ANNUAL REPORT 2023

NISHAT CHUNIAN LTD.

BRIEF PROFILE

2022	New company for Real Estate development Nishat Chunian Properties (Private) Limited Autocoro Open-end production lines in 1 spinning unit
2021	New company in USA for E-Commerce retail of home textile products Sweave Inc.
2016	Diversification into Retail Business The Linen Company (TLC)
2015	Diversification 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	Diversification into Home Textiles
2005	Acquisition of 2 Spinning Mills & 5th Spinning Mill started
2000	2nd Spinning Mill started production
1998	Diversification into Weaving
1991	1st Spinning Mill Setup

CONTENTS

COMPANY INFORMATION

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

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

HR & Remuneration Committee:
Mr. Ahmad Hasnain *(Chairman)*
Mr. Farrukh Ifzal *(Member)*
Mr. Muhammad Azam Siddiqi *(Member)*

CFO:
Mr. Mustaqeem Talish

Company Secretary:
Mr. Danish Farooq

Head of Internal Audit:
Ms. Rubia Inam

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

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

Spinning 2, 3, 6, Weaving & 46 MW
Coal Fired Power Generation Project
49th Kilometre, Multan Road, Bhai Pheru,
Tehsil Pattoki, District Kasur.

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

Auditors:
Riaz Ahmad & Company
Chartered Accountants

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of Nishat (Chunian) Limited (the "Company") will be held on 27th October 2023 at 10:00 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 Annual General Meeting held on October 27, 2022.
2. To receive, consider and adopt Audited Separate and Consolidated Financial Statements of the Company for the year ended June 30, 2023 together with the Director's report, Auditors' report thereon, and Chairman's Review Report.
3. To appoint auditors and 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:

4. To approve the circulation of the Annual Report (including the Audited Financial Statements, Auditor's Report, Director's Report, and Chairman's Review Report) to the Members of the Company through QR-enable code and weblink, following Section 223(6) of the Companies Act 2017 read with S.R.O. 389(I)2023 dated March 21, 2023, by passing the following special resolution with or without modification:

   "RESOLVED THAT the approval be and is hereby given to allow the Company to circulate the annual audited financial statement to its members/shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023".

5. To ratify and approve transactions conducted with the Related parties for the year ended June 30, 2023, by passing the following special resolution with or without modification:

   "RESOLVED THAT the transactions conducted with the Related Parties, as disclosed in note 38 to the unconsolidated financial statements for the year ended June 30, 2023, and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved and confirmed."

6. To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2024 by passing the following special resolution with or without modification:

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2024."

   "RESOLVED FURTHER THAT these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

By order of the Board

Lahore | **Danish Farooq**
Dated: October 06, 2023 | **Company Secretary**

NOTES:

1. Closure of Share Transfer Books

For attending AGM:

The Share Transfer Books of the Company will remain closed from 20-10-2023 to 27-10-2023 (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 up to close of office timings on 19-10-2023 will be treated in time for the purpose of attending the meeting.

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 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. **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 the 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.

4. **Video Conference Facility**

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city other than Lahore, and collectively 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

In compliance with the guidelines issued by the Securities & Exchange Commission of Pakistan vide circulars 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 the video link are requested to register by submitting their following particulars at the Company Secretary's email shahbazahsan@nishat.net not later than 48 hours before the time for holding the meeting. The link to participate in the meeting will be sent to the shareholders at the email address provided by them. Shareholders are requested to fill in the particulars as per the below table:

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

The login facility will be opened at 09:55 a.m. on October 27, 2023, enabling the participants to join the proceedings.

5. **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.

6. **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.

7. The Company has placed the audited Separate and Consolidated Financial Statements for the year ended June 30, 2023 along with the Auditor's and Directors' Reports thereon, Chairman's Review and notice of meeting on its website: www.nishat.net

8. **Procedure for voting on Special Business Resolutions**

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange

Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Nishat (Chunian) Limited (the "Company") will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on 27-10-2023, at 10.00 A.M., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

A. Procedure for E-Voting:

I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 19-10-2023.

II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

IV. E-Voting lines will start from 24-10-2023 and shall close on 26-10-2023 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

B. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through a post on the Company's registered address, Registered Office, 31-Q, Gulberg – II, Lahore or email at chairman@nishat.net, one day before the Annual General Meeting i.e. on October 26, 2023, up to 5 p.m.. The signature on the ballot paper shall match the signature on the CNIC. This postal Poll paper is also available for download from the website of the Company at www.nishat.net or use the same as attached to this Notice and published in newspapers. Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

E-voting Service Provider:
M/s CDC Share Registrar Services Limited

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

Agenda Item No. 4 - Approval of circulation of the Annual Audited Accounts of the Company to its members/shareholders through Quick Response (QR) enabled code and web link.

Securities and Exchage Commission of Pakistan (SECP), through its Notification No. S.R.O. 389(1)/2023, dated March 21, 2023, has allowed the Companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Code (QR) enabled code and weblink instead of through CD/DVD/USB. Considering the optimum use of advantages in technology and fulfilling the Company's corporate social responsibility to the environment and sustainability, members, approval is being sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the members of the company through QR enabled code and weblink following S.R.O 389(I)/2023 dated March 21, 2023.

The notice of the meeting shall be dispatched to members as per requirements of the Companies Act, 2017 (the Act), on their registered address, containing the QR code and the weblink address, to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act. The Company shall circulate the annual Audited Financial Statements along with the Auditor's report, Director's report, Chairman's review report, etc., through email in case the email address has been provided by the member to the Company and the consent of the member to receive the copies through email is not required. The Company shall send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week if the member requests on the Standard Request Form available on the Company's Website. The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above businesses except to the extent of shares that are held by them in the Company.

Agenda Item No. 5 – Ratification and Approval of the Related Party Transactions.

Transactions conducted with the relevant parties have to be approved by the Board of Directors duly recommended by the Audited Committee on a quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulation, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorship, and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in note 38 to the unconsolidated financial statements for the year ended June 30, 2023. Party-wise details of such related parties' transactions are given below:-

Name of Related Party	Relationship	Description of Transaction	2023 (Rupees)	2022 (Rupees)
Nishat Chunian Power Limited	Associated company and former subsidiary company	Common facilities cost charged	19,800,000	19,800,000
		Income sharing	558,615	-
Nishat Chunian USA Inc.	Wholly owned subsidiary company	Sale of goods	86,772,291	217,753,739
Sweave Inc.	Wholly owned subsidiary company of Nishat Chunian USA Inc. - wholly owned subsidiary company	Sale of goods	67,968,471	22,704,421
Nishat Chunian Properties (Private) Limited	Wholly owned subsidiary company	Investment made - ordinary shares issued against cash	-	100,000
		Investment made - ordinary shares issued against freehold land	-	499,205,000
		Payment of expenses on behalf of subsidiary company	518,040	288,345
T L C Middle East Trading L.L.C	Wholly owned subsidiary company	Payment of expenses on behalf of subsidiary company	1,226,174	3,388,145
		Sale of goods	7,062,069	-
Saleem Memorial Trust Hospital -	Associated company	Donation	-	400,000,000
Saleem Memorial Foundation	Formerly: Mian Muhammad Yahya Trust)	Donation	9,662,783	5,796,955
Employees' Provident Fund Trust - related party	Contribution made		129,722,971	109,320,065
Directors		Dividend paid	250,417,492	495,024,460
		Adjustment of long-term loan to ex-executive director	4,312,684	223,310
		Interest income on long-term loan	64,991	90,571

The nature of relationship with these related parties has been indicated above. Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 37 to the unconsolidated financial statements for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

Agenda Item No. 6 of the Notice - Authorization for the Board of Directors to approve the Related Party Transactions during the Year Ending on June 30, 2024.

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2024 in the normal course of business. The majority of Directors are interested due to their common directorship in the associated undertakings. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2024, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.

CHAIRMAN'S REVIEW REPORT

It gives me immense pleasure to present before you, the key role of the Board of Directors (the "Board") of Nishat (Chunian) Limited alongside the economic and business outline, for the year ended June 30, 2023.

This year has been a challenging one for the company. Even though our revenue has rallied up to an all-time high of PKR 67.6 billion (62 billion in 2022), registering an increase of 9% over last year, we have reported a net loss. Gross and net margins have plummeted, mainly due to an exorbitant rise in raw material and borrowing costs respectively.

Nishat (Chunian) Limited takes pride in its Board which lays out the company's strategic direction and is undoubtedly its core strength. The requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, along with the directives issued under the Companies Act, 2017 with respect to the Board, directors, and their committees have been complied with.

The company has a seven-member Board which comprises of directors with diverse backgrounds, having the knowledge and experience relevant to the business of the company. All the Directors, including Independent Directors, fully participated and contributed to the decision-making process of the Board.

Mr. Muhammad Azam Siddiqui and Ms. Ayesha Shahzad were appointed as Directors with effect from 13th October 2022 in place of Mr. Muhammad Zahid Khan and Ms. Nadia Bilal who resigned as Directors on 29th September and 3rd October 2022, respectively. Ms. Mahnoor Adil was appointed as Director with effect from 8th June 2023 in place of Mr. Faisal Farid who resigned as Director on 5th April 2023. Mr. Ahmad Hasnain was appointed as Director with effect from 4th July 2023 in place of Mr. Aftab Ahmad Khan who resigned as Director on 25th May 2023.

The performance of the Board, which is reviewed and assessed against a sophisticated criterion, depicted the utmost competence 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 with these at all levels;

- Devising strategic plans and making informed decisions that are aligned with 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 an 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 a 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 global best practices.

Finally, 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.

Mr. Farrukh Ifzal
Chairman

Date: September 28, 2023
Lahore

Growing Ingeniously

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, 2023.

OVERVIEW

The financial year 2022-23 was very challenging due to high prices of raw materials, particularly unfavourable prices of cotton. Further, the Company's performance also remained under pressure due to very high borrowing costs which increased from Rs. 2.2 billion in FY 2022 to Rs. 5.4 billion in FY 2023. Revenue of the company increased from Rs. 62 billion in FY 2022 to Rs. 67.6 billion in FY 2023.

The Company reported a loss after tax of 1.5% of revenue as compared to a profit after tax of 12% of revenue, in the last financial year. The gross profit margin also decreased from 21% in the financial year 2022 to 9.74% in this financial year.

On a consolidated basis, the group achieved a gross turnover of Rs. 71 billion against the last financial year's turnover of Rs. 88 billion. This is mainly due to the derecognition of Nishat Chunian Power Limited from the group, the details of which are given in the annexed consolidated financial statements (Note 37).

YEAR AT A GLANCE

Financial Highlights	For the Year Ended		Increase / (Decrease)
	2023	2022	
Sales (Rs.)	67,629,278,772	61,988,039,043	9%
Gross Profit (Rs.)	6,589,059,744	12,974,171,457	-49%
Profit from Operations (Rs.)	5,331,902,056	10,551,950,599	-49%
Profit / (Loss) After Taxation (Rs.)	(998,927,708)	7,468,201,616	-113%
Gross Profit %	9.74%	20.93%	
Profit / (Loss) After Taxation %	(1.48%)	12.05%	
Earnings / (Loss) Per Share (Rs.)	(4.16)	31.10	

PROFITABILITY

An improvement was shown in the sales performance across all major business segments. Revenue earned during this year clocked in at Rs. 67.63 billion, up by 9% from last year, however the gross profit percentage worsened this year to 9.74% from 20.93% in the previous fiscal year. The company made a net loss, as the finance cost for the year increased by 146% from the last fiscal year, with a net loss percentage of 1.48% as against a net profit percentage of 12.05% in the last fiscal year.

Appropriations

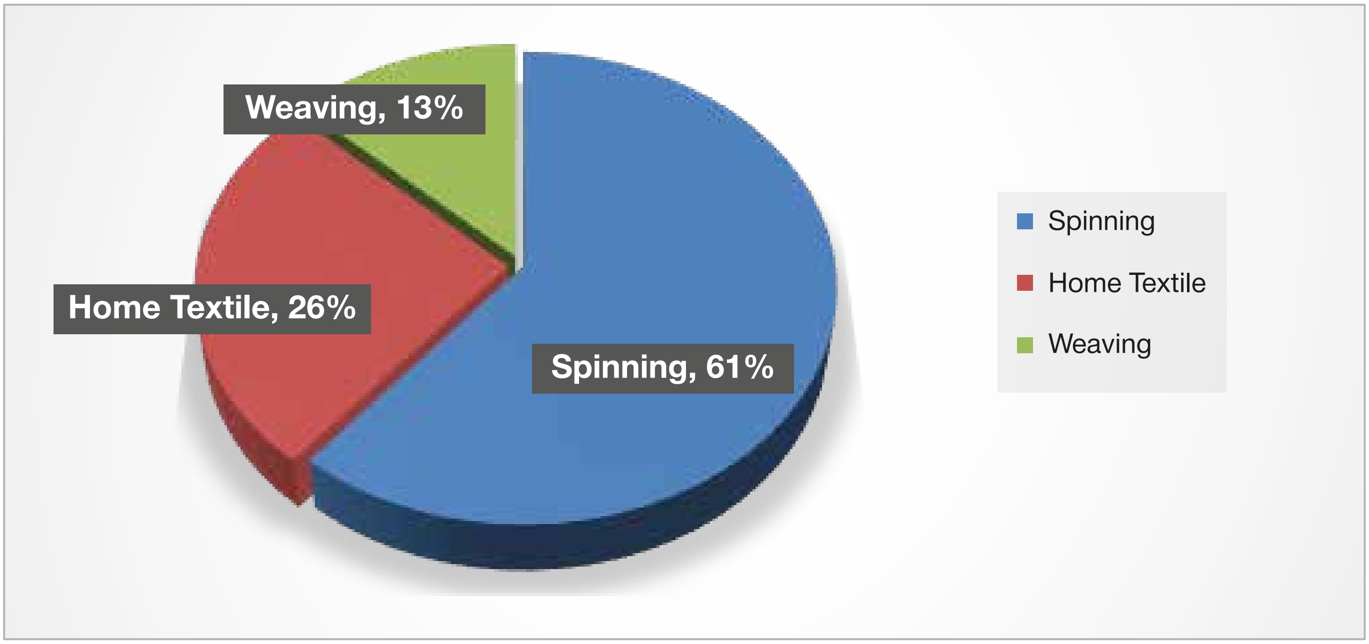
Considering the high cost of borrowing and in the best interests of the company, the Board of Directors of the Company has recommended not to declare a dividend at this moment.

INVESTMENTS

Considerable investments were made during the year in different textile segments, mainly for improvements in operational efficiency. A summarized overview is given below:

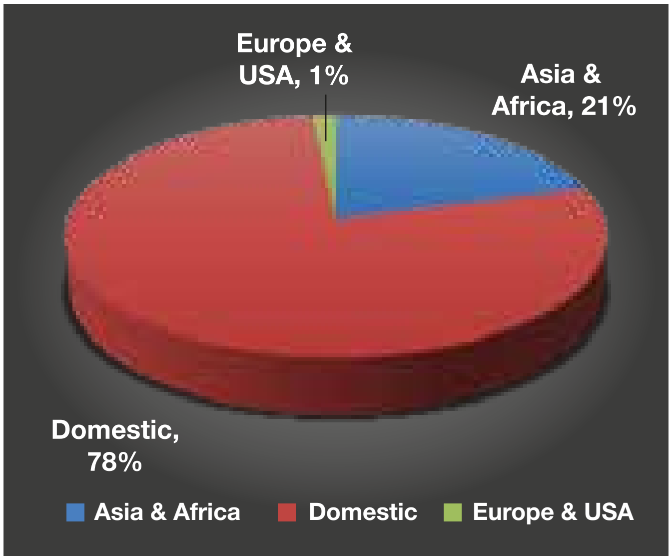
Business Segment	Machinery Added	Investment (PKR in million)
Spinning	19 Ring Frames (1,824 Spindles each)	1,514
	14 Automatic Cone Winding Machines	731
	14 Carding Machines	293
	5 Comber Machines	193
	3 Simplex Roving Frame Machines	143
	11 Draw Frame Machines	126
	1 Cotton Blow Room Machine	112
	1 Bobbin Transportation System	93
	2 Uster Tester Ut6-S800	67
	2 Uster Jossi Vision Shields	51
	1 Lap Former Machines E-36	29
	9 Air Compressors	24
	1 Lap Former Machine E-32	11
Weaving	Picanol Looms	579
	Sectional Warping Machine	37
Home Textiles	High-Speed Double Drum Raising Machine	87
	High-Speed Shearing Machine	31

SEGMENT WISE REPORT



Share of Major Segments in Revenue

SPINNING



The spinning business suffered a notable financial setback, reporting a substantial loss for the period under review, despite witnessing historic sales of PKR 41.5 billion which increased by 12% as compared to 2022.

The local sale was a major contributor as it contributed to 78% of the revenue of spinning division. This is attributed to attractive domestic demand coupled with better selling margins. In contrast to this, yarn exports experienced a declining trend due to trade sanctions between the USA & China, and uncertainty over currency on the back of the Ukraine - Russia war.

The country's annual cotton production experienced a major downturn. In the current year, cotton arrivals sank to 4.9 million bales (7.4 million bales in 2022). This was mainly due to a countrywide outbreak of floods during last year's monsoon that hampered cotton crop production and agricultural land.

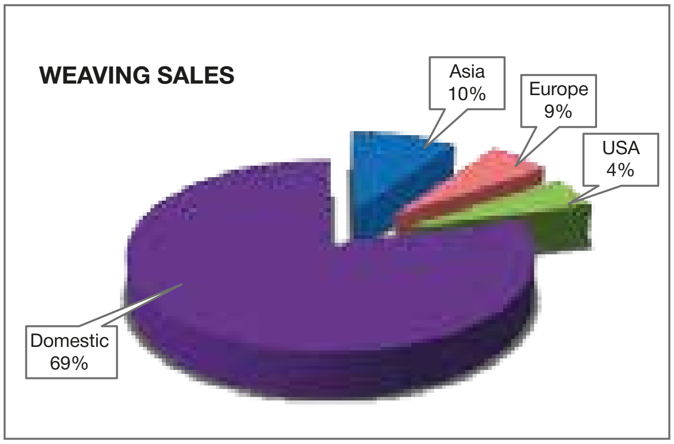
This production scarcity, exorbitant inflation, currency depreciation, and rising NY futures have kept the average cotton prices high as compared to last season. Yarn prices remained in tandem with cotton prices. The sale price variance has been favorable as compared to last year. However, this positive trend was not sufficient to cover the immense increase in production costs resulting in divisional loss.

The company has successfully installed new Toyota RX300 ring frames in one of the major production sites. This latest machinery setup has improved the production capacity.

The country is undergoing a higher stake of financial predicament due to economic and political turmoil. Resurgent raw materials, borrowing costs, and energy prices are casting hostile overtures. These financial laggards have negatively instilled the company's profitability, particularly in the spinning division. However, the management is striving hard to cope with these multitudinous crises. The company believes that better sourcing strategies paired with efficient working capital management and improving operational efficiency can positively contribute to the division's performance in future.

WEAVING

Weaving division's upward revenue spree continued throughout the year amid high demand for greige fabric. Total sales clocked to a record high number of Rs. 8.6 billion this year, which is 15% higher than last year. A notable portion of the sale was in international markets as Export sales surged by 69% in contrast to the FY 2022.



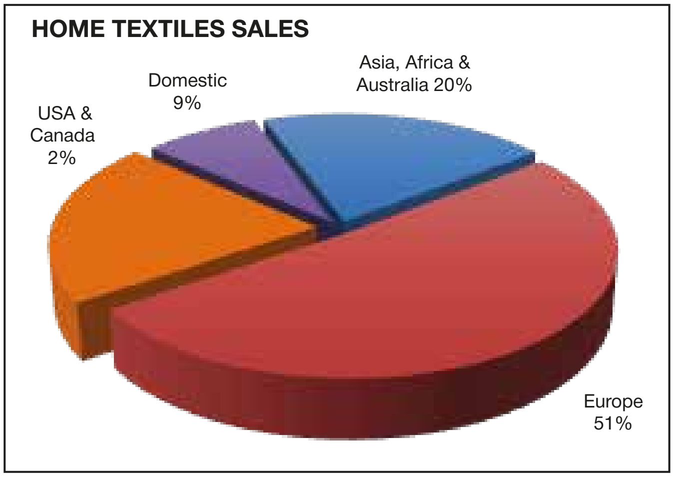
The global macroeconomics and the country's political scenarios are not supportive of the textile business. However, the management believes that better sourcing strategies paired with focused margin and operational optimization will provide the impetus for growth and profitability in this sector.

