



Interim Financial Information
Half Year Ended December 31, 2022
(Unaudited)



**NISHAT
CHUNIAN**
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COMPANY INFORMATION

Board of Directors:

Mr. Shahzad Saleem (*Chief Executive*)
Mr. Farrukh Ifzal (*Chairman*)
Mrs. Ayesha Shahzad
Mr. Zain Shahzad
Mr. Aftab Ahmad Khan
Mr. Faisal Farid (*Independent*)
Mr. Muhammad Azam Siddiqi (*Independent*)

Audit Committee:

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

HR & Remuneration Committee:

Mr. Faisal Farid (*Chairman*)
Mr. Farrukh Ifzal (*Member*)
Mr. Muhammad Azam Siddiqi (*Member*)

CFO:

Mr. Mustaqeem Talish

Company Secretary:

Mr. Danish Farooq

Head of Internal Audit:

Mr. Rubia Inam

Mills:

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

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

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

Bankers to the Company:

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

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

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

Share Registrar:

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

Directors' Report

Dear Shareholders

The Directors of Nishat (Chunian) Limited ("the Company") are pleased to present the Directors' Report for the half year ended 31 December 2022.

Operating Financial Results

Sales clocked in at Rs. 29.67 billion as compared to Rs. 31.03 billion during the corresponding period of the previous fiscal year, registering a decrease of 4.39%. Loss after tax of the Company for the period is 6.19% against a Profit after tax of 15.17% in the corresponding period of the prior year, translating into a negative EPS of Rs. 7.65 as compared to a positive EPS of Rs. 19.61 in the corresponding period of last financial year.

Financial Highlights	For the half year ended Dec 31	
	2022	2021
Revenue	29,672,308,269	31,034,546,974
Gross Profit	2,003,206,111	6,998,191,387
Profit / (Loss) After Taxation	(1,836,522,302)	4,709,225,906
Gross Profit %	6.75%	22.55%
Profit / (Loss) After Taxation %	(6.19%)	15.17%
Earnings / (Loss) per Share	(7.65)	19.61

Market Review and Future Prospects

This fiscal year is turning out to be a difficult one, with reduced profit margins and the high cost of borrowing being the primary reasons for the loss. While massive floods reduced the local cotton supply, the rapid depreciation of PKR against USD has increased the cost of importing raw materials. High raw material costs in combination with already expensive energy are making it difficult for the Pakistani textile industry to be competitive with the regional competitors.

On the domestic front, the unprecedented forex rate fluctuations and the ongoing political instability are turning out to be very challenging for the industry. On the global front, the Russia-Ukraine war is negatively impacting the world economy, by worsening the existing geopolitical divide.

On the economic front, macro indicators like the current account deficit, rupee devaluation, and high inflation rate, suggest that a high policy rate will maintain, which will slow down the economy. As the world heads into a recession in 2023, timely policymaking will be required by the Government if we are to rein in the impact of the global recession.

Subsidiary Companies and Consolidated Financial Statements

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

Acknowledgement

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

For and on behalf of the Board,

Chief Executive

Date: 28th February 2023

Director

Directors' Report

مجلسِ نظامہ کی رپورٹ

محترم حصص یافتگان

مجلسِ نظامہ 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے لئے نشاط (چونیاں) لمیٹڈ ("کمپنی") کے غیر محاسب شدہ نتائج کا یہ مسرت اعلان کرتی ہے۔

اپریٹنگ مالیاتی نتائج

گزشتہ مالی سال کی ششماہی کے 31.03 ارب کی نسبت اس سال کی ششماہی میں فروخت 29.67 ارب ہے جو کے 4.39 فیصد کی گراؤٹ ظاہر کرتی ہے۔ اس ششماہی میں کمپنی کا بعد از ٹیکس نقصان 6.19 فیصد ہے جبکہ گزشتہ مالی سال کی اسی ششماہی میں 15.17 فیصد منافع تھا۔ فی شخص آمدنی گزشتہ مالی سال کی اسی ششماہی کے ثبوت 19.61 روپے کے مقابلے میں منفی 7.65 روپے ہے۔

31 دسمبر ختم شدہ ششماہی		مالیاتی جھلکیاں
2021	2022	
31,034,546,974	29,672,308,269	فروخت (روپے)
6,998,191,387	2,003,206,111	مجموعی منافع (روپے)
4,709,225,906	(1,836,522,302)	بعد از ٹیکس (نقصان) منافع (روپے)
22.55%	6.75%	مجموعی منافع (فیصد)
15.17%	(6.19%)	بعد از ٹیکس (نقصان) منافع (فیصد)
19.61	(7.65)	فی شخص (نقصان) آمدنی (روپے)

مارکیٹ کا جائزہ اور مستقبل کے امکانات

کم منافع اور زیادہ شرح سود کی وجہ سے یہ مالی سال ایک مشکل سال ثابت ہو رہا ہے، اور نقصان میں آنے کی بنیادی وجوہات بھی دونوں ہیں۔ جہاں بڑے پیمانے پر سیلاب نے مقامی کپاس کی سپلائی کو کم کر دیا، وہیں امریکی ڈالر کے مقابلے پاکستانی روپے کی تیزی سے گراؤٹ نے خام مال کی درآمد کی لاگت کو بڑھا دیا ہے۔ پہلے سے ہی ٹھنکی توانائی اور پھر خام مال کی زیادہ قیمتیں پاکستانی ٹیکسٹائل انڈسٹری کے لیے علاقائی خریداریوں کے ساتھ مقابلہ کرنا مشکل بنا رہی ہیں۔

ملکی سطح پر، غیر ملکی کرنسی کی شرح میں بے مثال اتار چڑھاؤ اور جاری سیاسی عدم استحکام صنعت کے لیے بہت مشکل ثابت ہو رہے ہیں۔ عالمی محاذ پر، روس اور یوکرین کی جنگ موجودہ جغرافیائی سیاسی تقسیم کو مزید خراب کر کے عالمی معیشت پر منفی اثر ڈال رہی ہے۔

اقتصادی محاذ پر، کرنٹ اکاؤنٹ خسارہ روپے کی قدر میں کمی، اور مہنگائی کی بلند شرح جیسے اشارے بتاتے ہیں کہ پالیسی کی بلند شرح برقرار ہے گی، جو معیشت کو سست کر دے گی۔ عالمی دنیا 2023 میں کساد بازاری کی طرف بڑھ رہی ہے، اگر حکومت اسکے اثرات پر گام ڈالنا چاہتی ہے تو اس کو بروقت پالیسی سازی کرنا ہوگی۔

ذیلی کمپنیاں اور اشتیال شدہ مالی بیانات

ذیلی کمپنیاں میں نشاط چونیاں پرائیمریز لمیٹڈ، نشاط چونیاں یو ایس اے انکار پورینڈ، سونیو انکار پورینڈ، اور ٹی ایل سی ڈیل ایسٹ ٹریڈنگ شامل ہیں۔ لہذا کمپنی نے بین الاقوامی رپورٹنگ معیارات اور کنٹریبرا کیٹ 2017 کی لاگو فہرست کے مطابق مشترکہ عبوری مالی حسابات کے ساتھ ساتھ الگ عبوری مالی حسابات بھی منسلک کئے ہیں۔

اظہارِ تشکر

نظامہ، کمپنی کے پُر خلوص ملازمین کے ساتھ اظہارِ تشکر کرنا چاہتے ہیں جو کمپنی کی کاروائیوں میں اہم کردار ادا کر رہے ہیں۔

منجانب مجلسِ نظامہ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 28 فروری، 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat (Chunian) Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of NISHAT (CHUNIAN) LIMITED as at 31 December 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Atif Anjum.

RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

Date: **February 28, 2023**

UDIN: **RR2022101322nhIAuXZ5**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,700,000,000	3,700,000,000
Issued, subscribed and paid-up share capital		2,401,190,290	2,401,190,290
Reserves		17,469,338,507	22,142,195,125
Total equity		19,870,528,797	24,543,385,415
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	4	13,185,301,422	13,440,603,387
Lease liabilities		42,804,682	56,004,356
Deferred liabilities		755,776,804	832,798,931
		13,983,882,908	14,329,406,674
CURRENT LIABILITIES			
Trade and other payables		5,236,952,637	4,553,972,203
Accrued mark-up / profit		1,046,206,976	512,941,848
Short term borrowings		29,326,024,494	12,944,009,897
Current portion of non-current liabilities		1,928,380,052	2,338,047,885
Provision for taxation - net		-	150,138,087
Unclaimed dividend		80,765,147	63,732,091
		37,618,329,306	20,562,842,011
Total liabilities		51,602,212,214	34,892,248,685
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	5	71,472,741,011	59,435,634,100

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

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	6	23,347,381,712	22,595,891,328
Right-of-use assets		64,506,178	74,651,170
Intangible asset	7	525,925	635,708
Long term investments		510,128,000	510,128,000
Long term loans to employees		13,787,755	21,616,477
Long term security deposits		31,058,024	30,734,231
		23,967,387,594	23,233,656,914
CURRENT ASSETS			
Stores, spare parts and loose tools		1,817,229,872	1,737,163,960
Stock-in-trade		31,277,096,453	21,177,210,052
Trade debts		7,509,562,369	7,741,005,867
Loans and advances		3,400,436,851	1,869,297,569
Short term prepayments		70,329,303	12,242,055
Other receivables		3,093,854,910	1,521,609,963
Advance income tax - net		101,756,296	-
Short term investments		56,109,960	58,582,472
Cash and bank balances		178,977,403	209,007,048
		47,505,353,417	34,326,118,986
Non-current asset held for distribution to owners	8	-	1,875,858,200
		47,505,353,417	36,201,977,186
TOTAL ASSETS		71,472,741,011	59,435,634,100

CHIEF FINANCIAL OFFICER

Nishat Chunian Limited

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Half Year Ended		Quarter Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		----- Rupees -----			
REVENUE	9	29,672,308,269	31,034,546,974	14,418,766,003	16,229,193,392
COST OF SALES	10	(27,669,102,158)	(24,036,355,587)	(14,129,317,320)	(12,540,260,353)
GROSS PROFIT		2,003,206,111	6,998,191,387	289,448,683	3,688,933,039
DISTRIBUTION COST		(809,905,583)	(786,230,791)	(339,028,648)	(429,705,115)
ADMINISTRATIVE EXPENSES		(216,681,396)	(120,021,139)	(117,176,545)	(76,706,266)
OTHER EXPENSES		(358,100,729)	(292,135,342)	(91,263,493)	(101,903,386)
		(1,384,687,708)	(1,198,387,272)	(547,468,686)	(608,314,767)
		618,518,403	5,799,804,115	(258,020,003)	3,080,618,272
OTHER INCOME		256,186,242	220,796,162	139,557,387	152,760,179
PROFIT / (LOSS) FROM OPERATIONS		874,704,645	6,020,600,277	(118,462,616)	3,233,378,451
FINANCE COST		(2,343,192,995)	(955,930,165)	(1,394,096,704)	(553,395,383)
(LOSS) / PROFIT BEFORE TAXATION		(1,468,488,350)	5,064,670,112	(1,512,559,320)	2,679,983,068
TAXATION		(368,033,952)	(355,444,206)	(193,131,758)	(187,826,794)
(LOSS) / PROFIT AFTER TAXATION		(1,836,522,302)	4,709,225,906	(1,705,691,078)	2,492,156,274
(LOSS) / EARNINGS PER SHARE					
- BASIC AND DILUTED		(7.65)	19.61	(7.10)	10.38

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- Rupees -----			
(LOSS) / PROFIT BEFORE TAXATION	(1,836,522,302)	4,709,225,906	(1,705,691,078)	2,492,156,274
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 period	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(1,836,522,302)	4,709,225,906	(1,705,691,078)	2,492,156,274

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		Half Year Ended	
Note	31 December 2022	31 December 2021	
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash used in operations	11 (10,473,820,621)	(2,086,881,643)
	Finance cost paid	(1,749,458,387)	(787,807,489)
	Workers' profit participation fund paid	(450,000,000)	(313,287,572)
	Income tax paid	(619,928,335)	(230,725,166)
	Net decrease / (increase) in long term loans to employees	19,083,915	(4,292,248)
	Net increase in long term security deposits	(323,793)	(866,744)
	Net cash used in operating activities	(13,274,447,221)	(3,423,860,862)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(1,496,149,127)	(1,480,420,872)
	Proceeds from disposal of operating fixed assets	52,347,169	10,881,780
	Capital expenditure on intangible asset	(33,751)	(402,665)
	Short term investments made	-	(64,000,000)
	Interest received	2,770,949	2,007,243
	Net cash used in investing activities	(1,441,064,760)	(1,531,934,514)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing	335,506,387	4,529,664,385
	Repayment of long term financing	(1,059,300,131)	(1,813,439,297)
	Repayment of lease liabilities	(29,295,457)	(27,946,625)
	Short term borrowings - net	16,382,014,597	3,329,628,449
	Dividend paid	(943,443,060)	(1,191,208,708)
	Net cash from financing activities	14,685,482,336	4,826,698,204
	Net decrease in cash and cash equivalents	(30,029,645)	(129,097,172)
	Cash and cash equivalents at the beginning of the period	209,007,048	272,634,954
	Cash and cash equivalents at the end of the period	178,977,403	143,537,782

