی میں کاروباری کارکردگی اور معاملات کا مستقل جائزہ لینا۔
- آزاد ڈائریکٹرز سمیت ایگزیکٹو اور غیر ایگزیکٹو ڈائریکٹرز کے متنوع مرکب کو برقرار رکھنا، جبکہ کلیدی فیصلے کرنے میں مناسب شمولیت کو یقینی بنانا۔
- اہم سرمایہ کاری کے فیصلوں کا جائزہ لینا۔
- موثر ماحول اور کارپوریٹ گورننس کے بہترین طریقوں کی تائید اور حفاظت کرنا۔

مزید یہ کہ سال بھر کے تمام بڑے مسائل بورڈ اور اس کی کمیٹیوں کے سامنے پیش کیے گئے۔ آڈٹ کمیٹی اور R&HR کمیٹی نے بورڈ کے اِقدامات کو مضبوط بنانے کے لیے عمدہ انداز میں بورڈ کی مدد کی۔ مزید بہتری اور ممکنہ کمزوریوں کی شناخت کے لیے بہترین عالمی طریقوں کے مطابق، بورڈ کی جانب سے اپنے کام کا جائزہ خود لیا گیا۔

آخر میں، میں کمپنی کے مقاصد کے حصول کے لیے پوری افرادی قوت کی جانب سے کی گئی قیمتی شراکت کی تعریف کرنا چاہوں گی۔ میں اپنے بورڈ آف ڈائریکٹرز، ملازمین، شیئر ہولڈرز، کسٹمرز، بینکرز، ریگولیٹری اتھارٹیز اور دیگر اسٹیک ہولڈرز کا اس انٹرپرائز میں مسلسل تعاون اور اعتماد کے لیے شکریہ ادا کرنا چاہتی ہوں۔

محترمہ فرحت سلیم

چیئرپرسن

تاریخ: 28 ستمبر، 2021

INVESTORS' EDUCATION

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

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