The company is upgrading its machinery to improve production and utility consumption. We have recently replaced old looms with state-of-the-art wider-width

Picanol looms and a new sectional warping machine. This integration will assist in improving the yields and the operational efficiency of the overall segment.

Management also plans to widen its market by tapping into the technical textiles segment and focusing on new constructions using innovative fibres for different performance fabrics. Major revamping in product segments is expected to add further depth to the existing weaving business.

HOME TEXTILES



During the year under review, Home Textile's turnover clocked in at Rs. 17.5 billion. In the current global macro-economic situation, Pakistan's textile industry is facing adverse effects in terms of rising inflation, fuel prices and depreciation of PKR against USD resulting in higher cost of imported raw materials. In addition to this, unprecedented increase in finance cost, removal of subsidies on energy and imposition of super tax has substantially raised the cost of doing business in the country. To be competitive in the current global market scenario, we are taking initiatives to reduce our utility cost. We have installed a solar power plant having a capacity of 1.6 MW to generate electricity for our stitching and dyeing unit. We are also working on switching to biomass fuels from conventional fossil fuel for steam production. These initiatives will significantly reduce our electricity generation and steam production cost. Despite all the challenges, our proactive measures to reduce production cost will ensure consistent growth in sales in the year 2023-24.

The Linen Company (TLC) (retail brand) registered a revenue growth of 12% from last year, owing to the increased popularity of our retail products. Looking at the overwhelming response from customers, the company plans to further expand the number of retail outlets in different parts of the country to make the product more reachable and to increase the customer base.

Owing to the potential of E-commerce, the management has expanded its operations to the global market through a wholly owned subsidiary, T L C Middle East LLC, which has achieved a consistent monthly growth of over 10% in revenue, operating mainly through the e-commerce platform Amazon.

POWER

We have a 46 MW Coal-fired power plant, mainly for our spinning and weaving units. No electricity was sold to outside parties during this fiscal year. When it is not feasible to operate our Coal-fired plant due to high coal prices, we can switch to other sources of power. As a backup to our 46MW Coal-fired power plant, we have stand-by engines/generators with a capacity of more than 30MW, as well as electricity supply from LESCO.

FUTURE OUTLOOK

The business prospects are highly dependent on macroeconomic factors and political stability. Presently, foreign markets, trade sanctions, and prevailing factors of global recession have superseded the market's positive sentiment. Costs of doing business still inculcate a challenge in the country. Currency instability, financial charges, and skyrocketed utility tariffs remain a threat to the company's performance. Thus, the future outlook remains uncertain.

The management is hopeful for the revival of the spinning business with better global demand for Pakistani yarn. Furthermore, in the current season, there is a sizeable increase in cotton crop, with better yield and prices as compared to imported cotton, which seems to be beneficial for the business. Although, high interest rates and exchange rate volatility still remain a challenge in devising a sound marketing strategy for the division.

To enhance our presence in the US market and provide a more immersive experience for our customers, we've inaugurated a showroom for our home textile products in New York. This showroom serves as a dynamic space where customers can personally explore our product samples. Looking ahead, we are also actively strategizing to expand our operations to include trading from this strategic location.

SUBSIDIARY COMPANIES

The Company has also annexed its consolidated financial statements along with separate financial statements in accordance with the requirements of the International Financial Reporting Standards and the Companies Act, 2017. The group comprises of:

- Nishat (Chunian) Limited (“the Holding Company”)
- Nishat Chunian USA Inc.
- Sweave Inc.
- Nishat Chunian Properties (Private) Limited
- T L C Middle East Trading L.L.C

Financial Highlights	**2023**	**2022**
	(Rupees in million)	
Turnover	70,949	88,026
Gross Profit	7,135	16,773
Profit before taxation	159	10,733
Taxation	912	882
Profit / (Loss) after taxation	(753)	9,851
	(Rupees)	
Earnings / (Loss) per share (basic & diluted)	(3.63)	35.92

Following is a brief description of all the subsidiary companies:

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 principal objective of liaising with Nishat (Chunian) Limited’s marketing department providing access, information, and other services relating to USA Market and to import home textile products and distributing them to local retailers in the USA.

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 Sweave Inc. is the e-commerce retail of home textile products to its domestic customers. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA Inc.

Nishat Chunian Properties (Private) Limited is a private limited company that was incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. 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 multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities, etc.

T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO), incorporated on 14 October 2021, formed in pursuance to Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels, and linen trading. The 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. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make the investment shortly.

Nishat Chunian USA Inc. and Sweave Inc. are incorporated under the Business Corporation Law of the State of New York. The governing law does not require audit of financial statements of the Subsidiary Company. Further, as stated above, 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. Hence, we have used un-audited financial statements of the Subsidiary Companies to prepare Consolidated Financial Statements. There is no material impact of the matter stated in auditors' report on the consolidated financial statements on the profit / loss, equity, earnings / loss per share and cash flows as per the consolidated financial statements.

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 to 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 has always invested in its workforce by arranging Training and Development programs. The company is fully compliant with labor laws and regulations. During the year, NCL coordinated with Punjab Social Security department (PESSI). A seminar was conducted on guiding the employees on how to avail the benefits of social security.

The company has also developed a training center for women at our Dyeing and Stitching unit, where vocational training is provided to women free of cost.

The Company has also invested in eco-friendly technologies by installing advanced water treatment plants at the home textile division. Furthermore, the water used at spinning and weaving mills is provided to the local farmers free of cost. The coal power plant is equipped with a state-of-the-art online emission monitoring system to ensure that the emissions comply with international and local standards. The coal power plant has also been equipped with an air quality monitoring system, which monitors pollution levels in the atmosphere.

As part of its philanthropic endeavors, the company donates to a school, operating under the Saleem Memorial Foundation (formerly Mian Muhammad Yahya Trust) which provides quality education to the underprivileged at a nominal fee.

The company along with other philanthropists has set up the state-of-the-art, not-for-profit, Saleem Memorial Hospital. This 350-bed hospital spans over a covered area of 477,000 sqft. and has modern facilities, operation theaters, clinics and the first, Level III trauma center in Lahore. It is run by a team of qualified doctors and expert staff. The hospital is based on a self-sustainable model which comprises of two revenue streams, regular fee and cross subsidy (surplus revenue, zakat and donations). As part of its philanthropic endeavors, Nishat (Chunian) Limited and Nishat Chunian Power Limited – former subsidiary company and now associated company have generously donated to Saleem Memorial Hospital and are the largest donor of this hospital. A total of Rupees 72.5 million were donated to Saleem Memorial Trust Hospital by Nishat Chunian Power Limited in this financial year.

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 that 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 the 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 a solar-powered energy system. We are installing a solar power plant having a capacity of 1.6 MW for electricity generation to run our stitching and dyeing unit. We are actively engaged in exploring ways to conserve energy and have transitioned to power-efficient LED lights at manufacturing units to save energy. Training sessions are conducted regularly 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 wastewater 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 wastewater and also aims to use eco-friendly dyes & chemicals to lower the pollution load over our waste streams. The coal power plant is equipped with a state-of-the-art online emission monitoring system to ensure that the emissions comply with international and local standards. The coal power plant has also been equipped with an air quality monitoring system, which monitors pollution levels in the atmosphere. Further, we regularly keep track of environmental monitoring reports to find out if we are compliant with 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 on the premises of all manufacturing facilities by using fogging machines to prevent diseases like dengue and Coronavirus.

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 VALUE ADDITION & DISTRIBUTION

	Rs. In Millions
Wealth Generated	
Total revenue and other income	68,567
Bought in material and services	(57,516)
Depreciation & amortization	(1,639)
	9,412
Wealth Distribution	
To Government & Society	
Employee remuneration	4,069
Donation	11
Tax, WPPF & WWF	912
To providers of Finance	
Finance Cost	5,419
Dividend	-
	10,411

STATEMENT OF COMPLIANCE

The requirements of the Code of Corporate Governance have been adopted by the Company and have been duly complied with, a statement to this effect is annexed to the report.

CORPORATE GOVERNANCE

During the year your company remained compliant with the Code of Corporate Governance requirements except as mentioned in the annexed Statement of Compliance.

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 5
- Female 2

Composition

The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Azam Siddiqui [Appointed as Director with effect from 13 October 2022 in place of Mr. Muhammad Zahid Khan who resigned as Director on 29 September 2022] Mr. Ahmad Hasnain [Appointed as Director with effect from 04 July 2023 in place of Mr. Aftab Ahmad Khan who resigned as Director on 25 May 2023]
Non-Executive Directors	Ms. Ayesha Shahzad (Female Director) [Appointed as Director with effect from 13 October 2022 in place of Ms. Nadia Bilal who resigned as Director on 03 October 2022] Mr. Farrukh Ifzal (Chairman) Ms. Mahnoor Adil (Female Director) [Appointed as Director with effect from 08 June 2023 in place of Mr. Faisal Farid who resigned as Director on 05 April 2023]
Executive Directors	Mr. Shahzad Saleem (Chief Executive Officer) Mr. Zain Shahzad

Board of Directors' Meetings:

Relevant to the year under review, four (4) meetings were held. Attendance by each director is as follows:

Name of Directors	No. of Meetings
Mr. Shahzad Saleem (Chief Executive Officer)	4
Ms. Ayesha Shahzad	1
Mr. Zain Shahzad	3
Mr. Farrukh Ifzal (Chairman)	4
Ms. Nadia Bilal	0
Mr. Aftab Ahmed Khan	3
Mr. Muhammad Zahid Khan	0
Mr. Muhammad Azam Siddiqui	3
Mr. Faisal Farid	0
Ms. Mahnoor Adil	1
Mr. Ahmad Hasnain	0

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 & the Listed Companies (Code of Corporate Governance) Regulations, 2019. Refer to Note 37 to the financial statements for disclosure with respect to remuneration of the directors and chief executive.

Audit Committee

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

Name	Designation held
Mr. Muhammad Azam Siddiqui	Chairman
Mr. Farrukh Ifzal	Member
Ms. Mahnoor Adil	Member

HR & Remuneration Committee

In compliance with the Code, the Board of Directors of your Company has established an HR & R Committee. The composition of the HR & R committee is as follows:

Name	Designation held
Mr. Ahmad Hasnain	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Azam Siddiqui	Member

AUDITORS

Riaz Ahmad & Company, Chartered Accountants, current auditors will retire at the conclusion of the Annual General Meeting of the Company. Being eligible, they have offered themselves for reappointment for the year ending 30 June 2024. As suggested by the Audit Committee, the Board of Directors has recommended the reappointment of Riaz Ahmad & Company, Chartered Accountants for approval of shareholders in the forthcoming Annual General Meeting.

MATERIAL CHANGES

No material changes and commitments affecting the financial position of the Company occurred between 30 June 2023 and 28 September 2023.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2023 is annexed to this report.

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,

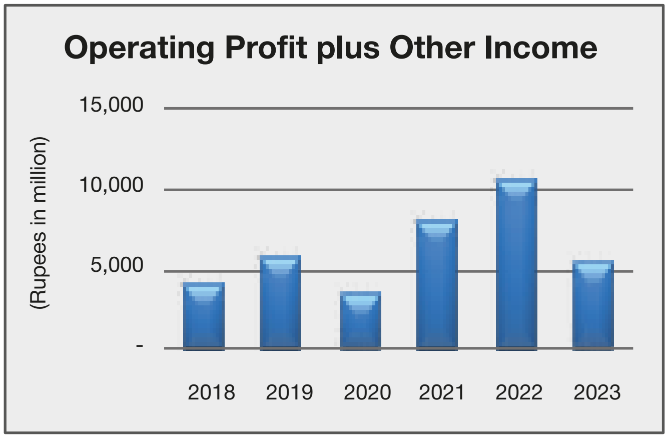
Chief Executive

Director

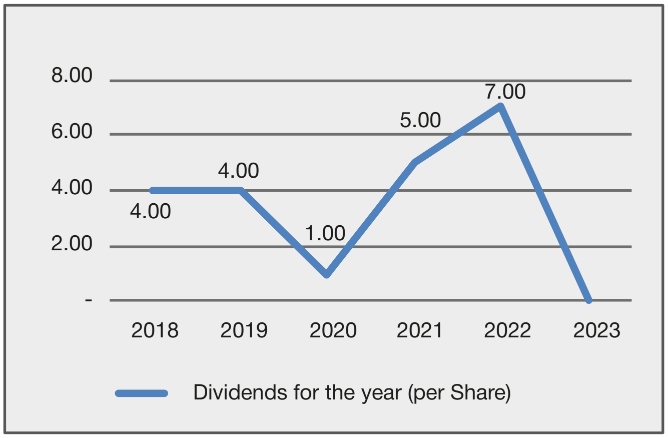
Date: September 28, 2023
Lahore

FINANCIAL HIGHLIGHTS

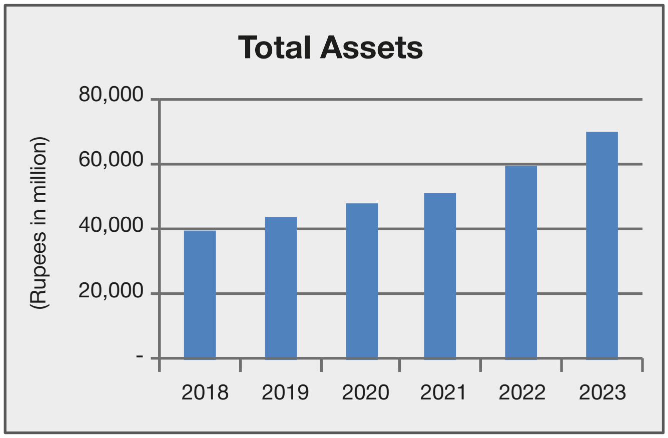
Year	2018	2019	2020	2021	2022	2023
			(Rupees in thousand)			
Net Sales	35,560,396	39,337,641	35,666,860	49,283,753	61,988,039	67,629,279
Gross Profit	4,271,344	4,887,513	4,204,387	8,969,147	12,974,171	6,589,060
Distribution, Admin and Other Expenses	1,259,755	1,496,010	1,288,344	1,812,963	3,166,480	2,194,442
Operating Profit plus Other Income	4,143,471	5,845,942	3,370,053	8,020,198	10,551,951	5,331,902
Finance Cost	1,383,365	2,177,576	2,660,856	1,747,035	2,204,096	5,418,815
Profit / (Loss) After Tax	2,363,084	3,167,592	265,369	5,598,857	7,468,202	(998,928)
Current Assets	24,808,457	29,043,475	29,157,860	32,502,032	36,201,977	45,502,506
Total Assets	39,393,599	43,507,943	47,750,604	51,770,042	59,435,634	69,845,761
Current Liabilities	20,926,883	24,512,069	28,036,168	26,105,172	20,562,842	35,853,316
Total Liabilities	25,683,149	28,169,505	34,113,205	32,773,906	34,892,249	49,137,638
Total Equity	13,710,449	15,338,438	13,637,398	18,996,136	24,543,385	20,708,123
Cash Flows:						
Net Cash generated from /(used in) Operating Activities	(2,288,612)	197,793	1,582,303	3,668,689	7,457,338	(9,911,615)
Net Cash generated from/(used in) Investing Activities	666,819	(597,348)	(2,717,247)	(1,906,725)	(6,803,460)	(2,703,060)
Net Cash generated from /(used in) Financing Activities	1,653,688	340,839	1,161,100	(1,536,797)	(717,507)	12,684,701
Earnings Per Share						
Basic	9.84	13.19	1.11	23.32	31.10	(4.16)
Diluted	9.84	13.19	1.11	23.32	31.10	(4.16)
Dividends for the year (per Share)	4.00	4.00	1.00	5.00	7.00	-
Dividend Payout Ratio (Dividend / Profit after Tax)	41%	30%	90%	21%	23%	0%
Financial Measures:						
ROE (Net Income / Equity)	17.24%	20.65%	1.95%	29.47%	30.43%	-4.82%
ROI (Net Income / Assets)	6.0%	7.3%	0.6%	10.8%	12.6%	-1.4%
Shareholders' Equity Ratio (Equity / Assets)	35%	35%	29%	37%	41%	30%
Net Debt Equity Ratio (% age)	169%	162%	213%	146%	118%	206%
Interest Coverage Ratio (times)	3.00	2.68	1.27	4.59	4.79	0.98
P/E ratio (Price per share / EPS)	4.83	2.66	29.37	2.16	1.44	(4.88)
Dividend Yield Ratio (Dividend / Market Value of Share)	8%	11%	3%	10%	16%	0%
Common Stock						
Number of shares outstanding at year end	240,221,556	240,221,556	240,119,029	240,119,029	240,119,029	240,119,029
Break up value of shares	57.07	63.85	56.79	79.11	102.21	86.24
Market Value of Share as on 30 June	47.48	35.02	32.45	50.29	44.79	20.30



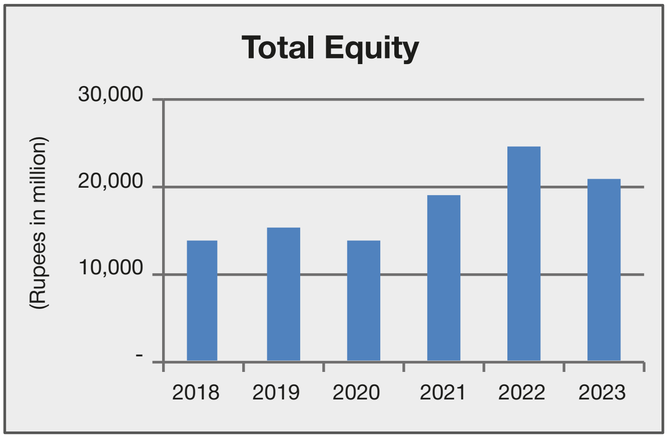
Operating Profit plus Other Income
(Rupees in million)
15,000
10,000
5,000
-
2018
2019
2020
2021
2022
2023



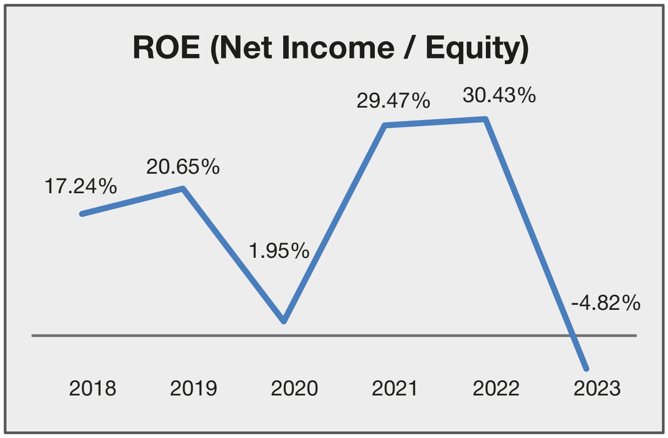
8.00
6.00
4.00
2.00
-
4.00
4.00
1.00
5.00
7.00
2018
2019
2020
2021
2022
2023
Dividends for the year (per Share)



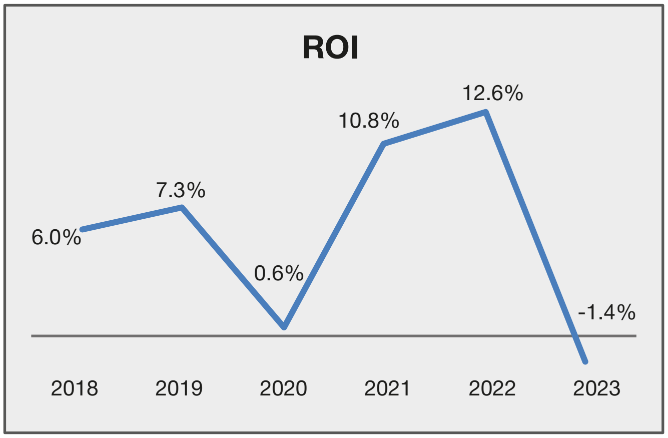
Total Assets
(Rupees in million)
80,000
60,000
40,000
20,000
-
2018
2019
2020
2021
2022
2023