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

SHARE CAPITAL	CAPITAL RESERVE		REVENUE RESERVES		TOTAL RESERVES	TOTAL EQUITY
	Share premium	General reserve	Un-appropriated profit	Sub - total		
Rupees						
2,401,190,290	600,553,890	1,629,221,278	14,365,170,573	15,994,391,851	16,594,945,741	18,996,136,031
-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)
-	-	-	4,709,225,906	4,709,225,906	4,709,225,906	4,709,225,906
-	-	-	4,709,225,906	4,709,225,906	4,709,225,906	4,709,225,906
2,401,190,290	600,553,890	1,629,221,278	17,873,901,334	19,503,022,612	20,103,576,502	22,504,766,792
-	-	-	(720,357,087)	(720,357,087)	(720,357,087)	(720,357,087)
-	-	-	2,758,975,710	2,758,975,710	2,758,975,710	2,758,975,710
-	-	-	2,758,975,710	2,758,975,710	2,758,975,710	2,758,975,710
2,401,190,290	600,553,890	1,629,221,278	19,912,419,957	21,541,641,235	22,142,195,125	24,543,385,415
-	-	-	(1,875,658,200)	(1,875,658,200)	(1,875,658,200)	(1,875,658,200)
-	-	-	(660,476,116)	(660,476,116)	(660,476,116)	(660,476,116)
-	-	-	(1,836,522,302)	(1,836,522,302)	(1,836,522,302)	(1,836,522,302)
-	-	-	(1,836,522,302)	(1,836,522,302)	(1,836,522,302)	(1,836,522,302)
2,401,190,290	600,553,890	1,629,221,278	15,239,563,339	16,868,784,617	17,469,338,507	19,870,528,797

Balance as at 30 June 2021 (Audited)
 Transaction with owners - Final dividend for the year ended 30 June 2021 @ Rupees 5 per share
 Profit for the half year ended 31 December 2021
 Other comprehensive income for the half year ended 31 December 2021
 Total comprehensive income for the half year ended 31 December 2021
 Balance as at 31 December 2021 (Un-audited)

Transaction with owners - Interim dividend for the year ended 30 June 2022 @ Rupees 3 per share
 Profit for the half year ended 30 June 2022
 Other comprehensive income for the half year ended 30 June 2022
 Total comprehensive income for the half year ended 30 June 2022
 Balance as at 30 June 2022 (Audited)

Transaction with owners - Transfer of investment in Nishat Chunian Power Limited to the shareholders of the Company (Note 8)
 Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 4 per share
 Loss for the half year ended 31 December 2022
 Other comprehensive income for the half year ended 31 December 2022
 Total comprehensive loss for the half year ended 31 December 2022
 Balance as at 31 December 2022 (Un-audited)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1 THE COMPANY AND ITS OPERATIONS

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

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2022. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
4 LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 4.1)	12,033,634,086	12,181,449,727
Long term musharaka (Note 4.2)	1,151,667,336	1,259,153,660
	<u>13,185,301,422</u>	<u>13,440,603,387</u>
4.1 Long term loans		
Opening balance	13,656,927,925	6,667,686,097
Add: Obtained during the period / year	335,506,387	9,695,470,835
Add: Adjustment due to impact of IFRS-9 during the period / year	(2,928,724)	18,904,082
Less: Repayments during the period / year	(866,142,103)	(1,916,547,413)
Less: Deferred income recognised during the period / year	-	(863,532,360)
Add: Amortised during the period / year	59,040,913	54,946,684
Net impact (Note 4.1.1)	59,040,913	(808,585,676)
	<u>13,182,404,398</u>	<u>13,656,927,925</u>
Less: Current portion shown under current liabilities	1,148,770,312	1,475,478,198
	<u>12,033,634,086</u>	<u>12,181,449,727</u>

4.1.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
4.2 Long term musharaka		
Opening balance	1,490,411,865	2,043,285,722
Add: Obtained during the period / year	-	103,498,400
Add: Adjustment due to impact of IFRS-9 during the period / year	(17,373,392)	16,430,609
Less: Repayments during the period / year	(193,158,028)	(693,380,858)
Less: Deferred income recognised during the period / year	-	(18,107,390)
Add: Amortised during the period / year	14,544,581	38,685,382
Net impact (Note 4.2.1)	14,544,581	20,577,992
Closing balance	1,294,425,026	1,490,411,865
Less: Current portion shown under current liabilities	142,757,690	231,258,205
	<u>1,151,667,336</u>	<u>1,259,153,660</u>

4.2.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022 except for the following:

- i) Guarantees of Rupees 1,963.212 million (30 June 2022: Rupees 1,140.200 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 8,410.848 million (30 June 2022: Rupees 7,957.417 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 154.300 million (30 June 2022: Rupees 154.300 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (30 June 2022: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

5.2 Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 5.999 million (30 June 2022: Rupees Nil).
- ii) Letters of credit other than for capital expenditure are amounting to Rupees 664.016 million (30 June 2022: Rupees 208.099 million).
- iii) Outstanding foreign currency forward contracts of Rupees 149.498 million (30 June 2022: Rupees 2,488.054 million).

	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
6 FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 6.1)	18,805,615,526	18,069,697,664
Capital work-in-progress (Note 6.2)	4,541,766,186	4,526,193,664
	<u>23,347,381,712</u>	<u>22,595,891,328</u>
6.1 Operating fixed assets		
Opening net book value	18,069,697,664	16,443,267,692
Add: Cost of additions during the period / year (Note 6.1.1)	1,480,576,605	3,213,338,496
Less: Book value of deletions during the period / year (Note 6.1.2)	36,053,658	372,114,625
Less: Book value of assets written off during the period / year (Note 6.1.3)	6,787,772	15,348,848
Less: Depreciation charged during the period / year	701,817,313	1,199,445,051
Closing net book value	<u>18,805,615,526</u>	<u>18,069,697,664</u>

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
6.1.1 Cost of additions during the period / year		
Freehold land	258,492,500	63,812,223
Buildings on freehold land	124,311,958	157,621,261
Plant and machinery	843,722,944	2,545,210,046
Standby generators	5,901,518	10,593,193
Power generation equipment	3,316,826	21,558,379
Electric installations	98,656,768	221,982,182
Factory equipment	46,572,005	59,180,609
Furniture, fixture and equipment	12,048,125	46,487,901
Office equipment	14,411,571	17,972,350
Motor vehicles	73,142,390	68,920,352
	1,480,576,605	3,213,338,496
6.1.2 Book value of deletions during the period / year		
Cost of deletions		
Freehold land	-	351,060,710
Plant and machinery	175,614,046	69,255,212
Factory equipment	68,000	-
Furniture, fixture and equipment	896,471	1,595,066
Office equipment	944,729	1,207,566
Motor vehicles	10,818,800	24,850,153
	188,342,046	447,968,707
Less: Accumulated depreciation	152,288,388	75,854,082
Book value of deletions during the period / year	36,053,658	372,114,625

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
6.1.3 Book value of assets written off during the period / year		
Cost		
Building	-	11,821,201
Power generation equipment	-	14,550,000
Plant and machinery	4,060,625	-
Factory equipment	804,363	-
Furniture, fixture and equipment	4,909,134	-
Office equipment	2,161,676	-
Motor vehicles	-	1,276,725
	11,935,798	27,647,926
Less: Accumulated depreciation	5,148,026	12,299,078
Book value of assets written off during the period / year	6,787,772	15,348,848
6.2 Capital work-in-progress		
Civil works on freehold land	1,073,278,497	697,098,519
Plant and machinery	3,368,758,862	2,252,901,072
Mobilization advances	76,254,355	136,712,623
Advances for capital expenditures	23,474,472	1,439,481,450
	4,541,766,186	4,526,193,664
7 INTANGIBLE ASSET		
Opening net book value	635,708	278,170
Add: Addition during the year	33,751	591,164
Less: Amortization charged during the period / year	143,534	233,626
Closing net book value	525,925	635,708

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

8 NON-CURRENT ASSET HELD FOR DISTRIBUTION TO OWNERS

As stated in detail in Note 1.4 and Note 1.6 to the preceding audited annual published financial statements of the Company for the year ended 30 June 2022, the Board of Directors of the Company in its meeting held on 21 February 2022 approved a Scheme of Compromises, Arrangement and Reconstruction ('the Scheme') [Under Sections 279 to 283 and 285 of the Companies Act, 2017] amongst the Company and its members and Nishat Chunian Properties (Private) Limited - Subsidiary Company and its members. On 11 April 2022, the aforesaid Scheme was unanimously approved by shareholders of the Company and Nishat Chunian Properties (Private) Limited - Subsidiary Company. On 29 June 2022, the Honourable Lahore High Court, Lahore approved the aforesaid Scheme. One of the principal objects of the Scheme was to make the Company and Nishat Chunian Power Limited (NCPL) totally independent of each other by the transfer amongst the members of the Company of 187,585,820 ordinary shares having face value of Rupees 10 each of NCPL.

The Effective Date of the Scheme for the purpose of transfer amongst the members of the Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by the Company was the commencement date of book closure (10 August 2022) announced by the Company in accordance with Pakistan Stock Exchange Limited Regulations. On 18 August 2022, the members of the Company have received 187,585,820 ordinary shares of Nishat Chunian Power Limited. Hence, the members of the Company have also become shareholders of Nishat Chunian Power Limited with effect from 18 August 2022. The Company transferred to its members 187,585,820 ordinary shares having face value of Rupees 10 each of Nishat Chunian Power Limited owned by it in the ratio of 0.78 share of Nishat Chunian Power Limited for one fully paid-up share of the Company. Pursuant to this distribution amongst and transfer to the members of the Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited, the carrying amount of investment in 187,585,820 ordinary shares of Nishat Chunian Power Limited as at 10 August 2022 as per books of account of the Company i.e. Rupees 1,875,858,200 has been eliminated with a corresponding decrease in the revenue reserve of the Company by the same amount. The Company ceased to be the holding company of Nishat Chunian Power Limited (NCPL) and NCPL became an associated company of the Company on the basis of common directorship with effect from 10 August 2022.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

9 REVENUE
9.1 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	Spring			Wearing			Processing and Home Textiles			Power Generation			Total					
	HALF YEAR ENDED		QUARTER ENDED	HALF YEAR ENDED		QUARTER ENDED	HALF YEAR ENDED		QUARTER ENDED	HALF YEAR ENDED		QUARTER ENDED	HALF YEAR ENDED		QUARTER ENDED			
	31 December 2022	31 December 2021	31 December 2022	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021			
Region																		
Europe	36,801,090	10,822,020	11,520,267	8,823,349	338,825,892	158,317,740	188,821,251	100,481,025	5,488,825,544	4,521,721,721	17,478,348	2,184,022,202	-	4,715,200,528	4,615,545,698	26,545,897,747	2,848,828,575	
United States/Americas/Canada	3,263,970	-	-	-	118,582,321	122,310,229	110,001,946	80,872,786	1,828,893,938	2,825,960,510	652,470,055	1,382,243,339	-	2,109,297,778	2,740,033,688	782,660,810	171,371,260	
Asia/Middle East/Africa	2,807,782,298	5,74,033,930	2,79,487,207	800,828,349	548,093,527	488,384,125	1,785,043,630	1,860,183,522	598,383,237	1,785,383,237	598,488,788	1,865,822,192	-	5,102,881,311	7,500,387,703	22,844,861,674	40,725,948,259	
Pakistan	14,487,789,049	15,547,551,077	71,742,467,234	65,874,788,739	2,986,172,887	2,835,039,680	1,648,380,053	1,273,088,944	572,400,443	822,397,150	282,488,888	344,632,840	-	139,861,100	15,628,220,022	92,258,195,157	82,828,820,303	
Processing name	1,184,900	-	-	118,550	43,682,295	20,915,841	24,738,307	18,889,874	117,552,438	49,947,182	61,928,822	214,229,293	-	18,249,782	17,389,733	94,141,393	4,481,597	
Retail	17,710,885,517	18,018,383,314	87,328,038,861	97,238,885,844	4,532,648,625	3,256,580,117	2,257,782,208	1,647,548,625	1,888,783,077	1,673,309,444	3,385,018,934	4,725,528,800	-	13,818,100	28,672,202,898	31,045,545,674	144,183,386,013	
Timing of new revenue recognition																		
Products and services transferred at point in time	17,710,885,517	18,018,383,314	87,328,038,861	97,238,885,844	4,532,648,625	3,256,580,117	2,257,782,208	1,647,548,625	1,888,783,077	1,673,309,444	3,385,018,934	4,725,528,800	-	13,818,100	28,672,202,898	31,045,545,674	144,183,386,013	
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Major products/ service lines																		
Yarn	17,286,222,838	17,378,300,108	83,371,44,201	9,547,735,349	59,865,530	48,624,638	24,653,370	7,000,000	1,000	207,048,004	-	74,015,150	-	11,382,271,819	17,945,262,170	8,571,958,881	8,328,211,500	
Knit/Cloth	-	-	-	-	4,127,817,889	-	-	-	-	-	-	-	-	-	5,329,597,82	3,148,028,668	2,211,585,339	1,638,700,825
Process Cloth	-	-	-	-	43,882,295	20,891,841	52,718,387	18,837,813	6,501,789,392	11,835,893,527	658,068,093	360,848,189	-	6,039,461,148	12,056,081,108	718,088,365	573,889,587	
Made Up	444,662,048	-	-	-	-	-	-	-	37,885,402	8,010,617,28	2,883,204,108	4,884,075,275	-	487,745,639	8,010,617,28	2,883,204,108	4,884,075,275	
Waste	-	-	-	-	38,238,879	27,387,824	18,545,882	12,624,74	-	50,188,378	18,927,820	27,188,287	-	38,229,810	58,338,017	238,344,482	218,482,025	
Energy	17,710,885,517	18,018,383,314	87,328,038,861	97,238,885,844	4,532,648,625	3,256,580,117	2,257,782,208	1,647,548,625	1,888,783,077	1,673,309,444	3,385,018,934	4,725,528,800	-	13,818,100	28,672,202,898	31,045,545,674	144,183,386,013	