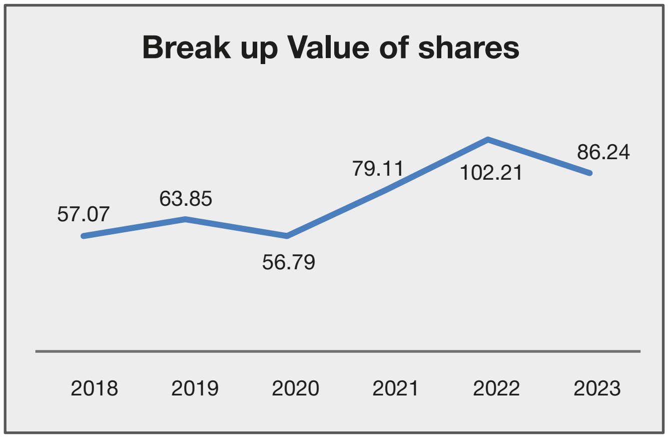
Total Equity
(Rupees in million)
30,000
20,000
10,000
-
2018
2019
2020
2021
2022
2023



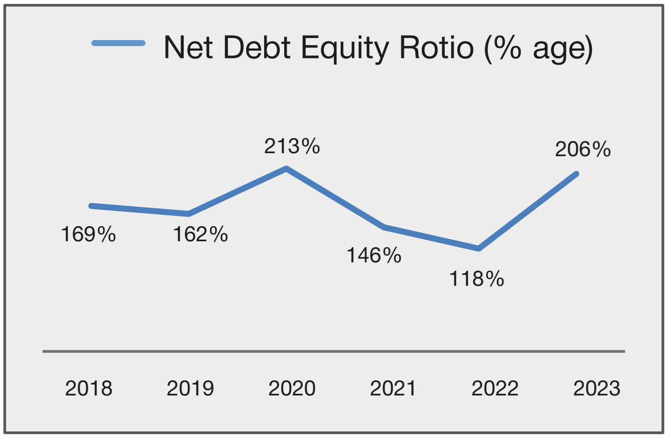
ROE (Net Income / Equity)
17.24%
20.65%
1.95%
29.47%
30.43%
-4.82%
2018
2019
2020
2021
2022
2023



ROI
6.0%
7.3%
0.6%
10.8%
12.6%
-1.4%
2018
2019
2020
2021
2022
2023



Break up Value of shares
57.07
63.85
56.79
79.11
102.21
86.24
2018
2019
2020
2021
2022
2023



Net Debt Equity Rotio (% age)
169%
162%
213%
146%
118%
206%
2018
2019
2020
2021
2022
2023

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

Name of Company: Nishat (Chunian) Limited
Year ending: June 30, 2023

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: 5
   b. Female: 2

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Azam Siddiqui [Appointed as Director with effect from 13 October 2022 in place of Mr. Muhammad Zahid Khan who resigned as Director with effect from 29 September 2022] Mr. Ahmad Hasnain [Appointed as Director with effect from 04 July 2023 in place of Mr. Aftab Ahmad Khan who resigned as Director with effect from 25 May 2023]
Non-Executive Directors	Ms. Ayesha Shahzad (Female Director) [Appointed as Director with effect from 13 October 2022 in place of Ms. Nadia Bilal who resigned as Director with effect from 03 October 2022] Mr. Farrukh Ifzal Ms. Mahnoor Adil (Female Director) [Appointed as Director with effect from 08 June 2023 in place of Mr. Faisal Farid who resigned as Director with effect from 05 April 2023]
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 Companies Act, 2017 (the Act) and the 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 the Regulations;

9. Following Directors have attained the directors training program certification:

Name of Director
Mr. Farrukh Ifzal Mr. Ahmad Hasnain

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

Name of Director
Mr. Shahzad Saleem

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 Azam	Chairman
Mr. Farrukh Ifzal	Member
Ms. Mahnoor Adil	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Ahmad Hasnain	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Azam Siddiqi	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 30 June 2023.

    b) HR and Remuneration Committee
    One meeting of HR and Remuneration Committee were held during the financial year ended 30 June 2023.

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** Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)
6	**Directors' Training** It is encouraged that by 30 June 2022 all the directors on the Board should 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.	3 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 four directors in future years.	19(1)
7	**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.

FARRUKH IFZAL
Chairman

September 28, 2023
Lahore

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat (Chunian) Limited

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 2023 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 2023.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 28, 2023

UDIN: CR202310132h8QgOXpB3

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 2023, 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 2023 and of the loss, 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 matters were addressed in our audit
1.	**Inventory existence and valuation** Inventory as at 30 June 2023 amounted to Rupees 26,065 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 2,511 million - Stock-in-trade Rupees 23,554 million 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, representing 37% of the total assets of the Company as at 30 June 2023, and the judgment involved in valuation. For further information on inventory, refer to the following:	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

Sr. No.	Key audit matters	How the matters were addressed in our audit
	- Summary of significant accounting policies, Inventories note 2.17 to the financial statements. - Stores, spare parts and loose tools note 19 and stock-in-trade note 20 to the financial statements.	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. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • 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 inquires 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 67,629 million for the year ended 30 June 2023. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators 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 27 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.
3.	**Contingencies** As disclosed in Note 13 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:

Sr. No.	Key audit matters	How the matters were addressed in our audit
	Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter. For further information on contingencies, refer to the following: - Summary of significant accounting policies, Contingent liabilities note 2.34 and note 2.1(c) to the financial statements. - Contingencies note 13 to the financial statements.	• Obtained and reviewed detail of the pending matters and discussed the same with the Company's management. • Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters. • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
4.	**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 14 to the 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.

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 Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 28, 2023

UDIN: AR202310132joDhOiVcH

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,700,000,000	3,700,000,000
Issued, subscribed and paid-up share capital	3	2,401,190,290	2,401,190,290
Reserves	4	18,306,933,101	22,142,195,125
Total equity		20,708,123,391	24,543,385,415
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	12,538,265,074	13,440,603,387
Lease liabilities	6	68,666,567	56,004,356
Deferred liabilities	7	677,389,719	832,798,931
		13,284,321,360	14,329,406,674
CURRENT LIABILITIES			
Trade and other payables	8	4,222,922,732	4,553,972,203
Accrued mark-up / profit	9	1,397,309,345	512,941,848
Short term borrowings	10	27,881,717,844	12,944,009,897
Current portion of non-current liabilities	11	2,137,618,315	2,338,047,885
Provision for taxation - net	12	144,607,140	150,138,087
Unclaimed dividend		69,141,071	63,732,091
		35,853,316,447	20,562,842,011
Total liabilities		49,137,637,807	34,892,248,685
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		69,845,761,198	59,435,634,100

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	23,672,994,434	22,595,891,328
Right-of-use assets	15	113,172,896	74,651,170
Intangible asset	16	1,845,938	635,708
Long term investments	17	510,128,000	510,128,000
Long term loans to employees	18	11,154,911	21,616,477
Long term security deposits		33,959,024	30,734,231
		24,343,255,203	23,233,656,914
CURRENT ASSETS			
Stores, spare parts and loose tools	19	2,511,321,040	1,737,163,960
Stock-in-trade	20	23,554,034,198	21,177,210,052
Trade debts	21	11,409,750,014	7,741,005,867
Loans and advances	22	4,070,437,994	1,869,297,569
Short term prepayments		7,824,982	12,242,055
Other receivables	23	3,589,740,169	1,521,609,963
Short term investments	24	80,364,318	58,582,472
Cash and bank balances	25	279,033,280	209,007,048
		45,502,505,995	34,326,118,986
Non-current asset held for distribution to owners	26	-	1,875,858,200
		45,502,505,995	36,201,977,186
TOTAL ASSETS		69,845,761,198	59,435,634,100

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
REVENUE	27	67,629,278,772	61,988,039,043
COST OF SALES	28	(61,040,219,028)	(49,013,867,586)
GROSS PROFIT		6,589,059,744	12,974,171,457
DISTRIBUTION COST	29	(1,617,713,504)	(1,705,234,527)
ADMINISTRATIVE EXPENSES	30	(497,372,207)	(516,587,209)
OTHER EXPENSES	31	(79,356,566)	(944,657,875)
		(2,194,442,277)	(3,166,479,611)
		4,394,617,467	9,807,691,846
OTHER INCOME	32	937,284,589	744,258,753
PROFIT FROM OPERATIONS		5,331,902,056	10,551,950,599
FINANCE COST	33	(5,418,814,780)	(2,204,096,284)
(LOSS) / PROFIT BEFORE TAXATION		(86,912,724)	8,347,854,315
TAXATION	34	(912,014,984)	(879,652,699)
(LOSS) / PROFIT AFTER TAXATION		(998,927,708)	7,468,201,616
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	35	(4.16)	31.10

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, 2023

	2023 Rupees	2022 Rupees
(LOSS) / PROFIT AFTER TAXATION	(998,927,708)	7,468,201,616
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 (LOSS) / INCOME FOR THE YEAR	(998,927,708)	7,468,201,616

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, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	36	(4,453,413,789)	9,807,081,784
Net increase in long term security deposits		(3,224,793)	(266,622)
Finance cost paid		(4,552,739,224)	(1,894,176,292)
Income tax paid		(917,545,931)	(450,656,596)
Net decrease / (increase) in long term loans to employees		15,308,859	(4,643,842)
Net cash (used in) / generated from operating activities		(9,911,614,878)	7,457,338,432
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,797,872,040)	(6,958,326,115)
Proceeds from disposal of operating fixed assets		120,188,050	51,256,547
Capital expenditure on intangible asset		(1,733,750)	(591,164)
Long term investment made		-	(100,000)
Short term investment made		(148,801,130)	(26,772,872)
Short term investment disposed of		118,801,130	120,000,000
Interest received		6,357,567	11,073,826
Net cash used in investing activities		(2,703,060,173)	(6,803,459,778)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		375,543,759	9,798,969,235
Repayment of long term financing		(1,623,490,344)	(2,609,928,271)
Repayment of lease liabilities		(49,992,943)	(45,505,776)
Short term borrowings - net		14,937,707,947	(5,953,903,520)
Dividend paid		(955,067,136)	(1,907,138,228)
Net cash from / (used in) financing activities		12,684,701,283	(717,506,560)
Net increase / (decrease) in cash and cash equivalents		70,026,232	(63,627,906)
Cash and cash equivalents at the beginning of the year		209,007,048	272,634,954
Cash and cash equivalents at the end of the year		279,033,280	209,007,048

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, 2023

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVES			TOTAL EQUITY
		Share premium	General reserve	Unappropriated profit	Total	
	Rupees					
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
Transactions with owners:						
Final dividend for the year ended 30 June 2021 @ Rupees 5 per share	-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)
Interim dividend for the year ended June 2022 @ Rupees 3 per share	-	-	-	(720,357,087)	(720,357,087)	(720,357,087)
	-	-	-	(1,920,952,232)	(1,920,952,232)	(1,920,952,232)
Profit for the year	-	-	-	7,468,201,616	7,468,201,616	7,468,201,616
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	7,468,201,616	7,468,201,616	7,468,201,616
Balance as at 30 June 2022	2,401,190,290	600,553,890	1,629,221,278	19,912,419,957	21,541,641,235	24,543,385,415
Transactions with owners:						
Transfer of investment in Nishat Chunian Power Limited to the shareholders of Company (Note 26.1)	-	-	-	(1,875,858,200)	(1,875,858,200)	(1,875,858,200)
Final dividend for the year ended 30 June 2022 @ Rupees 4 per share	-	-	-	(960,476,116)	(960,476,116)	(960,476,116)
	-	-	-	(2,836,334,316)	(2,836,334,316)	(2,836,334,316)
Loss for the year	-	-	-	(998,927,708)	(998,927,708)	(998,927,708)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(998,927,708)	(998,927,708)	(998,927,708)
Balance as at 30 June 2023	2,401,190,290	600,553,890	1,629,221,278	16,077,157,933	17,706,379,211	20,708,123,391

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

1. THE COMPANY AND ITS OPERATIONS

1.1 Nishat (Chunian) Limited 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 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 Units 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	**Site for office**	Plot No. 54, Ataturk Avenue, Street No. 88, Sector G-6/3, Islamabad.
6	**Retail stores**	
7	The Linen Company (TLC) – I	Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore.
8	The Linen Company (TLC) – II	Shop No. 008, 2nd Floor, Packages Mall, Lahore.
9	The Linen Company (TLC) – III	Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.
10	The Linen Company (TLC) – IV	Shop No. 45, 3rd Floor, Centaurus Mall, Islamabad.
11	The Linen Company (TLC) – V	Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi.
12	The Linen Company (TLC) – VI	Plot No. HC-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.
13	The Linen Company (TLC) – VII	Shop 8, 1st Floor, Bosan Road, Multan.
14	The Linen Company (TLC) – VIII	Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt.
15	**Warehouse**	Room No. 1022, 10th Floor, 4-16 West 33rd Street, Manhattan, City of New York.

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 17 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.

Future estimation of export sales

Deferred income tax calculation has been based on estimate of future ratio of export and local sales.

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 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts

– Cost of Fulfilling a Contract which amended IAS 1 ‘Presentation of Financial Statements’.

- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 ‘Financial Instruments’ and IFRS 16 ‘Leases’.
- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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 2022 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 2023 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’.

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.

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.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

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 01 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.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The above amendments and improvements do not have a material 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 2023 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 14.1. 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 14.1. 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 less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of 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 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 statement of profit or loss over the period of the borrowings 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 and subsequently measured at amortized cost using the effective interest method.

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.

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 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Zone 3 (Unit No. 2, 3 and 6) (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).

Transactions 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.

2.41 Non-current assets (or disposal groups) held for distribution to owners

The Company measures a non-current asset (or disposal group) classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute. A non-current asset (or disposal group) is classified as held for distribution to owners when the Company is committed to distribute the asset (or disposal group) to the owners.

3. SHARE CAPITAL

3.1 AUTHORIZED SHARE CAPITAL

2023	2022		2023	2022
(Number of shares)			Rupees	Rupees
350,000,000	350,000,000	Ordinary shares of Rupees 10 each	3,500,000,000	3,500,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
370,000,000	370,000,000		3,700,000,000	3,700,000,000

3.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023	2022		2023	2022
(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

	2023 Rupees	2022 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	16,077,157,933	19,912,419,957
	17,706,379,211	21,541,641,235
	18,306,933,101	22,142,195,125

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

	2023 Rupees	2022 Rupees
5. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 5.1)	12,745,749,728	13,656,927,925
Long term musharaka (Note 5.2)	1,279,468,806	1,490,411,865
	14,025,218,534	15,147,339,790
Less: Current portion shown under current liabilities (Note 11)		
Long term loans	(1,321,160,103)	(1,475,478,198)
Long term musharaka	(165,793,357)	(231,258,205)
	(1,486,953,460)	(1,706,736,403)
	12,538,265,074	13,440,603,387

5.1 Long term loans

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
MCB Bank Limited	100,000,000	120,000,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 5.5)	-	Quarterly
MCB Bank Limited	40,250,000	50,312,500	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	-	129,800,000	SBP rate for LTFF+ 1.25%	Ten equal half yearly instalments commenced on 18 October 2017 and ended on 18 April 2023. (Note 5.5)	-	Quarterly
MCB Bank Limited	2,000,000,000	2,000,000,000	3-months KIBOR + 0.2%	Twenty equal quarterly instalments commencing on 11 February 2024 and ending on 11 November 2028.	Quarterly	Quarterly
Allied Bank Limited	132,187,500	161,562,500	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	78,196,875	94,659,375	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	232,156,250	281,031,250	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	56,762,500	68,712,500	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	73,625,000	88,350,000	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	55,863,061	61,642,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	94,877,125	104,692,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	17,017,834	18,778,300	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	29,004,532	32,005,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	13,567,468	14,971,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	61,544,906	67,911,620	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	-	55,555,560	SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ended on 26 August 2022. (Note 5.5)	-	Quarterly
Allied Bank Limited	812,500,000	1,000,000,000	3-months KIBOR + 0.18%	Sixteen equal quarterly instalments commenced on 30 September 2022 and ending on 30 June 2026.	Quarterly	Quarterly
Allied Bank Limited	1,000,000,000	1,000,000,000	3-months KIBOR + 0.10%	Twenty four equal quarterly instalments commencing on 24 August 2024 and ending on 24 May 2030.	Quarterly	Quarterly
Askari Bank Limited	74,700,000	91,300,000	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	9,000,000	11,000,000	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
Askari Bank Limited	67,500,000	82,500,000	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	63,460,000	76,820,000	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	3,100,000	3,720,000	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	29,400,000	35,000,000	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	10,000,000	12,000,000	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

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Askari Bank Limited	58,900,000	70,680,000	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	2,877,000	3,452,400	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	10,657,500	12,687,500	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	118,000,000	141,600,000	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	246,807,000	283,371,000	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)	1,221,919,577	1,142,637,394	SBP rate for TERF + 2.00%	Five hundred and seventy six unequal instalments commencing on 26 August 2023 and ending on 22 April 2032.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	254,718,850	271,704,850	SBP rate for LTFF + 1.00%	Twenty equal quarterly instalments commenced on 05 January 2023 and ending on 05 October 2027.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	13,515,950	14,417,950	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 05 January 2023 and ending on 04 October 2030.	-	Quarterly
Habib Bank Limited	200,000,000	600,000,000	3-months 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	-	144,378,095	6-months KIBOR + 0.90%	Nine equal half yearly instalments commenced on 02 November 2017 and ended on 02 November 2022. (Note 5.5)	Half yearly	Quarterly
Habib Bank Limited	1,828,426,117	1,828,426,117	3-months KIBOR + 0.45%	Eighty unequal instalments commencing on 20 September 2024 and ending on 20 May 2032.	Quarterly	Quarterly
Habib Bank Limited	350,956,713	350,956,713	SBP rate for LTFF + 1.00%	Ninety six unequal instalments commencing on 03 June 2024 and ending on 15 April 2032.	-	Quarterly
Habib Bank Limited	215,133,503	215,133,503	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032.	-	Quarterly
Habib Bank Limited (Note 5.6)	-	93,180,163	SBP rate for refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 01 January 2021 and ended on 01 October 2022.	-	Quarterly
Habib Bank Limited	221,825,624	-	3-months KIBOR + 0.45%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032.	Quarterly	Quarterly
Soneri Bank Limited	177,828,125	215,265,625	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	138,750,000	166,500,000	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
National Bank of Pakistan	21,210,673	-	SBP rate for LTFF + 1%	Forty equal quarterly instalments commencing on 30 June 2024 and ending on 31 March 2034.	-	Quarterly
National Bank of Pakistan	132,507,462	-	3-months KIBOR + 1%	Forty equal quarterly instalments commencing on 30 June 2024 and ending on 31 March 2034.	Quarterly	Quarterly
United Bank Limited	2,000,000,000	2,000,000,000	1-month KIBOR + 0.25%	Twenty four equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2029.	Monthly	Quarterly
United Bank Limited (Note 5.8)	477,002,583	440,213,010	SBP rate for TERF + 1.25%	Ninety six unequal instalments commencing on 08 October 2023 and ending on 25 March 2032.	-	Quarterly
	12,745,749,728	13,656,927,925				

5.2 Long term musharaka

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Meezan Bank Limited	244,752,920	261,069,782	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 24 March 2023 and ending on 24 December 2030.	-	Quarterly
Meezan Bank Limited (Note 5.9)	381,669,745	388,997,350	SBP rate for ITERF + 2.75%	One hundred and twenty eight unequal instalments commenced on 30 March 2023 and ending on 28 May 2031.	-	Quarterly
Meezan Bank Limited	6,430,563	6,638,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	16,114,575	16,634,400	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	11,597,972	11,972,100	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	66,306,675	68,445,600	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	13,814,375	14,260,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	110,277,366	113,834,700	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	197,652,000	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
Meezan Bank Limited	52,998,400	52,998,400	SBP rate for LTFF + 1.50%	Thirty two equal quarterly instalments commencing on 27 October 2023 and ending on 27 July 2031.	-	Quarterly
MCB Islamic Bank Limited (Note 5.9)	177,854,215	167,423,709	SBP rate for ITERF + 1.50%	Ninety six unequal instalments commencing on 06 August 2023 and ending on 25 May 2031.	-	Quarterly
Faysal Bank Limited (Note 5.7)	-	184,612,066	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 30 March 2021 and ended on 30 December 2022.	-	Quarterly
Faysal Bank Limited (Note 5.7)	-	5,873,758	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.25%	Eight equal quarterly instalments commenced on 30 March 2021 and ended on 30 December 2022.	-	Quarterly
	1,279,468,806	1,490,411,865				

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 21,484.022 million (2022: Rupees 21,769.914 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 2,199.998 million (2022: Rupees 3,787.667 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 were obtained by the Company under SBP refinance scheme for payment of salaries and wages. These were recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment was recognized at discount rates ranging from 7.92% to 8.03% per annum.