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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Un-audited			
	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- Rupees -----			
10 COST OF SALES				
Raw materials consumed	21,245,479,884	19,054,145,775	11,206,480,801	10,028,456,137
Packing materials consumed	562,716,267	849,128,990	298,650,603	426,757,883
Stores, spare parts and loose tools consumed	604,057,765	494,561,494	274,487,161	259,398,500
Processing charges	9,305,335	218,556,771	6,974,158	83,061,716
Salaries, wages and other benefits	1,805,193,281	1,653,102,866	870,144,737	833,733,991
Fuel and power	3,342,913,739	2,217,116,553	1,525,245,324	1,178,296,582
Insurance	70,613,583	58,257,641	36,078,081	31,143,257
Postage and telephone	599,488	361,453	340,619	171,553
Travelling and conveyance	3,364,881	5,597,236	1,575,418	3,197,137
Vehicles' running and maintenance	28,718,262	16,837,056	14,306,929	8,917,659
Entertainment	8,000,379	7,633,195	3,549,801	3,095,969
Depreciation on operating fixed assets	691,095,286	575,766,319	351,715,727	291,326,368
Repair and maintenance	340,294,646	265,959,338	176,288,027	133,902,604
Other factory overheads	53,254,152	56,684,544	25,875,289	23,537,260
	28,765,606,948	25,473,709,231	14,791,712,675	13,304,996,616
Work-in-process:				
Opening stock	2,378,018,568	2,081,215,813	2,024,151,263	2,623,639,441
Closing stock	(2,399,158,014)	(2,294,924,012)	(2,399,158,014)	(2,294,924,012)
	(21,139,446)	(213,708,199)	(375,006,751)	328,715,429
Cost of goods manufactured	28,744,467,502	25,260,001,032	14,416,705,924	13,633,712,045
Finished goods and waste				
- opening stocks:				
Finished goods	4,863,754,054	3,511,748,772	5,667,364,819	3,604,839,893
Waste	420,199,392	76,861,237	404,565,367	113,963,869
	5,283,953,446	3,588,610,009	6,071,930,186	3,718,803,762
	34,028,420,948	28,848,611,041	20,488,636,110	17,352,515,807
Finished goods and waste				
- closing stocks:				
Finished goods	(5,926,949,912)	(4,515,327,051)	(5,926,949,912)	(4,515,327,051)
Waste	(432,368,878)	(296,928,403)	(432,368,878)	(296,928,403)
	(6,359,318,790)	(4,812,255,454)	(6,359,318,790)	(4,812,255,454)
	27,669,102,158	24,036,355,587	14,129,317,320	12,540,260,353

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		Un-Audited	
		Half Year Ended	
		31 December 2022	31 December 2021
		Rupees	Rupees
11	CASH USED IN OPERATIONS		
	(Loss) / profit before taxation	(1,468,488,350)	5,064,670,112
	Adjustments for non-cash charges and other items:		
	Depreciation on operating fixed assets	701,817,313	583,117,018
	Amortization on intangible asset	143,534	94,337
	Depreciation on right-of-use assets	23,105,585	25,149,414
	Gain on disposal of property, plant and equipment	(16,293,511)	(16,349,000)
	Operating fixed assets written off	6,787,772	-
	Gain on termination of lease	(538,281)	(410,018)
	Return on bank deposits	(3,472,935)	(2,760,237)
	Reversal of allowance for expected credit losses	(41,452,837)	(2,905,835)
	Finance cost	2,343,192,995	955,930,165
	Unrealised loss on re-measurement of investment at fair value through profit or loss	3,174,498	-
	Exchange loss / (gain)	349,095,703	(83,606,970)
	Amortization of deferred income - Government grant	(73,585,492)	(31,716,294)
	Provision for workers' profit participation fund	-	266,750,817
	Provision for workers' welfare fund	190,115	25,827,505
	Working capital changes (Note 11.1)	(12,297,496,730)	(8,870,672,657)
		<u>(10,473,820,621)</u>	<u>(2,086,881,643)</u>
11.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Stores, spare parts and loose tools	(80,065,912)	(436,228,161)
	Stock-in-trade	(10,099,886,401)	(8,931,052,047)
	Trade debts	(76,199,368)	(1,827,256,299)
	Loans and advances	(1,542,394,475)	1,160,389,322
	Short term prepayments	(58,087,248)	(16,801,005)
	Other receivables	(1,572,244,947)	(1,084,062,021)
		<u>(13,428,878,351)</u>	<u>(11,135,010,211)</u>
	Increase in current liabilities:		
	Trade and other payables	1,131,381,621	2,264,337,554
		<u>(12,297,496,730)</u>	<u>(8,870,672,657)</u>
12	SEGMENT INFORMATION		
12.1	The Company has following reportable operating segments. The following summary describes the operation in each of the Company's reportable segments:		
	Spinning - Zone 1, 2 and 3:	Production of different quality of yarn using natural and artificial fibers.	
	Weaving - Unit 1 and 2:	Production of different qualities of greige fabric using yarn.	
	Processing and Home Textile:	Processing grey fabric for production of printed and dyed fabric and manufacturing of home textile articles.	
	Power Generation:	Generation and distribution of power.	

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Spinning						Weaving						Processing and Home Textile						Power Generation						Elimination of inter-segment transactions						Total - Company	
	Zone-1 (Units 15)		Zone-2 (Units 12.8)		Zone-3 (Units 23.8)		Unit-1		Unit-2		Unit-3		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended			
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22			
Sales	4,262,647,238	4,477,852,527	5,084,445,001	6,065,102,279	5,037,028,267	6,018,700,257	6,918,303,364	8,272,762,496	6,984,686,779	6,693,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	6,893,142,263	
Cost of sales	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284	1,007,442,284		
Other income	283,792,931	528,792,347	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381	1,007,544,381		
Administrative expenses	4,651,385,519	5,007,462,236	6,185,489,462	6,862,766,179	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349	6,897,259,349		
Profit/(Loss) before taxation and tax benefits	1,282,242,608	1,467,708,290	1,898,055,636	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005	2,258,400,005		
Income tax expenses	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit after taxation	242,070,936	427,536,618	857,883,964	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333	1,218,228,333		
Income tax expenses	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672	1,040,171,672		
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit after taxation	1,241,869,264	1,467,536,618	1,857,883,964	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333	2,258,228,333		