5.7 These loans were obtained by the Company under SBP Islamic refinance scheme for payment of salaries and wages. These were recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment was 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 8.23% to 14.27% 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 11.44% per annum.

	2023 Rupees	2022 Rupees

6. LEASE LIABILITIES

Total lease liabilities	132,734,414	90,649,683
Less: Current portion shown under current liabilities (Note 11)	(64,067,847)	(34,645,327)
	68,666,567	56,004,356

6.1 Reconciliation of lease liabilities

Opening balance	90,649,683	120,881,507
Add: Additions during the year	98,087,096	25,199,677
Add: Interest accrued on lease liabilities (Note 33)	13,591,883	11,558,235
Less: Impact of lease termination	(9,579,843)	(9,925,725)
Less: Payments during the year	(63,584,826)	(57,064,011)
Add: Impact of exchange loss	3,570,421	-
Closing balance	132,734,414	90,649,683

6.2 Maturity analysis of lease liabilities is as follows:

Upto 6 months	39,346,353	25,456,747
6-12 months	40,286,404	18,022,544
1-2 years	43,484,847	35,564,384
More than 2 years	37,229,387	31,071,655
	160,346,991	110,115,330
Less: Future finance cost	(27,612,577)	(19,465,647)
Present value of lease liabilities	132,734,414	90,649,683

6.3 Amounts recognised in the statement of profit or loss

Interest accrued during the year	13,591,883	11,558,235

6.4 Implicit rate against lease liabilities ranges from 7.97% to 21.41% (2022: 7.01% to 13.97%) per annum.

	2023 Rupees	2022 Rupees

7. DEFERRED LIABILITIES

Gas Infrastructure Development Cess (GIDC) payable (Note 7.1)	-	-
Deferred income - Government grant (Note 7.2)	677,389,719	832,798,931
	677,389,719	832,798,931

7.1 Gas Infrastructure Development Cess (GIDC) Payable

Opening balance	450,872,207	438,359,078
Add: Adjustment due to impact of IFRS 9 (Note 33)	267,980	12,513,129
Less: Adjustment during the year	(19,952,391)	-
Closing balance	431,187,796	450,872,207
Less: Current portion shown under current liabilities (Note 11)	(431,187,796)	(450,872,207)
	-	-

7.1.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, 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.

	2023 Rupees	2022 Rupees
7.2 Deferred income - Government grant		
Opening balance	978,592,879	190,585,195
Government grant recognized during the year	-	881,639,750
Less: Amortized during the year	(145,793,948)	(93,632,066)
Closing balance	832,798,931	978,592,879
Less: Current portion shown under current liabilities (Note 11)	(155,409,212)	(145,793,948)
	677,389,719	832,798,931

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 was that borrowers could 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 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.

	2023 Rupees	2022 Rupees
8. TRADE AND OTHER PAYABLES		
Creditors	1,310,347,550	897,665,689
Sindh infrastructure cess payable (Note 8.1)	1,101,364,137	746,149,339
Accrued liabilities (Note 8.2)	1,091,995,860	1,984,432,850
Contract liabilities - unsecured	488,834,712	162,118,230
Securities from contractors - interest free and repayable on completion of contracts (Note 8.3)	4,662,800	4,811,800
Retention money	24,173,129	35,022,362
Income tax deducted at source	103,792,500	32,340,410
Fair value of forward exchange contracts	-	154,046,505
Payable to employees' provident fund trust	8,300,503	-
Workers' profit participation fund (Note 8.4)	-	428,478,677
Workers' welfare fund (Note 8.5)	35,663,768	35,663,769
Others	53,787,773	73,242,572
	4,222,922,732	4,553,972,203

8.1 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 favour 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 Honourable 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 Honourable Sindh High Court. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

8.2 Reversal of excess provisions in respect of previous years amounting to Rupees 202.380 million.

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

	2023 Rupees	2022 Rupees
8.4 Workers' profit participation fund		
Opening balance	428,478,677	308,123,188
Add: Interest for the year (Note 33)	1,408,698	20,851,237
Add: Adjustment during the year	20,112,625	-
Add: Provision for the year (Note 31)	-	428,478,680
	450,000,000	757,453,105
Less: Payments during the year	(450,000,000)	(328,974,428)
Closing balance	-	428,478,677

8.4.1 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.

	2023 Rupees	2022 Rupees
8.5 Workers' welfare fund		
Opening balance	35,663,768	35,061,596
Add: Provision for the year (Note 31)	-	602,172
Closing balance	35,663,768	35,663,768
9. ACCRUED MARK-UP / PROFIT		
Long term financing	452,367,077	199,540,765
Short term borrowings	944,942,268	313,401,083
	1,397,309,345	512,941,848

		2023 Rupees	2022 Rupees
10.	**SHORT TERM BORROWINGS**		
	From banking companies - secured		
	Short term running finances (Notes 10.1 and 10.2)	13,058,819,675	3,049,797,496
	Export finances - Preshipment / SBP refinance (Notes 10.1 and 10.3)	7,027,349,773	3,874,638,840
	Other short term finances (Notes 10.1 and 10.4)	7,400,000,000	5,900,000,000
	Murabaha finance (Notes 10.1 and 10.5)	395,548,396	119,573,561
		27,881,717,844	12,944,009,897

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 to the extent of Rupees 46,660 million (2022: Rupees 46,660 million) and ranking charge on all present and future current assets of the Company to the extent of Rupees 16,001 million (2022: Rupees 7,467 million). These form part of total credit facilities of Rupees 42,315 million (2022: Rupees 39,615 million).

10.2 The effective rates of mark-up range from 14.55% to 23.08% (2022: 7.70% to 15.31%) per annum.

10.3 The effective rates of mark-up on Pak Rupee finances and US Dollar finances range from 9.10% to 21.69% (2022: 1.00% to 11.13%) per annum and 1.00% to 2.50% (2022: 0.75% to 0.85%) respectively.

10.4 The effective rates of mark-up range from 10.93% to 17.50% (2022: 7.54% to 15.28%) per annum.

10.5 The effective rate of profit range from 4.50% to 11.06% (2022: 7.60% to 11.06%) per annum.

		2023 Rupees	2022 Rupees
11.	**CURRENT PORTION OF NON-CURRENT LIABILITIES**		
	Long term financing (Note 5)	1,486,953,460	1,706,736,403
	Lease liabilities (Note 6)	64,067,847	34,645,327
	Gas Infrastructure Development Cess (GIDC) Payable (Note 7.1)	431,187,796	450,872,207
	Deferred income - Government grant (Note 7.2)	155,409,212	145,793,948
		2,137,618,315	2,338,047,885
12.	**PROVISION FOR TAXATION - NET**		
	Provision for taxation	912,014,984	879,652,699
	Less: Advance income tax	(767,407,844)	(729,514,612)
		144,607,140	150,138,087

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 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 78.582 million is payable on this account but the management of the 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 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, Karachi on 07 December 2013 against the order of ATIR, where the case is pending.

13.1.3 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 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.

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 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.

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 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 which culminated in favour of the Company.

13.1.6 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.

13.1.7 The DCIR through an order under section 161 and 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 filed appeal before ATIR which culminated in favour of the Company.

13.1.8 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.

13.1.9 The 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, against which the Company filled appeal before CIR(A). 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 culminated into an ex-parte appellate order by ATIR. Being aggrieved, the Company filed before ATIR to recall the ex-parte order. The hearing of appeal is still pending fixation. 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.

13.1.10 The DCIR 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 filed an appeal before ATIR against the order of CIR(A) which culminated in favour of the Company.

13.1.11 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, 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 Sindh High Court, Karachi 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 Honourable 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.

13.1.12 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 198.447 million (2022: Rupees 747.486 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.

13.1.13 The ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.846 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Company. Being aggrieved, the Company is in appeal before ATIR against the order of CIR(A). 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.

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 Company, the DCIR issued an audit report under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 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) and 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 have not been re-initiated by the concerned DCIR. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the 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 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. However, based on facts of the case, the aforesaid proceedings are likely to culminate in favour of the Company.

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 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. However, based on facts of the case, the aforesaid proceedings are likely to culminate in favour of the Company.

13.1.17 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, Lahore 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.

13.1.18 In case of NC Electric Company Limited [now Nishat (Chunian) Limited] proceedings were initiated by DCIR under section 235, 161 and 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 and 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 sections 124, 235 and 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 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, order is yet to be passed.

13.1.19 The 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 was filed before the CIR(A) who vide his order dated 24 January 2022 waived the tax demand created by CIR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Company being aggrieved with the decision, filed an appeal before ATIR which culminated into partial relief for the Company. In response to the remaining issues, the Company has filed a reference before Honourable Lahore High Court, Lahore, the hearing is still pending fixation. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Company.

13.1.20 The 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 was filed before the CIR(A), who vide his order dated 3 June 2022 passed an order against the Company. The Company being aggrieved filled an appeal before ATIR wherein ATIR deleted majority of the heads and only three heads were remanded back to the department for proceedings afresh. In response to the order, an application for issuance of appeal effect order has been submitted before assessing officer. No further notice has been issued in this regard. Based on the facts of the case, it is likely that the said proceedings will culminate in the Company's favour.

13.1.21 The 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), who vide his order dated 06 January 2022 passed an order against the Company. The Company being aggrieved with the decision, filed an appeal before ATIR which culminated in passing of order deleting tax demand amounting to Rupees 31.876 million, while tax demanded amounting to Rupees 15.298 million was upheld and tax demand amounting to Rupees 40.342 million was remanded back. The Company has submitted an application for issuance of appeal effect order to assessing officer. The remand back proceedings are pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.22 Proceedings under sections 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under sections 161 and 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)-I, who upheld the demand amounting to Rupees 62.675 million while demand of Rupees 42.804 million was remanded back to the department for proceedings afresh. The Company being aggrieved filed an appeal before ATIR which has been heard for order. Based on the facts of the case, it is likely that the order will be in Company's favour.

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)-I, who vide his order dated 28 March 2022 passed an order against the Company. Being aggrieved, the Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.24 The DCIR initiated post sales tax refunds audit proceedings for tax periods July 2017 to June 2019 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 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by the DCIR, an appeal has been filed before the CIR(A) which culminated, giving partial relief to the Company. Being aggrieved, an appeal has been filed before ATIR by the Company which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.25 The ACIR issued a show cause notice dated 09 May 2022 to submit certain records and documents with respect to certain treatments meted out in the annual tax return for tax year 2016 under section 122(9) of the Income Tax Ordinance 2001. In response thereof, ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 reducing income tax refundable from Rupees 347.124 million to Rupees 59.477 million. The Company being aggrieved by the order of ACIR, filed an appeal before CIR(A)-I, which has been heard and no final order has yet been passed. Based on grounds and facts, Company is hopeful for a favourable outcome of the appeal.

13.1.26 The DCIR initiated post sales tax refunds audit proceedings for tax periods July 2015 to September 2015 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. The said proceedings culminated in the learned DCIR passing an order under section 11(2) of the Sales Tax Act, 1990 creating a sales tax demand of Rupees 3.352 million. In response to the order passed by DCIR, an appeal has been filed before the CIR(A), which culminated in learned CIR(A) remanding back the proceedings. Subsequently the learned DCIR passed an adverse order against the Company. The Company being aggrieved by the order of DCIR filled an appeal before CIR(A) which culminated in passing an order, remanding back the proceedings. Subsequently, a notice by DCIR was issued re-initiating the second round proceedings, which culminated in adverse order against the Company. The Company, being aggrieved, filed an appeal before CIR(A) which culminated against the Company. Being aggrieved, the Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.

13.1.27 The ACIR issued a notice under section 122(9) of the Income Tax Ordinance, 2001 directing the Company to submit certain records and documents. In response to the aforementioned notice, a reply has been submitted with the learned ACIR who passed an order under section 122(5A) of the Income Tax Ordinance, 2001 whereby ACIR is demanding income tax of Rupees 682.589 million. In retort, an appeal has been filled before CIR(A) which is pending adjudication. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Company.

13.1.28 Guarantees of Rupees 2,110.704 million (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, Chairperson Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sindh High Court, Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.

13.1.29 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 34,440.200 million (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 (2022: Rupees 154.300 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments, post dated cheques of Rupees 156.532 million (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 and post dated cheques of Rupees 189.375 million (2022: Rupees Nil) have been issued to Commissioner Inland Revenue against the proceedings under section 122(5A) for tax year 2022.

13.2 Commitments

13.2.1 Letters of credit for capital expenditure amounting to Rupees 9.497 million (2022: Rupees Nil).

13.2.2 Letters of credit other than for capital expenditure amounting to Rupees 652.880 million (2022: Rupees 208.099 million).

13.2.3 Outstanding foreign currency forward contracts of Rupees Nil (2022: Rupees 2,488,054 million).

	2023 Rupees	2022 Rupees
14. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 14.1)	22,479,296,333	18,069,697,664
Capital work-in-progress (Note 14.2)	1,193,698,101	4,526,193,664
	23,672,994,434	22,595,891,328

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	Power generation equipment	Standby generators	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total
	Rupees										
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
Year ended 30 June 2022											
Opening 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
Additions	63,812,223	157,621,261	2,545,210,046	21,558,379	10,593,193	221,982,182	59,180,609	46,487,901	17,972,350	68,920,352	3,213,338,496
Disposals:											
Cost	(351,060,710)	-	(69,255,212)	-	-	-	-	(1,595,066)	(1,207,566)	(24,850,153)	(447,968,707)
Accumulated depreciation	-	-	60,642,753	-	-	-	-	945,066	418,494	13,847,769	75,854,082
	(351,060,710)	-	(8,612,459)	-	-	-	-	(650,000)	(789,072)	(11,002,384)	(372,114,625)
Assets written off:											
Cost	-	(11,821,201)	-	(14,550,000)	-	-	-	-	-	(1,276,725)	(27,647,926)
Accumulated depreciation	-	3,525,584	-	7,590,762	-	-	-	-	-	1,182,732	12,299,078
	-	(8,295,617)	-	(6,959,238)	-	-	-	-	-	(93,993)	(15,348,848)
Reclassifications:											
Cost	-	-	(183,306,729)	252,469,168	72,982,741	(140,903,761)	-	(1,285,919)	44,500	-	-
Accumulated depreciation	-	-	128,443,757	(80,824,252)	(55,772,456)	7,319,874	-	860,577	(27,500)	-	-
	-	-	(54,862,972)	171,644,916	17,210,285	(133,583,887)	-	(425,342)	17,000	-	-
Depreciation	-	(158,355,926)	(764,353,931)	(157,529,468)	(7,996,851)	(41,835,362)	(15,537,950)	(15,917,993)	(8,132,515)	(29,785,055)	(1,199,445,051)
Closing net book value	991,111,570	3,057,896,796	9,389,087,791	3,381,024,130	323,650,619	386,173,041	178,880,857	130,147,049	78,340,045	153,385,766	18,069,697,664
At 30 June 2022											
Cost	991,111,570	5,005,351,512	18,632,576,893	4,290,495,924	1,056,694,667	827,179,930	374,574,997	237,583,814	140,622,827	278,080,646	31,834,272,780
Accumulated depreciation	-	(1,947,454,716)	(9,243,489,102)	(909,471,794)	(733,044,048)	(441,006,889)	(195,694,140)	(107,436,765)	(62,282,782)	(124,694,880)	(13,764,575,116)
Net book value	991,111,570	3,057,896,796	9,389,087,791	3,381,024,130	323,650,619	386,173,041	178,880,857	130,147,049	78,340,045	153,385,766	18,069,697,664
Year ended 30 June 2023											
Opening net book value	991,111,570	3,057,896,796	9,389,087,791	3,381,024,130	323,650,619	386,173,041	178,880,857	130,147,049	78,340,045	153,385,766	18,069,697,664
Additions	264,122,476	777,697,313	4,384,548,512	185,116,320	-	270,251,424	103,273,425	43,931,677	20,885,066	80,541,390	6,130,367,603
Disposals:											
Cost	-	-	(348,059,341)	-	-	-	(68,000)	(896,471)	(5,300,205)	(76,732,002)	(431,056,019)
Accumulated depreciation	-	-	291,959,625	-	-	-	65,894	86,419	2,072,060	34,129,179	328,313,177
	-	-	(56,099,716)	-	-	-	(2,106)	(810,052)	(3,228,145)	(42,602,823)	(102,742,842)
Assets written off:											
Cost	-	-	(17,400,106)	-	-	(11,582,719)	(4,647,294)	(10,729,474)	(4,621,448)	-	(48,981,041)
Accumulated depreciation	-	-	6,474,297	-	-	2,991,817	1,662,009	5,369,642	2,555,085	-	19,052,850
	-	-	(10,925,809)	-	-	(8,590,902)	(2,985,285)	(5,359,832)	(2,066,363)	-	(29,928,191)
Depreciation	-	(161,556,159)	(1,117,554,690)	(163,322,773)	(9,531,782)	(49,367,617)	(23,768,152)	(18,115,869)	(9,243,568)	(35,637,291)	(1,588,097,901)
Closing net book value	1,255,234,046	3,674,037,950	12,589,056,088	3,402,817,677	314,118,837	598,465,946	255,398,739	149,792,973	84,687,035	155,687,042	22,479,296,333
At 30 June 2023											
Cost	1,255,234,046	5,783,048,825	22,651,665,958	4,475,612,244	1,056,694,667	1,085,848,635	473,133,128	269,889,546	151,586,240	281,890,034	37,484,603,323
Accumulated depreciation	-	(2,109,010,875)	(10,062,609,870)	(1,072,794,567)	(742,575,830)	(487,382,689)	(217,734,389)	(120,096,573)	(66,899,205)	(126,202,992)	(15,005,306,990)
Net book value	1,255,234,046	3,674,037,950	12,589,056,088	3,402,817,677	314,118,837	598,465,946	255,398,739	149,792,973	84,687,035	155,687,042	22,479,296,333
Annual rate of depreciation (%)		5	10	4	Number of hours used	10	10	10 - 20	10 - 20	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								
Comber E-7/6	6	15,014,102	(14,112,729)	901,373	945,055	43,682	Negotiation	Khalid Pervaz, Faisalabad
Ring Frame EJM - 128	2	5,274,262	(4,665,766)	608,496	1,076,924	468,428	Negotiation	Rehman Traders, Pattoki
Ring Frame EJM - 128	6	15,735,250	(12,738,934)	2,996,316	4,230,000	1,233,684	Negotiation	Khalid Pervaz, Faisalabad
Simplex Frame, RME Howa	3	6,987,360	(6,357,964)	629,396	2,051,283	1,421,887	Negotiation	Mubashar Brothers, Faisalabad
Toyoda RY-5	4	6,424,120	(5,721,161)	702,959	5,600,000	4,897,041	Negotiation	Olympia Blended Fiber Mills Limited, Lahore
Savio Orion	1	4,101,473	(3,394,304)	707,169	608,975	(98,194)	Negotiation	Awais Impex, Faisalabad
Simplex Machine	1	2,750,000	(1,969,890)	780,110	726,496	(53,614)	Negotiation	Mubashar Brothers, Faisalabad
Autocone, Savio / Italy Orion M	1	18,495,232	(15,070,515)	3,424,717	502,137	(2,922,580)	Negotiation	Venus Industries, Faisalabad
Ring Frame EJM - 128	7	31,412,910	(26,342,549)	5,070,361	3,769,232	(1,301,129)	Negotiation	Abdullah Waleed Textile Mills, Faisalabad
Over Lock 5 Thread Pegasus M 732	52	4,810,523	(3,884,907)	925,616	585,000	(340,616)	Negotiation	M. Riaz Traders, Lahore
Picanol Air Jet 340	4	14,043,164	(11,816,191)	2,226,973	3,200,000	973,027	Negotiation	Asco International (Private) Limited, Karachi
CS-5100BT (Golden Wheel) Single Needle	40	2,019,006	(1,428,892)	590,114	400,000	(190,114)	Negotiation	Sadaqat Limited, Faisalabad
Needle Detector Machines	2	2,307,420	(1,597,064)	710,356	20,583	(689,773)	Negotiation	M. Riaz Traders, Lahore
Ring Frame EJM - 128	1	4,487,559	(3,770,457)	717,102	538,462	(178,640)	Negotiation	Mubashar Brothers, Faisalabad
Savio Orion	3	33,400,258	(27,148,524)	6,251,734	2,884,614	(3,367,120)	Negotiation	Sana Industries Limited, Karachi
Picanol Air Jet 340 cm	2	7,021,582	(5,934,846)	1,086,736	1,600,000	513,264	Negotiation	Zaigham Mian Sizing, Sarghoda
Savio Orion-M	1	9,738,188	(8,570,087)	1,168,101	961,538	(206,563)	Negotiation	Sana Industries Limited, Karachi
Savio Orion	2	22,266,839	(18,129,717)	4,137,122	1,004,274	(3,132,848)	Negotiation	Mubashar Brothers, Faisalabad
Picanol Air Jet 340 cm	6	21,064,746	(17,831,289)	3,233,457	4,800,000	1,566,543	Negotiation	Valitex (Private) Limited, Karachi
Picanol Air Jet 340 cm	1	3,510,791	(2,971,882)	538,909	800,000	261,091	Negotiation	Valitex (Private) Limited, Karachi
Toyoda Simplex Fl-16-120 Spindles	1	2,100,000	(1,517,824)	582,176	726,496	144,320	Negotiation	Mubashar Brothers, Faisalabad
Vetal Scan (Sorter)	2	7,925,928	(7,180,319)	745,609	93,220	(652,389)	Negotiation	Bahoo Cotton Corporation, Jaranwala
Uni Flex B 60-Rieter-Cleaner	1	6,502,668	(5,435,224)	1,067,444	222,458	(844,986)	Negotiation	Opto Electronics, Lahore
Sanco Japan VS-15	2	16,772,467	(15,556,800)	1,215,667	86,864	(1,128,803)	Negotiation	Shanghai Traders, Lahore
Picanol Air Jet 340 cm- 800 Plus	7	24,575,537	(20,865,588)	3,709,949	5,600,000	1,890,051	Negotiation	Panama International, Karachi
Picanol Air Jet 340 cm Omni Plus	1	3,688,077	(3,122,808)	565,269	800,000	234,731	Negotiation	Valitex (Private) Limited, Karachi
Tunnel Reed for Picanol Omni Plus	40	2,594,605	(1,568,583)	1,026,022	120,980	(905,042)	Negotiation	Saad Abdullah Traders, Faisalabad
Reed for Picanol Summum Airjet	38	1,360,609	(718,192)	642,417	114,931	(527,486)	Negotiation	Saad Abdullah Traders, Faisalabad
Reed for Picanol Summum Airjet Looms	126	3,133,599	(1,646,879)	1,486,720	381,087	(1,105,633)	Negotiation	Saad Abdullah Traders, Faisalabad
Lock Stitch	179	4,237,577	(3,443,573)	794,004	1,864,583	1,070,579	Negotiation	M. Riaz Traders, Lahore
Toyoda RY-5 Japan	20	32,120,601	(28,680,839)	3,439,762	10,999,998	7,560,236	Negotiation	Mubashar Brothers, Faisalabad
DD Motor with LCD Panel	62	1,040,703	(409,664)	631,039	-	(631,039)	Written off	
DD Motor with LCD Panel	98	1,834,112	(753,469)	1,080,643	-	(1,080,643)	Written off	
DD Motor with LCD Panel	58	973,561	(408,046)	565,515	-	(565,515)	Written off	
Air Section Device For M732	30	1,320,000	(343,558)	976,442	-	(976,442)	Written off	
Printhead Assembly	2	2,018,191	(473,528)	1,544,663	-	(1,544,663)	Written off	
Habasit Printing Blanket	1	2,623,419	(433,730)	2,189,689	-	(2,189,689)	Written off	

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
			Rupees					
Motor vehicles								
Suzuki Cultus LE-15A-2749	1	1,010,000	(315,356)	694,644	1,010,000	315,356	Company Policy	Mr. Jamil Mumtaz, Company's employee, Lahore
Toyota Corolla LED-17-215	1	3,000,000	(503,500)	2,496,500	3,000,000	503,500	Company Policy	Mr. Babar Ali Khan, Company's employee, Lahore
Toyota Yaris AGD-382	1	2,441,256	(304,798)	2,136,458	2,443,000	306,542	Company Policy	Mr. Hassan Mujtaba, Company's employee, Lahore
Honda City AAG-595	1	2,580,000	(929,746)	1,650,254	2,580,000	929,746	Company Policy	Mr. Altaf Hussain, Company's employee, Lahore
Suzuki Cultus ABF-780	1	1,745,000	(563,635)	1,181,365	1,775,000	593,635	Company Policy	Mr. Bilal Shahid, Company's employee, Lahore
Suzuki Cultus LEA-19-3875	1	1,372,980	(763,399)	609,581	561,349	(48,232)	Company Policy	Mr. Shiekh Riaz, Company's employee, Lahore
Suzuki Cultus LEB-19-3196	1	1,413,380	(775,550	637,830	578,928	(58,902)	Company Policy	Mr. Muhammad Asghar, Company's employee, Lahore
Suzuki Cultus LEB-19-6787	1	1,537,590	(843,706)	693,884	701,224	7,340	Company Policy	Mr. Raffay Bin Rauf, Company's employee, Lahore
Toyota Altis LED-19-9682	1	3,800,000	(1,487,320)	2,312,680	3,800,004	1,487,324	Company Policy	Mr. Abdul Sattar, Company's employee, Lahore
Toyota Corolla Grande-LEB-15-7901	1	2,600,000	(686,111)	1,913,889	2,600,000	686,111	Company Policy	Ms. Samina Aslam, Company's employee, Lahore
Porsche Panamera 4 Executive LEA-19A-607	1	46,114,438	(22,741,434)	23,373,004	30,000,000	6,626,996	Company Policy	Word Sense (Private) Limited, Lahore
Sportage AGK-328	1	5,600,000	(1,264,978)	4,335,022	5,600,000	1,264,978	Company Policy	Ms. Sadaf Kashif, Company's employee, Lahore
Electric Installations								
Plate Heat Exchanger	2	1,000,000	(181,000)	819,000	-	(819,000)	Written off	
End Suction Centrifugal Pump	2	620,000	(112,220)	507,780	-	(507,780)	Written off	
Furniture, fixture and equipment								
Industrial Air Cooler Fan Motor	2	1,299,638	(633,148)	666,490	-	(666,490)	Written off	
Motor With Gear Box	1	804,595	(275,397)	529,198	-	(529,198)	Written off	
Factory equipment								
GI Pipe 6" Seamless	200	580,800	(79,376)	501,424	-	(501,424)	Written off	
Office equipment								
Juki DD Motor with LCD Panel and Control Box	182	1,969,650	(804,170)	1,165,480	-	(1,165,480)	Written off	
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		54,861,294	(28,084,891)	26,776,403	8,223,355	(18,553,048)		
		480,037,060	(347,366,027)	132,671,033	120,188,050	(12,482,983)		

		2023 Rupees	2022 Rupees
14.1.2	The depreciation charge for the year has been allocated as follows:		
	Cost of sales (Note 28)	1,565,050,680	1,183,419,195
	Administrative expenses (Note 30)	23,047,221	16,025,856
		1,588,097,901	1,199,445,051

14.1.3 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.	124.70
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, and 10-N, Gulberg-II, Lahore.	0.98
Site for office	Plot No. 54, Ataturk Avenue, Street No. 88, Sector G-6/3, Islamabad.	0.27
		256.07

		2023 Rupees	2022 Rupees
14.2	**Capital work-in-progress**		
	Civil works on freehold land	610,271,483	697,098,519
	Plant and machinery	482,815,006	2,252,901,072
	Electric installations	42,150	-
	Mobilization advances	94,424,840	136,712,623
	Advances for capital expenditures	6,144,622	1,439,481,450
		1,193,698,101	4,526,193,664

14.3 Movement in capital work in progress

	Civil works on freehold land	Plant and machinery	Electric installations	Mobilization advances
	Rupees			
As at 30 June 2021	39,387,755	129,958,001	753,855	87,643,981
Add: Additions during the year	815,332,025	4,668,153,117	221,228,327	350,371,973
Add / (Less): Adjusted during the year	-	-	-	(301,303,331)
Less: Transferred to operating fixed assets during the year	(157,621,261)	(2,545,210,046)	(221,982,182)	-
As at 30 June 2022	697,098,519	2,252,901,072	-	136,712,623
Add: Additions during the year	676,461,706	2,466,730,111	157,923,108	-
Add / (Less): Adjusted during the year	-	(2,948,446)	-	(42,287,783)
Less: Transferred to operating fixed assets during the year	(763,288,742)	(4,233,867,731)	(157,880,958)	-
As at 30 June 2023	610,271,483	482,815,006	42,150	94,424,840

	2023 Rupees	2022 Rupees
15. RIGHT-OF-USE ASSETS		
Opening balance	74,651,170	107,398,163
Add: Additions during the year	98,087,096	25,199,677
Less: Impact of lease termination	(9,041,566)	(9,007,416)
Less: Depreciation for the year (Note 29)	(50,523,804)	(48,939,254)
Closing balance	113,172,896	74,651,170

15.1 Lease of buildings

The Company obtained buildings on lease for its retail outlets and warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

15.2 There is no impairment of right-of-use assets.

	2023 Rupees	2022 Rupees
16. INTANGIBLE ASSET - computer software		
Opening balance	635,708	278,170
Addition during the year	1,733,750	591,164
Written off during the year:		
Cost	(66,000)	-
Accumulated amortization	21,450	-
	(44,550)	-
Less: Amortization during the year (Notes 16.2 and 30)	(478,970)	(233,626)
Closing balance	1,845,938	635,708

		2023 Rupees	2022 Rupees
16.1	Cost as at 30 June	24,332,177	22,664,427
	Accumulated amortization	(22,486,239)	(22,028,719)
	Net book value as at 30 June	1,845,938	635,708

16.2 Amortization on intangible asset amounting to Rupees 0.479 million (2022: Rupees 0.234 million) has been allocated to administrative expenses.

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

16.4 Intangible asset of Rupees 21.773 million (2022: Rupees 21.773 million) is fully amortized but still in the use of the Company. Fully amortised intangible asset of Rupees Nil (2022: Rupees 94,800) has been derecognised during the year.

		2023 Rupees	2022 Rupees
17.	**LONG TERM INVESTMENTS**		
	Equity instruments		
	Subsidiary companies - at cost		
	Nishat Chunian Power Limited - quoted (Note 26) Nil (2022: 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2022: 51.07%)	-	-
	Nishat Chunian USA Inc. - unquoted 10 (2022: 10) fully paid shares with no par value per share Equity held 100% (2022: 100%)	10,823,000	10,823,000
	Nishat Chunian Properties (Private) Limited - unquoted (Note 17.1) 49,930,500 (2022: 49,930,500) fully paid ordinary shares of Rupees 10 each Equity held 100% (2022: 100%)	499,305,000	499,305,000
		510,128,000	510,128,000

17.1 Investment in Nishat Chunian Properties (Private) Limited includes 2 shares held in the name of nominees of the Company.

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

	2023 Rupees	2022 Rupees
18. LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Notes 18.1, 18.2, 18.3 and 18.4)	4,022,917	14,140,267
Other employees (Note 18.3)	13,539,894	18,731,403
	17,562,811	32,871,670
Less: Current portion shown under current assets (Note 22)		
Executives	(1,895,319)	(6,207,289)
Other employees	(4,512,581)	(5,047,904)
	(6,407,900)	(11,255,193)
	11,154,911	21,616,477

18.1 Reconciliation of carrying amount of loans to executives:		
Opening balance	14,140,267	15,546,659
Add: Disbursements during the year	3,500,000	7,209,227
Less: Repayments during the year	(13,617,350)	(8,615,619)
Closing balance	4,022,917	14,140,267

18.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 13.562 million (2022: Rupees 16.756 million).

18.3 These represent motor vehicle loans to executives and employees, payable in 28 to 60 monthly instalments. Interest on long term loans ranged from 0% to 23.08% (2022: 4.13% to 15.30%) per annum. Theses loans are secured against registration of cars in the name of the Company.

18.4 These included house building loan to Ms. Nadia Bilal - ex-director which was given before her appointment as a director of the Company. Maximum aggregate balance due from Ms. Nadia Bilal - ex-director at the end of any month during the year was Rupees 4.271 million (2022: Rupees 4.494 million). Outstanding amount of loan as at the date of her appointment as director of the Company was Rupees 4.539 million and she repaid Rupees 4.316 million (2022: Rupees 0.223 million) till her resignation as director of the Company. She resigned as director of the Company with effect from 03 October 2022.

18.5 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.

	2023 Rupees	2022 Rupees
19. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	1,898,074,177	1,209,177,893
Spare parts	546,069,027	476,896,532
Loose tools	77,019,194	51,089,535
	2,521,162,398	1,737,163,960
Provision for slow moving, damaged and obsolete store items (Note 19.1)	(9,841,358)	-
	2,511,321,040	1,737,163,960

		2023 Rupees	2022 Rupees
19.1	**Provision for slow moving, damaged and obsolete store items**		
	Opening balance	-	-
	Add: Provision recognised during the year (Note 31)	9,841,358	-
	Closing balance	9,841,358	-
20.	**STOCK-IN-TRADE**		
	Raw materials	14,275,579,609	13,515,238,038
	Work-in-process (Note 20.2)	2,557,921,137	2,378,018,568
	Finished goods (Note 20.3)	6,038,586,320	4,863,754,054
	Waste	681,947,132	420,199,392
		23,554,034,198	21,177,210,052

20.1 Stock-in-trade of Rupees 761.707 million (2022: Rupees 467.995 million) is being carried at net realizable value.

20.2 This includes stock of Rupees 239.836 million (2022: Rupees 0.371 million) sent to outside parties for processing.

20.3 Finished goods include stock in transit of Rupees 1,547.333 million (2022: Rupees 515.715 million).

		2023 Rupees	2022 Rupees
21.	**TRADE DEBTS**		
	Considered good:		
	Secured:		
	- Others	8,793,011,537	4,968,216,194
	Unsecured:		
	- Related parties (Notes 21.3 and 21.4)	52,670,081	46,245,111
	- Others	2,658,254,643	2,811,367,345
		11,503,936,261	7,825,828,650
	Less: Allowance for expected credit losses (Note 21.7)	(94,186,247)	(84,822,783)
		11,409,750,014	7,741,005,867
21.1	**Types of counterparties**		
	Export		
	Corporate	7,736,114,653	4,395,470,287
	Other	-	-
		7,736,114,653	4,395,470,287
	Local		
	Corporate	3,693,267,385	3,351,958,962
	Other	74,554,223	78,399,401
		3,767,821,608	3,430,358,363
		11,503,936,261	7,825,828,650

	2023 Rupees	2022 Rupees

21.2 Foreign jurisdictions of trade debts

	2023 Rupees	2022 Rupees
Europe	2,994,360,266	1,043,572,521
Asia, Africa and Australia	4,399,220,432	3,007,188,524
United States of America and Canada	342,533,955	344,709,242
	7,736,114,653	4,395,470,287

21.3 This represents amounts due from following related parties:

	2023 Rupees	2022 Rupees
Nishat Chunian USA Inc. - subsidiary company	-	14,335,768
Sweave Inc. - subsidiary company of Nishat Chunian USA Inc. - subsidiary company	51,045,136	31,909,343
TLC Middle East Trading L.L.C. - subsidiary company	1,624,945	-
	52,670,081	46,245,111

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

	2023 Rupees	2022 Rupees
Nishat Chunian USA Inc. - subsidiary company	59,378,900	525,871,026
Sweave Inc. - subsidiary company of Nishat Chunian USA Inc. - subsidiary company	59,620,312	31,909,343
TLC Middle East Trading L.L.C. - subsidiary company	5,972,327	-

21.5 Trade debts due from other than related parties of Rupees 1,486.234 million (2022: Rupees 1,606.790 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:

	2023 Rupees	2022 Rupees
Upto 1 month	1,444,883,537	1,605,244,931
1 to 6 months	36,288,948	593,788
More than 6 months	5,061,983	951,638
	1,486,234,468	1,606,790,357

21.6 Trade debts due from related parties amounting to Rupees 52.670 million (2022: Rupees 46.245 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2023 Rupees	2022 Rupees
Upto 1 month	51,045,136	-
1 to 6 months	1,624,945	26,296,523
More than 6 months	-	19,948,588
	52,670,081	46,245,111

		2023 Rupees	2022 Rupees
21.7	**Allowance for expected credit losses**		
	Opening balance	84,822,783	6,774,524
	Add: Recognized during the year (Note 31)	9,363,464	78,048,259
	Closing balance	94,186,247	84,822,783
22.	**LOANS AND ADVANCES**		
	Considered good:		
	Employees - interest free:		
	- Executives	7,029,541	5,860,950
	- Other employees	52,383,987	13,052,745
		59,413,528	18,913,695
	Current portion of long term loans to employees (Note 18)	6,407,900	11,255,193
	Advances to suppliers	3,983,056,293	1,825,984,647
	Advances to contractors	6,643,341	3,584,677
	Letters of credit	14,916,932	9,559,357
		4,070,437,994	1,869,297,569
	Considered doubtful:		
	Advances to suppliers	10,897,130	-
	Less: Provision for doubtful advances to suppliers (Note 31)	(10,897,130)	-
		-	-
		4,070,437,994	1,869,297,569
23.	**OTHER RECEIVABLES**		
	Considered good:		
	Sales tax recoverable	3,319,118,504	1,179,950,975
	Export rebate and claims	74,857,601	31,683,585
	Duty drawback receivable	116,304,233	116,304,233
	Derivative financial instruments (Note 23.1)	19,326,849	7,776,329
	Insurance claim receivable	2,846,427	104,803
	Receivable from employees' provident fund trust (Note 23.2)	-	110,289,698
	Miscellaneous (Notes 23.3 and 23.4)	57,286,555	75,500,340
		3,589,740,169	1,521,609,963

23.1 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 2023 has been marked to market and the resulting gain or loss has been recognized in the statement of profit or loss.

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

	2023 Rupees	2022 Rupees
Nishat (Chunian) Limited - Employees Provident Fund	129,783,366	132,089,734

23.3 These include amounts due from following related parties and are past due more than 6 months:

	2023 Rupees	2022 Rupees
Nishat Chunian Properties (Private) Limited - subsidiary company	806,385	288,345
T L C Middle East Trading L.L.C - subsidiary company	4,614,319	3,388,145

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

	2023 Rupees	2022 Rupees
Nishat Chunian Properties (Private) Limited - subsidiary company	806,385	288,345
T L C Middle East Trading L.L.C - subsidiary company	4,614,319	3,388,145

24. SHORT TERM INVESTMENTS

	2023 Rupees	2022 Rupees
Equity instrument (Note 24.1)	13,185,639	21,810,329
Debt instruments - term deposit receipts (Note 24.2)	67,178,679	36,772,143
	80,364,318	58,582,472

24.1 Equity instrument

	2023 Rupees	2022 Rupees
At fair value through profit or loss:		
Adamjee Life Assurance Company Limited - quoted		
956,174 (2022: 956,174) fully paid ordinary shares of Rupees 10 each		
Carrying value	21,810,329	26,772,872
Unrealized loss for the year (Note 31)	(8,624,690)	(4,962,543)
Fair value	13,185,639	21,810,329

24.2 Debt instruments - term deposit receipts

	2023 Rupees	2022 Rupees
At amortized cost (Note 24.2.1)	66,160,226	36,160,226
Add: Accrued interest	1,018,453	611,917
	67,178,679	36,772,143

24.2.1 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 9% to 20% (2022: 5.75% to 10.30%) per annum. The maturity period of these term deposit receipts is 1 and 12 months (2022: 1 and 12 months).