12.1 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		Unit-3		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended		Half Year Ended				
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22				
Total assets for reportable segments	11,292,212,615	7,482,372,120	13,007,700,127	6,730,006,579	16,739,611,689	2,068,121,877	2,800,020,914	3,977,254,658	3,914,120,737	11,860,582,314	12,638,077,720	5,924,609,464	5,210,054,629	68,310,335,539	51,082,743,328	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unallocated assets:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Long term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inter-current investments for distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash and bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets as per consolidated condensed interim statement of financial position	11,292,212,615	7,482,372,120	13,007,700,127	6,730,006,579	16,739,611,689	2,068,121,877	2,800,020,914	3,977,254,658	3,914,120,737	11,860,582,314	12,638,077,720	5,924,609,464	5,210,054,629	68,310,335,539	51,082,743,328	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities for reportable segments	986,724,253	410,510,123	851,644,236	507,724,595	1,032,198,941	118,979,241	143,729,919	191,595,409	189,689,442	720,398,212	837,721,805	543,959,457	-	4,321,038,939	3,172,811,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated liabilities:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued bank loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities as per consolidated condensed interim statement of financial position	986,724,253	410,510,123	851,644,236	507,724,595	1,032,198,941	118,979,241	143,729,919	191,595,409	189,689,442	720,398,212	837,721,805	543,959,457	-	4,321,038,939	3,172,811,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this unconsolidated condensed interim financial 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 31 December 2022 (Un-audited)	Level 1	Level 2	Level 3	Total
..... Rupees				
Financial assets				
Investment in quoted shares - FVTPL	18,635,831	-	-	18,635,831
Derivative financial assets	-	9,746,576	-	9,746,576
Total financial assets	<u>18,635,831</u>	<u>9,746,576</u>	<u>-</u>	<u>28,382,407</u>
Financial liabilities				
Derivative financial liabilities	-	12,347,835	-	12,347,835
Total financial liabilities	<u>-</u>	<u>12,347,835</u>	<u>-</u>	<u>12,347,835</u>
Recurring fair value measurements At 30 June 2022 (Audited)	Level 1	Level 2	Level 3	Total
..... Rupees				
Financial assets				
Investment in quoted shares - FVTPL	21,810,329	-	-	21,810,329
Derivative financial assets	-	7,776,329	-	7,776,329
Total financial assets	<u>21,810,329</u>	<u>7,776,329</u>	<u>-</u>	<u>29,586,658</u>
Financial liabilities				
Derivative financial liabilities	-	154,046,505	-	154,046,505
Total financial liabilities	<u>-</u>	<u>154,046,505</u>	<u>-</u>	<u>154,046,505</u>

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

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

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and 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.

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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.

14 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiary companies, associated undertakings, other related parties, key management personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties are as follows:

i. Transactions

	Un-audited			
	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- Rupees -----			
Subsidiary companies				
Sale of goods	104,099,737	245,357,023	81,623	33,617,084
Common facilities cost charged	2,129,032	9,000,000	-	4,950,000
Associated undertakings				
Donations made	4,691,013	2,202,855	3,092,513	1,518,500
Common facilities cost charged	7,770,968	-	4,950,000	-
Other related parties				
Purchase of goods	223,638,381	192,129,309	148,975,625	192,129,309
Sale of goods	2,343,993,109	2,578,041,463	1,370,831,072	2,578,041,463
Dividend paid to companies	159,855,760	199,819,700	159,855,760	199,819,700
Contribution to employee's provident fund trust	130,273,336	104,112,068	61,043,072	53,032,532
Remuneration of key management personnel and executives	137,232,961	133,807,197	60,599,485	66,903,598
Dividend paid to directors and close members of the family	225,754,140	310,254,590	225,754,140	310,254,590

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

ii. Period end balances

	As at 31 December 2022 (Un-audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
 Rupees			
Long term investments	510,128,000	-	-	510,128,000
Trade debts	24,343,172	-	375,518,301	399,861,473
Loans and advances	-	2,996,836	23,091,696	26,088,532
Other receivables	5,097,767	24,000	109,140,332	114,262,099
Trade and other payables	-	-	8,471,169	8,471,169

	As at 30 June 2022 (Audited)			
	Subsidiary companies	Associated companies	Other related parties	Total
 Rupees			
Long term investments	2,385,986,200	-	-	2,385,986,200
Trade debts	46,245,111	-	99,203,818	145,448,929
Loans and advances	-	-	9,235,093	9,235,093
Other receivables	3,676,490	-	110,289,698	113,966,188
Trade and other payables	-	-	218,000	218,000

15 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

16 CORRESPONDING FIGURES

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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

17 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 28, 2023.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION**

**HALF YEAR ENDED DECEMBER 31,
2022 (UN-AUDITED)**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,700,000,000	3,700,000,000
Issued, subscribed and paid-up share capital		2,401,190,290	2,401,190,290
Reserves		17,327,988,328	32,657,384,568
Equity attributable to equity holders of the Holding Company		19,729,178,618	35,058,574,858
Non-controlling interest		-	11,738,807,602
TOTAL EQUITY		19,729,178,618	46,797,382,460
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		13,185,301,422	13,440,603,387
Lease liabilities		42,804,682	56,004,356
Deferred Liabilities		755,776,804	832,798,931
		13,983,882,908	14,329,406,674
CURRENT LIABILITIES			
Trade and other payables		5,242,640,287	5,579,166,619
Unclaimed dividend		80,765,147	80,295,091
Accrued mark-up / Profit		1,046,206,976	715,241,848
Short term borrowings		29,326,024,494	23,795,735,897
Current portion of non-current liabilities		1,928,380,052	2,355,338,885
Provision for taxation - net		-	85,914,198
		37,624,016,956	32,611,692,538
TOTAL LIABILITIES		51,607,899,864	46,941,099,212
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		71,337,078,482	93,738,481,672

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Note	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	23,698,442,422	32,445,127,666
Intangible assets	525,925	635,708
Right-of-use assets	64,506,178	74,651,170
Long term loans to employees	13,787,755	22,597,477
Long term security deposits	31,058,024	30,834,231
	23,808,320,304	32,573,846,252
CURRENT ASSETS		
Stores, spare parts and loose tools	1,817,229,872	2,441,786,960
Stock-in-trade	31,317,347,606	23,477,068,261
Trade debts	7,486,257,460	21,415,577,350
Loans and advances	3,400,436,851	2,263,625,569
Short term deposits and prepayments	70,329,303	40,008,963
Advance income tax - net	101,521,717	-
Other receivables	3,088,757,143	2,609,647,618
Short term investments	56,109,960	8,668,130,472
Cash and bank balances	190,768,266	248,790,227
	47,528,758,178	61,164,635,420
TOTAL ASSETS	71,337,078,482	93,738,481,672