	2023 Rupees	2022 Rupees
25. CASH AND BANK BALANCES		
Cash with banks:		
On saving accounts (Note 25.1)		
Including US$ 11,820 (2022: US$ 11,805)	3,421,297	2,441,375
On current accounts		
Including US$ 91,085 (2022: US$ 133,012)	265,560,483	200,823,523
	268,981,780	203,264,898
Cash in hand	10,051,500	5,742,150
	279,033,280	209,007,048

25.1 Rate of profit on saving accounts ranges from 12.50% to 19.50% (2022: 5.50% to 12.25%) per annum.

	2023 Rupees	2022 Rupees
26. NON-CURRENT ASSET HELD FOR DISTRIBUTION TO OWNERS		
Investment in subsidiary company		
Nishat Chunian Power Limited - quoted (Note 26.1)		
Nil (2022: 187,585,820) fully paid ordinary shares of Rupees 10 each.		
Equity held Nil (2022: 51.07%)	-	1,875,858,200

26.1 As stated in detail in Note 1.4 and Note 1.6 to the audited 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 in accordance with Article 9 of the approved Scheme. 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.

	2023 Rupees	2022 Rupees

27. REVENUE

	2023 Rupees	2022 Rupees
Revenue from contracts with customers:		
- Export sales (Note 27.1)	49,018,598,898	50,105,117,237
- Local sales (Note 27.2)	18,069,261,116	11,581,010,746
- Processing income (Note 27.3)	444,953,305	221,842,528
	67,532,813,319	61,907,970,511
Export rebate	96,465,453	80,068,532
	67,629,278,772	61,988,039,043

27.1 These include sales of Rupees 21,193.683 million (2022: Rupees 22,214.601 million) made to direct exporters against standard purchase orders (SPOs). Further, such sales are net of sales tax amounting to Rupees 3,542.017 million (2022: Rupees 3,776.482 million).

27.2 Local sales

	2023 Rupees	2022 Rupees
Sales	21,088,244,668	13,562,076,587
Less: Sales tax	(3,018,983,552)	(1,981,065,841)
	18,069,261,116	11,581,010,746

27.2.1 Local sales includes waste sales of Rupees 1,420.479 million (2022: Rupees 1,029.773 million).

27.3 Processing income is net of sales tax amounting to Rupees 79.450 million (2022: Rupees 37.713 million).

27.4 The amount of Rupees 117.609 million included in contract liabilities (Note 8) at 30 June 2022 has been recognized as revenue during the year ended 30 June 2023 (2022: Rupees 186.609 million).

27.5 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees									
Region										
Europe	639,613,662	367,588,018	798,966,974	430,421,126	8,805,752,473	7,799,152,167	-	-	10,244,333,109	8,597,161,311
United States of America and Canada	18,902,563	-	308,579,025	383,003,507	3,663,317,656	4,404,200,811	-	-	3,990,799,244	4,787,204,318
Asia, Africa, Australia	8,557,881,506	10,532,664,146	1,526,901,177	745,275,602	3,505,000,528	3,228,210,800	-	-	13,589,783,211	14,506,150,548
Pakistan	32,325,604,349	26,327,362,515	5,822,905,227	5,851,691,090	1,114,434,874	1,380,356,291	-	236,201,910	39,262,944,450	33,795,611,806
Processing income	954,772	-	128,394,558	59,279,196	315,603,975	162,563,332	-	-	444,953,305	221,842,528
Export rebate	-	-	721,232	786,809	95,744,221	79,281,723	-	-	96,465,453	80,068,532
	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,499,853,727	17,053,765,124	-	236,201,910	67,629,278,772	61,988,039,043
Timing of revenue recognition										
Products and services transferred at a point in time	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,499,853,727	17,053,765,124	-	236,201,910	67,629,278,772	61,988,039,043
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,499,853,727	17,053,765,124	-	236,201,910	67,629,278,772	61,988,039,043
Major products / service lines										
Yarn	40,293,622,640	36,353,971,393	8,770,847	105,634,298	2,195,042	421,317,551	-	-	40,304,588,529	36,880,923,242
Comber Noil	1,249,334,212	873,643,286	-	-	-	-	-	-	1,249,334,212	873,643,286
Grey Cloth	-	-	8,449,302,788	7,305,543,836	-	-	-	-	8,449,302,788	7,305,543,836
Process Cloth	-	-	128,394,558	59,279,196	4,422,058,654	3,078,752,242	-	-	4,550,453,212	3,138,031,438
Made Ups	-	-	-	-	13,075,600,031	13,553,695,331	-	-	13,075,600,031	13,553,695,331
Electricity	-	-	-	-	-	-	-	235,571,887	-	235,571,887
Fly ash	-	-	-	-	-	-	-	630,023	-	630,023
	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,499,853,727	17,053,765,124	-	236,201,910	67,629,278,772	61,988,039,043

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

	2023 Rupees	2022 Rupees

28. COST OF SALES

	2023 Rupees	2022 Rupees
Raw materials consumed (Note 28.1)	46,905,868,984	38,370,334,008
Packing materials consumed	1,290,338,697	1,464,264,458
Stores, spare parts and loose tools consumed	1,143,086,060	1,009,158,733
Processing charges	22,506,926	259,873,680
Salaries, wages and other benefits (Note 28.2)	3,603,384,088	3,307,742,216
Fuel and power	7,125,692,031	4,567,651,058
Insurance	140,315,468	120,423,261
Postage and telephone	1,081,612	830,757
Travelling and conveyance	6,476,914	8,112,212
Vehicles' running and maintenance	56,352,534	37,549,053
Entertainment	19,327,906	16,722,804
Depreciation on operating fixed assets (Note 14.1.2)	1,565,050,680	1,183,419,195
Repair and maintenance	655,852,564	551,202,416
Other factory overheads	121,367,139	108,729,927
	62,656,701,603	51,006,013,778
Work-in-process		
Add: Opening stock	2,378,018,568	2,081,215,813
Less: Closing stock	(2,557,921,137)	(2,378,018,568)
	(179,902,569)	(296,802,755)
Cost of goods manufactured	62,476,799,034	50,709,211,023
Add: Finished goods and waste - opening stocks		
Finished goods	4,863,754,054	3,511,748,772
Waste	420,199,392	76,861,237
	5,283,953,446	3,588,610,009
	67,760,752,480	54,297,821,032
Less: Finished goods and waste - closing stocks		
Finished goods	(6,038,586,320)	(4,863,754,054)
Waste	(681,947,132)	(420,199,392)
	(6,720,533,452)	(5,283,953,446)
	61,040,219,028	49,013,867,586

28.1 Raw materials consumed

	2023 Rupees	2022 Rupees
Opening stock	13,515,238,038	12,544,593,834
Add: Purchased during the year	47,666,210,555	39,340,978,212
	61,181,448,593	51,885,572,046
Less: Closing stock	(14,275,579,609)	(13,515,238,038)
	46,905,868,984	38,370,334,008

28.2 Salaries, wages and other benefits include Rupees 40.770 million (2022: Rupees 34.137 million) and Rupees 115.406 million (2022: Rupees 96.550 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2023 Rupees	2022 Rupees
29.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 29.1)	182,398,236	192,694,015
	Ocean freight	306,968,998	514,334,691
	Freight and octroi	207,943,250	163,684,134
	Local marketing expenses	31,053,329	16,055,808
	Forwarding and other expenses	138,904,819	121,454,403
	Export marketing expenses	252,646,493	258,023,142
	Commission to selling agents	404,069,666	352,449,643
	Rent, rates and taxes	13,889,359	14,030,978
	Printing and stationery	121,479	168,444
	Travelling and conveyance	1,237,333	1,097,779
	Postage and telephone	8,248,421	8,324,925
	Legal and professional	3,903,810	2,939,611
	Repair and maintenance	1,696,411	597,286
	Electricity and sui gas	7,345,857	4,666,719
	Entertainment	1,571,779	1,405,091
	Depreciation on right-of-use assets (Note 15)	50,523,804	48,939,254
	Miscellaneous	5,190,460	4,368,604
		1,617,713,504	1,705,234,527

29.1 Salaries and other benefits include Rupees 4.253 million (2022: Rupees 3.990 million) and Rupees 7.459 million (2022: Rupees 7.173 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2023 Rupees	2022 Rupees
30.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits - net (Note 30.1)	283,580,456	385,323,039
	Printing and stationery	6,357,860	6,899,267
	Vehicles' running and maintenance - net	13,332,802	2,406,663
	Travelling and conveyance	63,457,826	22,859,490
	Postage and telephone - net	6,646,390	5,401,354
	Fee and subscription	15,265,809	6,410,078
	Legal and professional	27,460,731	28,124,911
	Auditor's remuneration (Note 30.2)	4,313,635	5,271,569
	Electricity and sui gas - net	5,607,859	1,986,442
	Insurance	5,255,775	3,850,983
	Repair and maintenance - net	13,860,229	18,399,807
	Entertainment	7,617,444	8,487,631
	Depreciation on operating fixed assets (Note 14.1.2)	23,047,221	16,025,856
	Amortization on intangible asset (Note 16)	478,970	233,626
	Miscellaneous - net	21,089,200	4,906,493
		497,372,207	516,587,209

30.1 Salaries and other benefits include Rupees 3.411 million (2022: Rupees 2.299 million) and Rupees 6.858 million (2022: Rupees 5.597 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2023 Rupees	2022 Rupees
30.2	**Auditor's remuneration**		
	Statutory audit fee	3,000,000	2,662,053
	Special audit fee	-	1,411,695
	Half yearly review	778,635	707,850
	Certification fees	250,000	231,335
	Reimbursable expenses	285,000	258,636
		4,313,635	5,271,569
31.	**OTHER EXPENSES**		
	Workers' profit participation fund (Note 8.4)	-	428,478,680
	Workers' welfare fund (Note 8.5)	-	602,173
	Donations (Note 31.1)	10,657,183	409,866,955
	Operating fixed assets written off	29,928,191	15,254,855
	Intangible asset written off (Note 16)	44,550	-
	Provision for doubtful advances to suppliers (Note 22)	10,897,130	-
	Allowance for expected credit losses (Note 21.7)	9,363,464	78,048,259
	Provision for slow moving, damaged and obsolete store items (Note 19.1)	9,841,358	-
	Export rebate receivable written off	-	7,444,410
	Unrealised loss on re-measurement of investment at fair value through profit or loss (Note 24.1)	8,624,690	4,962,543
		79,356,566	944,657,875

31.1 These include donations amounting to Rupees 9.663 million (2022: Rupees 5.796 million) to Saleem Memorial Foundation (formerly: Mian Muhammad Yahya Trust), 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive is trustee and Rupees Nil (2022: Rupees 400 million) to Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive and Mr. Zain Shahzad, Director are members of board of directors.

		2023 Rupees	2022 Rupees
32.	**OTHER INCOME**		
	Income from financial assets		
	Return on bank deposits	1,459,670	4,894
	Return on term deposit receipts	5,304,433	10,346,642
	Net exchange gain	601,680,724	365,193,856
	Interest on derivative financial instruments - net	89,292,247	-
	Income from non-financial assets and others		
	Gain on disposal of operating fixed assets - net	17,445,208	30,108,638
	Gain on transfer of freehold land	-	148,144,290
	Scrap sales	190,173,258	171,501,735
	Gain on termination of leases	538,277	918,309
	Credit balances written back	19,545,699	-
	Miscellaneous	11,845,073	18,040,389
		937,284,589	744,258,753

	2023 Rupees	2022 Rupees
33. FINANCE COST		
Mark-up / profit on:		
- long term loans	1,638,782,661	613,805,241
- long term musharaka	76,850,648	91,659,632
- short term running finances	1,460,306,213	426,826,241
- export finances - Preshipment / SBP refinances	397,729,206	239,287,410
- short term finances - others	1,693,362,253	638,698,721
Interest on derivative financial instruments - net	-	3,491,809
Adjustment due to impact of IFRS 9 on GIDC (Note 7.1)	267,980	12,513,129
Interest expense on lease liabilities (Note 6.1)	13,591,883	11,558,235
Interest on workers' profit participation fund (Note 8.4)	1,408,698	20,851,237
Bank charges and commission	136,515,238	145,404,629
	5,418,814,780	2,204,096,284
34. TAXATION		
Current	912,014,984	879,652,699

34.1 Provision for current taxation represents minimum tax on local sales, final tax on export sales and super tax.

	2023 Rupees	2022 Rupees
34.2 Reconciliation between tax expense and accounting profit		
Accounting (loss) / profit before taxation	(86,912,724)	8,347,854,315
Applicable tax rate	29%	29%
Tax on accounting profit	(25,204,690)	2,420,877,751
Tax effect of final tax regime income taxed at a lower rate	503,887,242	(17,482,833,466)
Tax effect of minimum tax	233,804,846	-
Tax effect of expenses and income that are not considered in determining taxable liability	18,484,899	15,705,040,582
Tax effect of super tax	181,042,687	236,567,832
	912,014,984	879,652,699

34.3 Deferred income tax asset

Previously, the Company fell under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001 and provision for income tax was made accordingly. Now, the Company falls under normal tax regime to the extent of its local sales and provision for income tax has been made accordingly. Deferred income tax asset as at 30 June 2023 has been presented in these financial statements in view of the aforesaid explanation. The asset for deferred income tax originated due to timing differences relating to:

	2023 Rupees
Taxable temporary differences	
Accelerated tax depreciation	988,350,265
Right-of-use assets	44,137,429
	1,032,487,694
Deductible temporary differences	
Available tax losses	(528,598,162)
Lease liabilities	(51,766,421)
Provision for slow moving, damaged and obsolete store items	(1,074,676)
Provision for doubtful advances to suppliers	(1,189,967)
Allowance for expected credit losses	(10,285,138)
Unrealised loss on re-measurement of investment at fair value through profit or loss	-
Minimum tax carry forward	(488,557,826)
	(1,081,472,190)
Deferred income tax asset	(48,984,496)
Deferred income tax asset not recognized in these financial statements	48,984,496
Deferred income tax asset recognized in these financial statements	-

34.3.1 Deferred income tax asset of Rupees 241.952 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. Impact of deferred income tax asset on unrealised loss on re-measurement of investment at fair value through profit or loss is ignored because there is no possibility of adjustment in foreseeable future.

Tax losses related to un-absorbed tax depreciation	Accounting year to which the tax loss relates	Amount of unused tax loss	Accounting year in which tax loss will expire
		Rupees	
	2023	483,856,574	Unlimited
	2020	311,584,958	Unlimited
	2019	133,222,280	Unlimited
	2018	16,074,382	Unlimited
	2017	597,663,697	Unlimited
	2016	280,350,392	Unlimited
		1,822,752,283	

Minimum tax	Accounting year to which minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
		Rupees	
	2023	233,804,846	2026
	2020	251,194,081	2025
	2019	3,558,899	2024
		488,557,826	

	2023	2022
35. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		
(Loss) / profit after taxation attributable to ordinary shareholders (Rupees)	(998,927,708)	7,468,201,616
Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,119,029
Basic (loss) / earnings per share (Rupees)	(4.16)	31.10

35.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2023 and 30 June 2022 respectively as the Company has no potential ordinary shares as on 30 June 2023 and 30 June 2022.

	2023 Rupees	2022 Rupees

36. CASH (USED IN) / GENERATED FROM OPERATIONS

	2023 Rupees	2022 Rupees
(Loss) / profit before taxation	(86,912,724)	8,347,854,315
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	1,588,097,901	1,199,445,051
Amortization on intangible asset	478,970	233,626
Depreciation on right-of-use assets	50,523,804	48,939,254
Gain on disposal of operating fixed assets - net	(17,445,208)	(30,108,638)
Gain on transfer of freehold land	-	(148,144,290)
Intangible asset written off	44,550	-
Provision for doubtful advances to suppliers	10,897,130	-
Provision for slow moving, damaged and obsolete store items	9,841,358	-
Operating fixed assets written off	29,928,191	15,254,855
Finance cost	5,418,814,780	2,204,096,284
Return on bank deposits	(1,459,670)	(4,894)
Return on term deposit receipts	(5,304,433)	(10,346,642)
Net exchange gain	(601,680,724)	(365,193,856)
Allowance for expected credit losses	9,363,464	78,048,259
Gain on termination of leases	(538,277)	(918,309)
Export rebate receivable written off	-	7,444,410
Unrealised loss on re-measurement of investment at fair value through profit or loss	8,624,690	4,962,543
Credit balances written back	(19,545,699)	-
Adjustment to GIDC payable	(19,952,391)	-
Working capital changes (Note 36.1)	(10,827,189,501)	(1,544,480,184)
	(4,453,413,789)	9,807,081,784

36.1 Working capital changes

	2023 Rupees	2022 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(783,998,438)	(8,027,857)
Stock-in-trade	(2,376,824,146)	(2,962,790,396)
Trade debts	(3,072,856,466)	(671,434,842)
Loans and advances	(2,205,987,718)	1,402,430,160
Short term prepayments	4,417,073	32,198,384
Other receivables	(2,068,130,206)	223,579,416
	(10,503,379,901)	(1,984,045,135)
Increase / (decrease) in trade and other payables	(323,809,600)	439,564,951
	(10,827,189,501)	(1,544,480,184)

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

	2023			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	---------- Rupees ----------			
Opening balance	15,147,339,790	90,649,683	12,944,009,897	63,732,091
Financing obtained	375,543,759	-	-	-
Lease liabilities recognised during the year	-	98,087,096	-	-
Repayment of financing	(1,623,490,344)	-	-	-
Repayment of lease liabilities	-	(49,992,943)	-	-
Short term borrowings - net	-	-	14,937,707,947	-
Dividend declared	-	-	-	960,476,116
Dividend paid	-	-	-	(955,067,136)
Other changes - non-cash movement	125,825,329	(6,009,422)	-	-
Closing balance	14,025,218,534	132,734,414	27,881,717,844	69,141,071

	2022			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	---------- Rupees ----------			
Opening balance	8,710,971,819	120,881,507	18,897,913,417	49,918,087
Financing obtained	9,798,969,235	-	-	-
Lease liabilities recognised during the year	-	25,199,677	-	-
Repayment of financing	(2,609,928,271)	-	-	-
Repayment of lease liabilities	-	(45,505,776)	-	-
Short term borrowings - net	-	-	(5,953,903,520)	-
Dividend declared	-	-	-	1,920,952,232
Dividend paid	-	-	-	(1,907,138,228)
Other changes - non-cash movement	(752,672,993)	(9,925,725)	-	-
Closing balance	15,147,339,790	90,649,683	12,944,009,897	63,732,091

		2023 Rupees	2022 Rupees
36.3	**Non-cash financing activities**		
	Lease liabilities recognised during the year	98,087,096	25,199,677
	Other changes - non-cash movement	119,815,907	(762,598,718)

37. 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		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	29,184,616	28,219,536	2,817,022	5,994,200	160,639,200	119,695,799
Contribution to provident fund	-	-	209,039	499,317	13,381,245	9,970,660
House rent	11,673,846	11,287,812	1,126,809	2,397,680	64,255,680	47,878,319
Utilities	2,918,462	2,821,944	281,702	599,420	16,063,920	11,969,580
Others	-	-	115,339	4,340,437	6,798,820	19,189,916
	43,776,924	42,329,292	4,549,911	13,831,054	261,138,865	208,704,274
Number of persons	**1**	**1**	**2**	**2**	**76**	**57**

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

37.2 Aggregate amount charged in these financial statements for meeting fee to seven (2022: seven) directors was Rupees 400,000 (2022: Rupees 580,000).

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

38. 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:

	2023 Rupees	2022 Rupees
Nishat Chunian Power Limited - associated company and former subsidiary company		
Common facilities cost charged	19,800,000	19,800,000
Income sharing	558,615	-
Nishat Chunian USA Inc. - wholly owned subsidiary company		
Sale of goods	86,772,291	217,753,739
Sweave Inc. - wholly owned subsidiary company of Nishat Chunian USA Inc. - wholly owned subsidiary company		
Sale of goods	67,968,471	22,704,421
Nishat Chunian Properties (Private) Limited - wholly owned subsidiary company		
Investment made - ordinary shares issued against cash	-	100,000
Investment made - ordinary shares issued against freehold land	-	499,205,000
Payment of expenses on behalf of subsidiary company	518,040	288,345
T L C Middle East Trading L.L.C - wholly owned subsidiary company		
Payment of expenses on behalf of subsidiary company	1,226,174	3,388,145
Sale of goods	7,062,069	-
Saleem Memorial Trust Hospital - associated company		
Donation given	-	400,000,000
Saleem Memorial Foundation (formerly: Mian Muhammad Yahya Trust) - related party		
Donation given	9,662,783	5,796,955
Directors		
Dividend paid	250,417,492	495,024,460
Adjustment of long term loan to ex - executive director	4,312,684	223,310
Interest income on long term loan	64,991	90,571
Employees' Provident Fund Trust - related party		
Contribution made	129,722,971	109,320,065

38.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 37.