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- Rupees -----			
REVENUE	32,924,281,398	41,391,710,695	14,455,783,588	20,686,415,558
COST OF SALES	(30,447,398,586)	(32,559,929,247)	(14,142,241,640)	(16,068,331,003)
GROSS PROFIT	2,476,882,812	8,831,781,448	313,541,948	4,618,084,555
DISTRIBUTION COST	(842,951,381)	(876,386,592)	(358,341,829)	(465,027,933)
ADMINISTRATIVE EXPENSES	(241,982,241)	(224,636,388)	(125,114,878)	(123,198,067)
OTHER OPERATING EXPENSES	(474,151,584)	(345,195,342)	(91,263,493)	(159,341,386)
	(1,559,085,206)	(1,446,218,322)	(574,720,200)	(747,567,386)
	917,797,606	7,385,563,126	(261,178,252)	3,870,517,169
OTHER OPERATING INCOME	269,061,775	277,918,162	139,559,052	181,411,179
PROFIT/(LOSS) FROM OPERATIONS	1,186,859,381	7,663,481,288	(121,619,200)	4,051,928,348
FINANCE COST	(2,407,068,661)	(1,428,611,541)	(1,394,055,306)	(810,632,251)
PROFIT /(LOSS) BEFORE TAXATION	(1,220,209,280)	6,234,869,747	(1,515,674,506)	3,241,296,097
TAXATION	(368,113,112)	(358,727,168)	(193,210,918)	(191,109,756)
PROFIT/(LOSS) AFTER TAXATION	(1,588,322,392)	5,876,142,579	(1,708,885,424)	3,050,186,341
PROFIT/(LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	(1,708,797,309)	5,307,173,285	(1,708,885,424)	2,780,628,035
NON-CONTROLLING INTEREST	120,474,917	568,969,294	-	269,558,306
	(1,588,322,392)	5,876,142,579	(1,708,885,424)	3,050,186,341
EARNINGS/(LOSS) PER SHARE - BASIC & DILUTED	(7.12)	22.10	(7.12)	11.58

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- Rupees -----			
PROFIT/(LOSS) AFTER TAXATION	(1,588,322,392)	5,876,142,579	(1,708,885,424)	3,050,186,341
OTHER COMPREHENSIVE INCOME/(LOSS)				
Exchange difference on translation of foreign operations	1,985,214	(321,572)	(139,377)	(8,528)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	(1,586,337,178)	5,875,821,007	(1,709,024,801)	3,050,177,813
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE HOLDING COMPANY	(1,706,812,095)	5,306,851,713	(1,709,024,801)	2,780,619,507
NON-CONTROLLING INTEREST	120,474,917	568,969,294	-	269,558,306
	(1,586,337,178)	5,875,821,007	(1,709,024,801)	3,050,177,813

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		Half Year Ended	
Note	31 December 2022	31 December 2021	
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash generated from / (used in) operations	6	(12,358,781,083)
	Net (increase) / decrease in long term security deposits		(2,650,364,969)
	Net (increase) / decrease in long term loans to employees		(866,744)
	Finance cost paid		18,437,183
	Workers' profit participation fund paid		(3,884,248)
	Income tax paid		(1,953,757,578)
			(1,279,267,489)
			(450,000,000)
			(313,287,572)
			(620,007,035)
			(233,809,188)
	Net cash generated from / (used in) operating activities		(15,364,432,306)
			(4,481,480,210)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment		(1,505,773,213)
	Capital expenditure on intangible assets		(1,746,426,429)
	Proceeds from disposal of operating fixed assets		(33,751)
	Short term investments disposed off		402,665)
	Short term investments made		52,347,169
	Profit / Interest received		14,377,214
			8,234,085,380
			5,018,850,000
			-
			(5,063,302,000)
			4,185,887
			3,067,243
	Net cash generated from / (used in) investing activities		6,784,811,472
			(1,773,836,637)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing		335,506,387
	Repayment of long term financing		4,529,664,385
	Short term borrowings - net		(1,067,895,821)
	Repayment of lease liabilities		(1,831,164,297)
	Dividend paid to non-controlling interest		10,272,040,040
	Dividend paid to equity holders of the holding company		4,387,776,271
			(29,295,457)
			(27,946,625)
			(401,434)
			-
			(943,443,060)
			(1,191,208,708)
	Net cash generated from / (used in) financing activities		8,566,510,655
			5,867,121,026
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(13,110,179)
			(388,195,821)
	IMPACT OF EXCHANGE TRANSLATION		1,985,214
			(321,572)
	CASH AND CASH EQUIVALENTS OF NISHAT CHUNAIN POWER LIMITED		(46,896,996)
			-
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		248,790,227
			573,774,165
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		190,768,266
			185,256,772

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Attributable to Equity Holders of the Holding Company							Shareholders' Equity	Non-controlling Interest	Total Equity
	Share Capital	Capital Reserves		Revenue Reserves		Total	Shareholders' Equity			
		Exchange Translation Reserve	Share Premium	General Reserve	Un-appropriated Profit					
Balance as at June 30, 2021 - (audited)	2,401,190,290	21,447,373	600,553,890	1,629,221,278	23,698,971,382	25,328,192,660	28,351,384,213	10,513,606,578	38,864,990,791	
Total comprehensive income for the half-year ended December 31, 2021	-	(321,572)	-	-	5,307,173,285	5,307,173,285	5,306,851,713	566,968,294	5,875,821,007	
Final dividend for the year ended June 30, 2021 @ Rs. 5/Ordinary share	-	-	-	-	(1,200,585,145)	(1,200,585,145)	(1,200,585,145)	-	(1,200,585,145)	
Balance as at December 31, 2021 - (un-audited)	2,401,190,290	21,125,801	600,553,890	1,629,221,278	27,805,548,522	29,434,770,800	32,457,640,781	11,082,576,872	43,540,216,653	
Total comprehensive income for the half-year ended June 30, 2022	-	2,213,136	-	-	3,318,878,028	3,318,878,028	3,321,291,164	656,231,730	3,977,522,894	
Interim dividend for the year ended June 30, 2022 @ Rs. 3/Ordinary share	-	-	-	-	(720,357,087)	(720,357,087)	(720,357,087)	-	(720,357,087)	
Balance as at June 30, 2022 - (audited)	2,401,190,290	23,338,937	600,553,890	1,629,221,278	30,404,170,463	32,033,391,741	35,068,674,858	11,738,807,602	46,797,482,460	
Total comprehensive income for the half-year ended December 31, 2022	-	1,985,214	-	-	(1,708,797,309)	(1,708,797,309)	(1,708,797,309)	120,474,917	(1,586,337,178)	
Distribution of ordinary shares of Nishat Chumani Power Limited to the owners of the holding company	-	-	-	-	(12,662,108,029)	(12,662,108,029)	(12,662,108,029)	(11,859,282,519)	(24,521,390,548)	
Final dividend for the year ended June 30, 2022 @ Rs. 4/Ordinary share	-	-	-	-	(960,476,116)	(960,476,116)	(960,476,116)	-	(960,476,116)	
Balance as at December 31, 2022 - (un-audited)	2,401,190,290	25,024,151	600,553,890	1,629,221,278	15,072,789,009	16,702,010,287	19,729,178,618	-	19,729,178,618	