38.2 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 2023	Transactions entered or agreements and / or arrangements in place during the financial year 2022	Percentage of shareholding
Nishat Chunian Power Limited	Common directorship	Yes	Yes	None
Nishat Chunian USA Inc.	Wholly owned subsidiary company	Yes	Yes	100
Sweave Inc.	Wholly owned subsidiary of Nishat Chunian USA Inc.	Yes	Yes	100
Nishat Chunian Properties (Private) Limited	Wholly owned subsidiary company	Yes	Yes	100
T L C Middle East Trading L.L.C	Wholly owned subsidiary company	Yes	Yes	100
Saleem Memorial Trust Hospital	Common directorship	Yes	Yes	None
Pakgen Power Limited	Common directorship	No	No	None
Saleem Memorial Foundation (formerly: Mian Muhammad Yahya Trust)	Directors of the company are members	Yes	Yes	None
Pakistan Textile Council	Common directorship	No	No	None
Quaid-e-Azam Thermal Power (Private) Limited	Common directorship	No	No	None
Nishat (Chunian) Limited - Employees Provident Fund	Post-employment benefit plan	Yes	Yes	None
Mr. Shahzad Saleem	Chief executive	Yes	Yes	None
Mr. Zain Shahzad	Director	Yes	Yes	None
Mr. Farrukh Ifzal	Director	Yes	Yes	None
Ms. Ayesha Shahzad	Director	Yes	Yes	None
Mr. Muhammad Azam Siddique	Director	Yes	No	None
Ms. Mahnoor Adil	Director	No	No	None
Mr. Ahmad Hasnain	Director	No	No	None

38.3 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
Sweave Inc.	USA	Wholly owned subsidiary of Nishat Chunian USA Inc.	100
T L C Middle East Trading L.L.C	UAE	Wholly owned subsidiary company	100

38.4 As on 30 June 2023, disclosures relating to investment and advance made in foreign companies 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
Advance:										
T L C Middle East Trading L.L.C	UAE	Nishat (Chunian) Limited	2022 and 2023	4,614,319	AED 54,188 USD 5,643	Payment of expenses on behalf of subsidiary company	None	None	None	Not applicable

38.5 As on 30 June 2022, 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
Advance:										
T L C Middle East Trading L.L.C	UAE	Nishat (Chunian) Limited	2022	3,388,145	AED 54,188 USD 550	Payment of expenses on behalf of subsidiary company	None	None	None	Not applicable

39. NUMBER OF EMPLOYEES

	2023	2022
Number of employees as on 30 June	7,101	7,123
Average number of employees during the year	7,112	7,491

40. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Zone - 1 (Unit No.1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees																	
External:																		
- Export	11,451,797,932	11,619,512,500	9,010,020,092	8,841,439,803	9,089,878,500	11,398,409,901	858,384,541	479,509,556	2,634,447,176	2,334,681,699	15,974,070,657	15,431,563,778	-	-	-	-	49,018,598,898	50,105,117,237
- Local	436,292,935	278,403,477	6,217,580,181	2,917,464,871	5,336,432,440	2,172,384,127	3,499,848,186	3,573,117,673	1,464,672,500	1,023,082,397	1,114,434,874	1,380,356,291	-	236,201,910	-	-	18,069,261,116	11,581,010,746
- Export rebate and duty drawback	-	-	-	-	-	-	-	-	721,232	786,809	95,744,221	79,281,723	-	-	-	-	96,465,453	80,068,532
- Others	-	-	954,772	-	-	-	128,394,558	59,279,196	-	-	315,603,975	162,563,332	-	-	-	-	444,953,305	221,842,528
	11,888,090,867	11,897,915,977	15,228,555,045	11,758,904,674	14,426,310,940	13,570,794,028	4,486,627,285	4,111,906,425	4,099,840,908	3,358,550,905	17,499,853,727	17,053,765,124	-	236,201,910	-	-	67,629,278,772	61,988,039,043
Inter-segment	2,850,069,051	2,058,198,609	1,373,375,478	1,723,804,165	1,977,299,729	2,192,606,443	1,398,356,040	1,857,726,913	5,601,247,379	4,976,753,525	-	-	8,391,073,391	4,040,221,137	(21,591,421,068)	(16,849,310,792)	-	-
	14,738,159,918	13,956,114,586	16,601,930,523	13,482,708,839	16,403,610,669	15,763,400,471	5,884,983,325	5,969,633,338	9,701,088,287	8,335,304,430	17,499,853,727	17,053,765,124	8,391,073,391	4,276,423,047	(21,591,421,068)	(16,849,310,792)	67,629,278,772	61,988,039,043
Cost of sales	(14,466,663,660)	(10,600,210,362)	(15,864,402,094)	(10,682,795,540)	(15,539,094,503)	(11,539,432,285)	(5,320,297,078)	(5,067,008,848)	(9,347,660,464)	(7,859,051,607)	(13,657,611,923)	(15,735,790,243)	(8,435,910,374)	(4,378,889,493)	21,591,421,068	16,849,310,792	(61,040,219,028)	(49,013,867,586)
Gross profit / (loss)	271,496,258	3,355,904,224	737,528,429	2,799,913,299	864,516,166	4,223,968,186	564,686,247	902,624,490	353,427,823	476,252,823	3,842,241,804	1,317,974,881	(44,836,983)	(102,466,446)	-	-	6,589,059,744	12,974,171,457
Distribution cost	(238,717,616)	(332,841,719)	(117,181,746)	(74,419,211)	(165,393,234)	(160,014,215)	(110,482,876)	(82,351,578)	(69,149,413)	(43,451,260)	(916,788,619)	(1,012,156,544)	-	-	-	-	(1,617,713,504)	(1,705,234,527)
Administrative expenses	(63,769,298)	(88,681,906)	(65,861,807)	(75,910,931)	(76,942,168)	(99,035,001)	(45,519,692)	(58,925,943)	(28,490,025)	(31,091,165)	(190,501,155)	(147,386,079)	(26,288,062)	(15,556,184)	-	-	(497,372,207)	(516,587,209)
	(302,486,914)	(421,523,625)	(183,043,553)	(150,330,142)	(242,335,402)	(259,049,216)	(156,002,568)	(141,277,521)	(97,639,438)	(74,542,425)	(1,107,289,774)	(1,159,542,623)	(26,288,062)	(15,556,184)	-	-	(2,115,085,711)	(2,221,821,736)
Profit / (loss) before taxation and unallocated income and expenses	(30,990,656)	2,934,380,599	554,484,876	2,649,583,157	622,180,764	3,964,918,970	408,683,679	761,346,969	255,788,385	401,710,398	2,734,952,030	158,432,258	(71,125,045)	(118,022,630)	-	-	4,473,974,033	10,752,349,721
Unallocated income and expenses																		
Other expenses																	(79,356,566)	(944,657,875)
Other income																	937,284,589	744,258,753
Finance cost																	(5,418,814,780)	(2,204,096,284)
Taxation																	(912,014,984)	(879,652,699)
(Loss) / profit after taxation																	(998,927,708)	7,468,201,616

40.1 Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile		Power Generation		Total - Company	
	Zone - 1 (Unit No.1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2							
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees															
Total assets for reportable segments	10,251,734,362	7,149,327,201	12,529,897,554	8,738,066,579	15,187,754,611	10,591,595,853	2,674,907,016	2,860,420,674	3,661,278,978	3,915,200,797	13,351,204,440	12,628,077,720	6,351,922,991	5,210,054,429	64,008,699,952	51,092,743,253
Unallocated assets:																
Long term investments															510,128,000	510,128,000
Non-current asset held for distribution to owners															-	1,875,858,200
Other receivables															3,589,740,169	1,521,609,963
Short term investments															80,364,318	58,582,472
Cash and bank balances															279,033,280	209,007,048
Other corporate assets															1,377,795,479	4,167,705,164
Total assets as per statement of financial position															69,845,761,198	59,435,634,100
Total liabilities for reportable segments	376,440,347	410,510,123	460,093,757	501,734,595	558,154,455	608,163,145	141,076,503	140,272,079	193,098,464	191,997,409	740,376,864	733,038,212	673,448,970	542,097,487	3,142,689,360	3,127,813,050
Unallocated liabilities:																
Long term financing															14,025,218,534	15,147,339,790
Accrued mark-up															1,397,309,345	512,941,848
Short term borrowings															27,881,717,845	12,944,009,897
Other corporate liabilities															2,690,702,723	3,160,144,100
Total liabilities as per statement of financial position															49,137,637,807	34,892,248,685

40.2 Geographical information

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

	2023 Rupees	2022 Rupees
Europe	10,244,333,109	8,597,161,311
United States of America, Canada and South America	3,990,776,728	4,787,204,318
Asia, Africa and Australia	13,589,783,211	14,506,150,548
Export rebate	96,465,453	80,068,532
Pakistan	39,707,920,271	34,017,454,334
	67,629,278,772	61,988,039,043

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

40.4 Revenue from major customers

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

40.5 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.

	2023	2022

41. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

	2023	2022
Number of spindles installed	223,428	219,528
Number of spindles worked	200,850	206,221
Number of rooters installed	2,880	-
Number of rooters worked	2,566	-
Capacity after conversion into 20/1 count (Kgs.)	81,049,638	80,008,821
Actual production of yarn after conversion into 20/1 count (Kgs.)	79,851,861	78,893,713

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

Weaving

	2023	2022
Number of looms installed	379	379
Number of looms worked	365	379
Capacity after conversion into 50 picks - square yards	345,597,351	345,597,351
Actual production after conversion into 50 picks - square yards	216,850,138	256,118,920

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

	2023	2022
Number of engines installed	19	19
Number of engines worked	19	19
Generation capacity (KWh)	334,953,000	334,953,000
Actual generation (KWh)	95,832,050	81,686,559

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

Process steam and coal fired power generation plant (46 MW)

	2023	2022
Installed	1	1
Worked	1	1
Number of shifts per day	3	3
Generation capacity (KWh)	404,064,000	404,064,000
Actual generation (KWh)	70,772,000	191,204,000

Solar power plant

	2023	2022
Installed	1	-
Worked	1	-
Generation capacity (KWh)	976,333	-
Actual generation (KWh)	918,173	-

Dyeing

	2023	2022
Number of thermosol dyeing machines	1	1
Number of stenters machines	5	5
Capacity in meters	43,200,000	54,600,000
Actual processing of fabrics - meters	26,205,932	48,532,979

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

Printing

	2023	2022
Number of printing machines	1	1
Capacity in meters	10,800,000	10,800,000
Actual processing of fabrics - meters	6,249,256	7,991,733

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

Digital printing

	2023	2022
Number of printing machines	5	5
Capacity in meters	9,125,000	9,125,000
Actual processing of fabrics - meters	2,239,073	2,454,445

Stitching

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

42. FINANCIAL RISK MANAGEMENT

42.1 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 British Pound Sterling (GBP). Currently, the Company's foreign exchange risk exposure is restricted to bank balances, short term borrowings, lease liability 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:

	2023	2022
Cash at banks - USD	102,905	144,817
Trade debts - USD	25,194,754	23,197,639
Trade debts - EURO	1,615,755	1,242,206
Trade debts - GBP	-	92,136
Trade and other payables - USD	(359,438)	(655,813)
Trade and other payables - EURO	(110,545)	(14,625)
Short term borrowings - USD	(1,382,154)	-
Lease liability - USD	(141,728)	-
Accrued mark-up - USD	(64,566)	-
Net exposure - USD	23,349,773	22,686,643
Net exposure - EURO	1,505,210	1,227,581
Net exposure - GBP	-	92,136

The following significant exchange rates were applied during the year:

	2023	2022
Rupees per US Dollar		
Average rate	251.98	179.29
Reporting date rate	286.18	202.50
Rupees per EURO		
Average rate	265.46	199.13
Reporting date rate	312.85	212.00
Rupees per GBP		
Average rate	305.43	235.07
Reporting date rate	364.74	246.00

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 loss after taxation for the year would have been Rupees 353.799 million respectively lower / higher (2022: profit after taxation for the year would have been Rupees 229.213 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 Company is not exposed to commodity price risks.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's loss for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on loss	Impact on profit
	2023	2022
	Rupees	Rupees
PSX Index (5% increase)	(659,282)	1,090,516
PSX Index (5% decrease)	659,282	(1,090,516)

(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:

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	5,829,959,331	6,574,535,578
Short term borrowings	7,027,349,773	3,874,638,840
	12,857,309,104	10,449,174,418
Financial assets		
Long term loans to employees	14,218,909	28,520,724
Short term investments	66,160,226	36,160,226
	80,379,135	64,680,950
Net exposure	(12,776,929,969)	(10,384,493,468)
Floating rate instruments		
Financial assets		
Long term loans to employees	3,343,902	4,350,946
Bank balances - saving accounts	3,421,297	2,441,375
	6,765,199	6,792,321
Financial liabilities		
Long term financing	8,195,259,203	8,572,804,212
Short term borrowings	20,854,368,071	9,069,371,057
	29,049,627,274	17,642,175,269
Net exposure	(29,042,862,075)	(17,635,382,948)

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, loss after taxation for the year would have been Rupees 290.429 million higher / lower (2022: profit after taxation for the year would have been Rupees 167.646 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:

	2023 Rupees	2022 Rupees
Long term security deposits	33,959,024	30,734,231
Trade debts	11,409,750,014	7,741,005,867
Loans and advances (including long term loans to employees)	76,976,339	51,785,365
Other receivables	79,459,831	83,381,472
Short term investments	80,364,318	58,582,472
Bank balances	268,981,780	203,264,898
	11,949,491,306	8,168,754,305

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			2023	2022
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	1,659,070	1,659,254
Allied Bank Limited	A1+	AAA	PACRA	-	38,882
Bank Alfalah Limited	A1+	AA+	PACRA	6,895,999	4,876,451
Bank Al-Habib Limited	A1+	AA+	PACRA	21,898	66,283
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	805,476	1,099,378
Faysal Bank Limited	A1+	AA	PACRA	2,710	104,292
Habib Bank Limited	A-1+	AAA	VIS	20,253,671	19,333,268
Industrial and Commercial Bank of China Limited	P-1	A1	Moody’s	351,374	99,278
JS Bank Limited	A1+	AA-	PACRA	25,320	625,320
MCB Bank Limited	A1+	AAA	PACRA	218,858,652	155,301,572
Meezan Bank Limited	A-1+	AAA	VIS	5,357,909	12,014,123
National Bank of Pakistan	A+	AAA	PACRA	407,010	2,611,126
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	297,930
The Bank of Punjab	A1+	AA+	PACRA	338,558	816,222
United Bank Limited	A-1+	AAA	VIS	4,954,094	3,563,759
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	8,250,282	-
BankIslami Pakistan Limited	A1	AA-	PACRA	799,757	757,760
				268,981,780	203,264,898
Investments					
BankIslami Pakistan Limited	A1	A+	PACRA	20,711,898	21,046,544
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	16,105,137	15,725,599
The Bank of Punjab	A1+	AA+	PACRA	30,361,644	-
Adamjee Life Assurance Company Limited	A++	A++	PACRA	13,185,639	21,810,329
				349,346,098	261,847,370

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, if any, 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 2023 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 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 2023 and 30 June 2022 was determined as follows:

At 30 June 2023

	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%	1,172,020,175	-	0.00%	-	-
Up to 30 days	7.01%	1,223,039,442	85,760,253	0.11%	272,889,231	293,369
31 to 60 days	7.68%	34,830,367	2,674,102	0.15%	1,624,944	2,382
61 to 90 days	40.76%	718,989	293,047	17.16%	-	-
91 to 180 days	74.30%	739,593	549,521	46.53%	-	-
181 to 360 days	85.19%	3,027,881	2,579,471	67.21%	-	-
Above 360 days	100.00%	2,034,102	2,034,102	100.00%	-	-
		2,436,410,549	93,890,496		274,514,175	295,751
Trade debts which are not subject to risk of default		1,331,411,059	-		7,461,600,478	-
Total		3,767,821,608	93,890,496		7,736,114,653	295,751

At 30 June 2022

	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%	633,713,112	-	0.00%	570,863,875	-
Up to 30 days	5.78%	1,106,824,526	63,965,619	0.17%	498,420,405	856,517
31 to 60 days	6.40%	150,895	9,657	0.24%	-	-
61 to 90 days	33.19%	-	-	13.47%	-	-
91 to 180 days	59.40%	442,893	263,060	35.12%	26,296,523	9,234,390
181 to 360 days	65.85%	284,664	187,444	48.32%	19,948,589	9,639,122
Above 360 days	100.00%	666,974	666,974	100.00%	-	-
		1,742,083,064	65,092,754		1,115,529,392	19,730,029
Trade debts which are not subject to risk of default		1,688,275,299	-		3,279,940,895	-
Total		3,430,358,363	65,092,754		4,395,470,287	19,730,029

(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 2023, the Company had Rupees 19,818.773 million (2022: Rupees 26,057.057 million) available borrowing limits from financial institutions and Rupees 279.033 million (2022: Rupees 209.007 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 2023:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	14,025,218,534	21,879,557,508	1,195,112,708	1,450,664,894	3,157,702,763	16,076,077,143
Lease liabilities	132,734,414	159,346,991	38,346,353	40,286,404	43,484,847	37,229,387
Trade and other payables	2,484,967,112	2,484,967,112	2,484,967,112	-	-	-
Accrued mark-up / profit	1,397,309,345	1,397,309,345	1,397,309,345	-	-	-
Short term borrowings	27,881,717,844	28,919,544,150	28,919,544,150	-	-	-
Unclaimed dividend	69,141,071	69,141,071	69,141,071	-	-	-
	45,991,088,320	52,157,042,249	31,351,596,811	1,490,951,298	3,201,187,610	16,113,306,530

Contractual maturities of financial liabilities as at 30 June 2022:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	15,147,339,790	22,107,858,668	1,426,624,416	1,102,355,979	2,978,470,189	16,600,408,084
Lease liabilities	90,649,683	110,115,330	25,456,747	18,022,544	35,564,384	31,071,655
Trade and other payables	2,995,175,273	2,995,175,273	2,995,175,273	-	-	-
Accrued mark-up / profit	512,941,848	512,941,848	512,941,848	-	-	-
Short term borrowings	12,944,009,897	13,099,198,492	13,099,198,492	-	-	-
Unclaimed dividend	63,732,091	63,732,091	63,732,091	-	-	-
Derivative financial liabilities	154,046,505	154,046,505	154,046,505	-	-	-
	31,907,895,087	39,043,068,207	18,277,175,372	1,120,378,523	3,014,034,573	16,631,479,739

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.