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. GROUP INFORMATION

The Group consists of:

Holding Company	- Nishat (Chunian) Limited
Subsidiary Companies	- Nishat Chunian Power Limited (Ceased to be a subsidiary on 10-AUG-2022)
	- Nishat Chunian Properties (Private) Limited
	- Nishat Chunian USA Inc.
	- Sweave Inc.
	- T L C Middle East Trading L.L.C

Nishat (Chunian) Limited

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

Nishat Chunian 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. Ownership interest held by non-controlling interests in Nishat Chunian Power Limited is 48.93% (2021: 48.93%).

The Effective Date of the Scheme of Compromises, Arrangement and Reconstruction (approved by the Board of Directors of the Holding Company in its meeting held on 21 February 2022) for the purpose of transfer amongst the members of the Holding Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by the Holding Company is the commencement date of book closure (10 August 2022) announced by the Holding Company in accordance with Pakistan Stock Exchange Limited Regulations. Subsequent to the reporting period, on 18 August 2022, the members of the Holding Company have received 187,585,820 ordinary shares of Nishat Chunian Power Limited. Hence, the members of the Holding Company have also become shareholders of Nishat Chunian Power Limited with effect from 18 August 2022. The Holding Company transferred to its members 187,585,820 ordinary shares having face value of Rupees 10 each of Nishat Chunian Power Limited owned by it in the ratio of 0.78 share of Nishat Chunian Power Limited for one fully paid-up share of the Holding Company.

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Nishat Chunian Properties (Private) Limited

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

Nishat Chunian USA Inc.

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

Sweave Inc.

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

T L C Middle East Trading L.L.C

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

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by directives issued under the Companies Act, 2017. These consolidated condensed interim financial statements of the Group have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2022.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2022.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2022.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding annual audited financial statements of the Group for the year ended 30 June 2022 except for the following:

- i) Guarantees of Rupees 1,963.212 million (30 June 2022: Rupees 1,140.200 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable High Court, Sindh against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 8,410.848 million (30 June 2022: Rupees 7,957.417 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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

dated cheques of Rupees 154.300 million (30 June 2022: Rupees 154.300 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (30 June 2022: Rupees 156.532 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case.

Commitments

- i) Letters of credit for capital expenditure amounting to Rupees 5.999 million (30 June 2022: Rupees Nil).
- ii) Letters of credit other than for capital expenditure amounting to Rupees 664.016 million (30 June 2022: Rupees 526.567 million).
- iii) Outstanding foreign currency forward contracts of Rupees 149.498 million (30 June 2022: Rupees 2,488.054 million).

	Un-audited Half year ended 31 December 2022 Rupees	Un-audited Half year ended 31 December 2021 Rupees
6. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	(1,220,209,280)	6,234,869,747
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	796,913,520	1,027,889,018
Amortization on intangible assets	143,534	698,337
Depreciation on right-of-use asset	23,105,585	25,149,414
Provision for employee retirement	-	4,004,000
(Gain)/Loss on sale of operating fixed assets - net	(16,293,511)	(19,792,000)
Operating fixed assets written off	6,787,772	-
(Reversal of allowance)/allowance for expected credit losses	(41,452,837)	(2,905,835)
Realized loss on derivative financial instruments	41,446,427	-
Return on term deposit receipts	(8,110,105)	(15,127,237)
Return on bank deposits	(2,866,600)	-
Amortization of deferred income - Government grant	(73,666,659)	(33,188,294)
(Gain)/Loss on termination of leases	(538,281)	(410,018)
Unrealised (gain)/loss on re-measurement of investment at fair value through profit or loss	3,174,498	-
Provision for workers' welfare fund	190,115	-
Net Exchange (gain)/loss	353,144,800	(83,606,970)
Finance cost	2,407,068,661	1,428,611,541
Gain on disposal of short term investments	-	(19,548,000)
Working capital changes (Note 6.1)	(14,627,618,722)	(11,197,008,672)
Cash generated from / (used in) operations	(12,358,781,083)	(2,650,364,969)

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Un-audited Half year ended 31 December 2022 Rupees	Un-audited Half year ended 31 December 2021 Rupees
6.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(161,199,195)	(247,296,161)
- Stock in trade	(9,786,580,313)	(10,402,541,059)
- Trade debts	(3,072,339,621)	(2,216,522,572)
- Loans and advances	(1,289,331,627)	938,519,246
- Short term deposits and prepayments	(58,087,248)	(17,996,258)
- Other receivables	(1,634,228,495)	(1,362,461,538)
Increase / (decrease) in current liabilities		
- Trade and other payables	1,374,147,777	2,111,289,670
	(14,627,618,722)	(11,197,008,672)

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related companies, key management personnel and post employment benefit plan. The Group in the normal course of business carried out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

i) Transactions

	Un-audited Half year ended 31 December 2022 Rupees	Un-audited Half year ended 31 December 2021 Rupees
Associated undertakings		
Common facilities cost charged	7,770,968	-
Donations paid	77,191,013	64,702,855
Other related parties		
Sale of Goods	2,343,993,109	2,578,041,463
Purchase of Goods	223,638,381	192,129,309
Contribution to employees' provident fund trust	131,187,336	108,116,068
Remuneration of key management personnel and executives	148,303,961	172,087,197

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

ii) Period end balances

As at Dec 31, 2022 (Un-audited)			
Associated undertakings	Other related parties	Total	
Rupees			
Trade debts	-	375,518,301	375,518,301
Loans and advances	2,996,836	23,091,696	26,088,532
Other receivables	24,000	109,140,332	109,164,332
Trade and other payables	-	8,471,169	8,471,169

As at June 30, 2022 (Audited)			
Associated undertakings	Other related parties	Total	
Rupees			
Trade debts	-	99,203,818	99,203,818
Loans and advances	-	9,235,093	9,235,093
Other receivables	-	110,289,698	110,289,698
Trade and other payables	-	218,000	218,000

8. CORRESPONDING FIGURES

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

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

9. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on February 28, 2023 by the Board of Directors of the Holding Company.

CHIEF EXECUTIVE_____
DIRECTOR_____
CHIEF FINANCIAL OFFICER

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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31-Q, Gulberg II, Lahore 54660, Pakistan
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696
Email: info@nishat.net
www.nishat.net
www.facebook.com/NishatChunianGroup