42.2 Financial instruments by categories

Assets as per statement of financial position

	2023		2022	
	At amortized cost	FVTPL	At amortized cost	FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term security deposits	33,959,024	-	30,734,231	-
Trade debts	11,409,750,014	-	7,741,005,867	-
Loans and advances (including long term loans to employees)	76,976,339	-	51,785,365	-
Other receivables	60,132,982	19,326,849	75,605,143	7,776,329
Short term investments	67,178,679	13,185,639	36,772,143	21,810,329
Cash and bank balances	279,033,280	-	209,007,048	-
	11,927,030,318	32,512,488	8,144,909,797	29,586,658

	2023	2022	
	At amortized cost	At amortized cost	FVTPL
	Rupees	Rupees	Rupees
Liabilities as per statement of financial position			
Long term financing	14,025,218,534	15,147,339,790	-
Lease liabilities	132,734,414	90,649,683	-
Trade and other payables	2,484,967,112	2,995,175,273	154,046,505
Accrued mark-up / profit	1,397,309,345	512,941,848	-
Short term borrowings	27,881,717,844	12,944,009,897	-
Unclaimed dividend	69,141,071	63,732,091	-
	45,991,088,320	31,753,848,582	154,046,505

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

	2023		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	33,959,024	-	33,959,024
Trade debts	11,409,750,014	-	11,409,750,014
Loans and advances (including long term loans to employees)	76,976,339	4,004,616,566	4,081,592,905
Other receivables	79,459,831	3,510,280,338	3,589,740,169
Short term investments	80,364,318	-	80,364,318
Cash and bank balances	279,033,280	-	279,033,280
	11,959,542,806	7,514,896,904	19,474,439,710

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	14,025,218,534	-	14,025,218,534
Lease liabilities	132,734,414	-	132,734,414
Trade and other payables	2,484,967,112	1,737,955,620	4,222,922,732
Accrued mark-up	1,397,309,345	-	1,397,309,345
Short term borrowings	27,881,717,844	-	27,881,717,844
Unclaimed dividend	69,141,071	-	69,141,071
	45,991,088,320	1,737,955,620	47,729,043,940

	2022		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,734,231	-	30,734,231
Trade debts	7,741,005,867	-	7,741,005,867
Loans and advances (including long term loans to employees)	51,785,365	1,839,128,681	1,890,914,046
Other receivables	83,381,472	1,438,228,491	1,521,609,963
Short term investments	58,582,472	-	58,582,472
Cash and bank balances	209,007,048	-	209,007,048
	8,174,496,455	3,277,357,172	11,451,853,627

	2022		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	15,147,339,790	-	15,147,339,790
Lease liabilities	90,649,683	-	90,649,683
Trade and other payables	3,149,221,778	1,404,750,425	4,553,972,203
Accrued mark-up	512,941,848	-	512,941,848
Short term borrowings	12,944,009,897	-	12,944,009,897
Unclaimed dividend	63,732,091	-	63,732,091
	31,907,895,087	1,404,750,425	33,312,645,512

42.4 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.

43. 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 10 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 (2022: 65% debt and 35% equity).

		2023	2022
Borrowings	Rupees	42,739,735,309	29,069,942,566
Total equity	Rupees	20,708,123,391	24,543,385,415
Total capital employed	Rupees	63,447,858,700	53,613,327,981
Gearing ratio	Percentage	67.36	54.22

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 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 2023	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Investment in quoted shares - FVTPL	13,185,639	-	-	13,185,639
Derivative financial assets	-	19,326,849	-	19,326,849
Total financial assets	13,185,639	19,326,849	-	32,512,488

Recurring fair value measurements At 30 June 2023	Level 1	Level 2	Level 3	Total
	Rupees			
Financial liabilities				
Derivative financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Recurring fair value measurements At 30 June 2022	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	21,810,329	7,776,329	-	29,586,658
Financial liabilities				
Derivative financial liabilities	-	154,046,505	-	154,046,505
Total financial liabilities	-	154,046,505	-	154,046,505

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.

45. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023	2022	2023	2022
	Rupees			
Total facilities	16,330,500,000	15,306,000,000	62,558,508,000	55,127,000,000
Utilized at the end of the year	3,527,148,786	3,010,007,923	42,739,735,309	29,069,942,566
Unutilized at the end of the year	12,803,351,214	12,295,992,077	19,818,772,691	26,057,057,434

46. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company at their meeting held on 28 September 2023 has proposed cash dividend of Rupees Nil per share (2022: Rupee 4 per ordinary share) in respect of the year ended 30 June 2023. 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.

47. 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. Head of Department, Adjudication Department - I, Adjudication Division, Securities and Exchange Commission of Pakistan vide his Order dated 04 July 2023 has advised the trustees of Nishat (Chunian) Limited - Employees Provident Fund to ensure compliance of the aforesaid requirements of law latest by 31 December 2023.

48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 September 2023 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 except for the following:

Description	Reclassified from	Reclassified to	2022
			Rupees
Amortization of deferred income - Government grant	Other income	Finance cost	93,632,066

50. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2023

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
2902	1	100	71,120	0.03
1652	101	500	526,316	0.22
1162	501	1000	967,482	0.40
2017	1001	5000	5,492,268	2.29
604	5001	10000	4,789,649	1.99
229	10001	15000	2,896,889	1.21
105	15001	20000	1,927,370	0.80
87	20001	25000	2,028,021	0.84
59	25001	30000	1,673,808	0.70
37	30001	35000	1,245,654	0.52
40	35001	40000	1,513,250	0.63
19	40001	45000	820,012	0.34
37	45001	50000	1,828,770	0.76
22	50001	55000	1,167,703	0.49
23	55001	60000	1,351,500	0.56
13	60001	65000	817,642	0.34
20	65001	70000	1,359,615	0.57
14	70001	75000	1,031,755	0.43
6	75001	80000	469,382	0.20
6	80001	85000	498,939	0.21
2	85001	90000	177,195	0.07
5	90001	95000	465,693	0.19
15	95001	100000	1,499,829	0.62
5	100001	105000	510,120	0.21
2	105001	110000	218,047	0.09
2	110001	115000	225,448	0.09
2	115001	120000	237,500	0.10
5	120001	125000	620,147	0.26
3	125001	130000	388,000	0.16
2	130001	135000	265,380	0.11
1	135001	140000	135,400	0.06
3	140001	145000	427,075	0.18
7	145001	150000	1,047,500	0.44
3	150001	155000	455,900	0.19
6	155001	160000	952,612	0.40
2	165001	170000	337,002	0.14
1	170001	175000	175,000	0.07
1	175001	180000	180,000	0.07
2	180001	185000	368,296	0.15

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	185001	190000	189,632	0.08
4	195001	200000	800,000	0.33
4	200001	205000	807,863	0.34
1	205001	210000	208,000	0.09
3	210001	215000	639,060	0.27
4	215001	220000	870,740	0.36
1	220001	225000	225,000	0.09
3	225001	230000	686,000	0.29
2	230001	235000	465,233	0.19
1	240001	245000	241,864	0.10
4	245001	250000	1,000,000	0.42
4	260001	265000	1,056,770	0.44
2	270001	275000	545,573	0.23
3	280001	285000	846,060	0.35
1	285001	290000	287,600	0.12
3	295001	300000	897,000	0.37
2	310001	315000	625,500	0.26
1	320001	325000	325,000	0.14
1	335001	340000	339,700	0.14
2	340001	345000	690,000	0.29
1	355001	360000	360,000	0.15
1	370001	375000	370,007	0.15
2	395001	400000	795,418	0.33
1	420001	425000	423,146	0.18
1	425001	430000	430,000	0.18
1	430001	435000	433,958	0.18
1	440001	445000	443,000	0.18
1	445001	450000	450,000	0.19
2	495001	500000	1,000,000	0.42
1	545001	550000	550,000	0.23
1	595001	600000	600,000	0.25
2	640001	645000	1,284,769	0.54
2	645001	650000	1,300,000	0.54
2	680001	685000	1,366,887	0.57
1	820001	825000	823,200	0.34
1	895001	900000	900,000	0.37
1	985001	990000	985,450	0.41
2	995001	1000000	2,000,000	0.83
1	1105001	1110000	1,107,500	0.46
1	1110001	1115000	1,115,000	0.46
1	1195001	1200000	1,200,000	0.50
1	1295001	1300000	1,300,000	0.54
1	1335001	1340000	1,338,955	0.56

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	1355001	1360000	1,357,921	0.57
1	1360001	1365000	1,364,321	0.57
1	1435001	1440000	1,438,000	0.60
1	1535001	1540000	1,536,758	0.64
1	1625001	1630000	1,629,603	0.68
1	2445001	2450000	2,446,275	1.02
1	2455001	2460000	2,458,014	1.02
1	2470001	2475000	2,472,214	1.03
1	2495001	2500000	2,500,000	1.04
1	3295001	3300000	3,298,882	1.37
1	4200001	4205000	4,204,368	1.75
1	4495001	4500000	4,500,000	1.87
1	4730001	4735000	4,731,628	1.97
1	5640001	5645000	5,644,999	2.35
1	5805001	5810000	5,807,791	2.42
1	7225001	7230000	7,227,659	3.01
1	8365001	8370000	8,368,697	3.49
1	8810001	8815000	8,810,125	3.67
1	9030001	9035000	9,034,630	3.76
1	11820001	11825000	11,822,562	4.92
1	20865001	20870000	20,866,776	8.69
1	55110001	55115000	55,110,632	22.95
9,221	**<------Total------>**		**240,119,029**	**100.00**

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2023

NISHAT (CHUNIAN) LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30, 2023

	CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
A)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mr. Shahzad Saleem	1	55,110,632	22.95
	Mrs. Farhat Saleem	2	5,915,838	2.46
	Mr. Zain Shahzad	1	1,338,955	0.56
	Mr. Farrukh Ifzal	1	500	0.00
	Spouse:			
	Mrs. Ayesha Shahzad w/o Mr. Shahzad Saleem	2	238,448	0.10
	TOTAL: -	7	62,604,373	26.07
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)	4	4,209,970	1.75
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions	22	17,518,524	7.30
H)	Insurance Companies	6	8,128,721	3.39
I)	Modarabas & Mutual Funds	15	4,703,013	1.96
J)	*Shareholding 5% or more	2	87,799,970	36.57
K)	Joint Stock Companies	89	8,981,696	3.74
L)	Others	55	4,506,972	1.88
M)	General Public	9,019	89,501,820	37.27
	TOTAL: -	9,221	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	55,110,632	22.95
NISHAT MILLS LIMITED	32,689,338	13.61
TOTAL :-	**87,799,970**	**36.46**

NISHAT (CHUNIAN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 June 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited

Qualified 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 2023, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, 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 Qualified Opinion

The financial statements of Nishat Chunian USA Inc. - Subsidiary Company, T L C Middle East Trading L.L.C - Subsidiary Company and Sweave Inc. - Sub-Subsidiary Company for the year ended 30 June 2023 were un-audited. Hence, total assets of Rupees 125,552,887 as at 30 June 2023 and total turnover and net profit of Rupees 298,383,857 and Rupees 3,920,084 respectively for the year ended 30 June 2023 pertaining to the aforesaid Companies have been incorporated in these consolidated financial statements by the management using un-audited financial statements.

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 qualified 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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were 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 19 and stock-in-trade note 20 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. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • 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 inquires 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	Our procedures included, but were not limited to: • We obtained an understanding of the process

Sr. No.	Key audit matters	How the matters were addressed in our audit
	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 27 to the consolidated financial statements.	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.	**Contingencies** As disclosed in Note 14 to the accompanying consolidated financial statements, the Group has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have: • Obtained and reviewed detail of the pending matters and discussed the same with the Group's management. • Reviewed the correspondence of the Group with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Obtained and reviewed confirmations from the Group's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	financial impacts, we considered this as a key audit matter. For further information on contingencies, refer to the following: - Summary of significant accounting policies, Contingent liabilities note 2.34 and note 2.1(c) to the consolidated financial statements. - Contingencies note 14 to the consolidated financial statements.	• Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters. • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
4.	**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 15 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.

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. As described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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 Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

LAHORE

Date: September 28, 2023

UDIN: AR202310132wvNjH1ID8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,700,000,000	3,700,000,000
Issued, subscribed and paid-up share capital	4	2,401,190,290	2,401,190,290
Reserves	5	18,171,158,417	32,657,384,568
Equity attributable to equity holders of the Holding Company		20,572,348,707	35,058,574,858
Non-controlling interest		-	11,738,807,602
Total equity		20,572,348,707	46,797,382,460
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	12,538,265,074	13,440,603,387
Lease liabilities	7	68,666,567	56,004,356
Deferred liabilities	8	677,389,719	832,798,931
		13,284,321,360	14,329,406,674
CURRENT LIABILITIES			
Trade and other payables	9	4,256,686,796	5,579,166,619
Accrued mark-up / profit	10	1,397,309,345	715,241,848
Short term borrowings	11	27,881,717,844	23,795,735,897
Current portion of non-current liabilities	12	2,137,618,315	2,355,338,885
Provision for taxation - net	13	144,605,460	85,914,198
Unclaimed dividend		69,141,059	80,295,091
		35,887,078,819	32,611,692,538
Total liabilities		49,171,400,179	46,941,099,212
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		69,743,748,886	93,738,481,672

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	15	24,024,055,144	32,445,127,666
Right-of-use assets	16	113,172,896	74,651,170
Intangible asset	17	1,845,938	635,708
Long term loans to employees	18	11,154,911	22,597,477
Long term security deposits		33,959,024	30,834,231
		24,184,187,913	32,573,846,252
CURRENT ASSETS			
Stores, spare parts and loose tools	19	2,511,321,040	2,441,786,960
Stock-in-trade	20	23,625,236,042	23,477,068,261
Trade debts	21	11,362,604,208	21,415,577,350
Loans and advances	22	4,070,437,994	2,263,625,569
Short term deposits and prepayments	23	9,255,894	40,008,963
Other receivables	24	3,616,758,129	2,609,647,618
Short term investments	25	80,364,318	8,668,130,472
Cash and bank balances	26	283,583,348	248,790,227
		45,559,560,973	61,164,635,420
TOTAL ASSETS		69,743,748,886	93,738,481,672

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
REVENUE	27	70,949,361,113	88,025,787,239
COST OF SALES	28	(63,814,404,149)	(71,252,893,149)
GROSS PROFIT		7,134,956,964	16,772,894,090
DISTRIBUTION COST	29	(1,711,532,156)	(1,899,290,875)
ADMINISTRATIVE EXPENSES	30	(522,630,079)	(707,742,205)
OTHER EXPENSES	31	(193,309,017)	(1,097,423,578)
		(2,427,471,252)	(3,704,456,658)
		4,707,485,712	13,068,437,432
OTHER INCOME	32	948,007,203	763,256,195
PROFIT FROM OPERATIONS		5,655,492,915	13,831,693,627
FINANCE COST	33	(5,496,070,172)	(3,098,813,982)
PROFIT BEFORE TAXATION		159,422,743	10,732,879,645
TAXATION	34	(912,050,964)	(881,527,308)
(LOSS) / PROFIT AFTER TAXATION		(752,628,221)	9,851,352,337
(LOSS) / PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE HOLDING COMPANY		(871,909,855)	8,626,151,313
NON-CONTROLLING INTEREST		119,281,634	1,225,201,024
		(752,628,221)	9,851,352,337
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	35	(3.63)	35.92

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, 2023

	2023 Rupees	2022 Rupees
(LOSS) / PROFIT AFTER TAXATION	(752,628,221)	9,851,352,337
OTHER COMPREHENSIVE INCOME		
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	7,176,761	1,991,564
Other comprehensive income for the year	7,176,761	1,991,564
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(745,451,460)	9,853,343,901
TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	(864,733,094)	8,628,142,877
NON-CONTROLLING INTEREST	119,281,634	1,225,201,024
	(745,451,460)	9,853,343,901

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, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	36	(6,428,278,931)	18,626,723,330
Net increase in long term security deposits		(3,224,793)	(266,622)
Finance cost paid		(4,756,925,773)	(2,829,427,990)
Income tax paid		(853,359,702)	(463,853,093)
Net decrease / (increase) in long term loans to employees		15,355,127	(3,950,842)
Net cash (used in) / generated from operating activities		(12,026,434,072)	15,329,224,783
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,795,636,433)	(7,477,912,115)
Proceeds from disposal of operating fixed assets		120,402,239	80,521,546
Capital expenditure on intangible asset		(1,733,750)	(591,164)
Short term investments - net		8,188,933,548	(8,224,260,872)
Interest received		22,931,967	54,517,058
Net cash from / (used in) investing activities		5,534,897,571	(15,567,725,547)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		375,543,759	9,798,969,235
Repayment of long term financing		(1,632,167,201)	(2,644,543,271)
Repayment of lease liabilities		(49,992,943)	(45,505,776)
Short term borrowings - net		8,827,733,390	(5,288,543,698)
Dividend paid		(955,067,148)	(1,908,851,228)
Net cash from / (used in) financing activities		6,566,049,857	(88,474,738)
Net increase / (decrease) in cash and cash equivalents		74,513,356	(326,975,502)
Impact of exchange translation		7,176,761	1,991,564
Cash and cash equivalents of Nishat Chunian Power Limited - former subsidiary company and now associated company (Note 37)		(46,896,996)	-
Cash and cash equivalents at the beginning of the year		248,790,227	573,774,165
Cash and cash equivalents at the end of the year		283,583,348	248,790,227

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, 2023

	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	General reserve	Un-appropriated profit	Total				
						Rupees				
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
Transactions with owners:										
Final dividend for the year ended 30 June 2021 @ Rupees 5 per share	-	-	-	-	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	(1,200,595,145)	-	(1,200,595,145)
Interim dividend for the year ended 30 June 2022 @ Rupees 3 per share	-	-	-	-	(720,357,087)	(720,357,087)	(720,357,087)	(720,357,087)	-	(720,357,087)
	-	-	-	-	(1,920,952,232)	(1,920,952,232)	(1,920,952,232)	(1,920,952,232)	-	(1,920,952,232)
Profit for the year	-	-	-	-	8,626,151,313	8,626,151,313	8,626,151,313	8,626,151,313	1,225,201,024	9,851,352,337
Other comprehensive income for the year	-	1,991,564	-	-	-	-	1,991,564	1,991,564	-	1,991,564
Total comprehensive income for the year	-	1,991,564	-	-	8,626,151,313	8,626,151,313	8,628,142,877	8,628,142,877	1,225,201,024	9,853,343,901
Balance as at 30 June 2022	2,401,190,290	23,438,937	600,553,890	1,629,221,278	30,404,170,463	32,033,391,741	32,657,384,568	35,058,574,858	11,738,807,602	46,797,382,460
Transactions with owners:										
Final dividend for the year ended 30 June 2022 @ Rupees 4 per share	-	-	-	-	(960,476,116)	(960,476,116)	(960,476,116)	(960,476,116)	-	(960,476,116)
Adjustment due to transfer of investment of Holding company in Nishat Chunian Power Limited - former subsidiary company and now associated company (Note 37)	-	-	-	-	(12,661,016,941)	(12,661,016,941)	(12,661,016,941)	(12,661,016,941)	(11,858,089,236)	(24,519,106,177)
	-	-	-	-	(13,621,493,057)	(13,621,493,057)	(13,621,493,057)	(13,621,493,057)	(11,858,089,236)	(25,479,582,293)
Loss for the year	-	-	-	-	(871,909,855)	(871,909,855)	(871,909,855)	(871,909,855)	119,281,634	(752,628,221)
Other comprehensive income for the year	-	7,176,761	-	-	-	-	7,176,761	7,176,761	-	7,176,761
Total comprehensive loss for the year	-	7,176,761	-	-	(871,909,855)	(871,909,855)	(864,733,094)	(864,733,094)	119,281,634	(745,451,460)
Balance as at 30 June 2023	2,401,190,290	30,615,698	600,553,890	1,629,221,278	15,910,767,551	17,539,988,829	18,171,158,417	20,572,348,707	-	20,572,348,707

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company

- Nishat (Chunian) Limited

Subsidiary Companies

- Nishat Chunian Properties (Private) Limited
- Nishat Chunian USA Inc.
- Sweave Inc.
- T L C Middle East Trading L.L.C

(a) 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.

(b) Nishat Chunian Properties (Private) Limited

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

(c) Nishat Chunian USA Inc.

Nishat Chunian USA Inc., a wholly owned subsidiary of Nishat (Chunian) Limited, 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.

(d) 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.

(e) T L C Middle East Trading L.L.C

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

1.2 Nishat Chunian Power Limited - former subsidiary company

Nishat Chunian Power Limited is a public Company limited by shares incorporated in Pakistan on 23 February 2007 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Nishat Chunian Power Limited's ordinary shares are 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. On 11 February 2021, Nishat Chunian Power Limited entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, Nishat Chunian Power Limited entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on 20 July 2021 was extended by seventy five (75) days to 04 October 2021. Therefore, the existing term of the PPA Agreement has been extended by seventy five days to twenty five years and seventy five days ending on 04 October 2035.

Nishat Chunian Power Limited was a subsidiary of Nishat (Chunian) Limited (NCL) that held 51.07% shares of Nishat Chunian Power Limited. The Board of Directors of Nishat (Chunian) Limited (NCL) in its meeting held on 21 February 2022 approved a Scheme of Compromises, Arrangement and Reconstruction (Under Sections 279 to 283 and 285 of the Companies Act, 2017) amongst NCL and its members and Nishat Chunian Properties (Private) Limited (subsidiary of NCL) and its members. One of the principal objects of the Scheme was to make NCL and Nishat Chunian Power Limited totally independent of each other by the transfer amongst the members of NCL of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by NCL. On 29 June 2022, the Honourable Lahore High Court, Lahore approved the aforesaid Scheme. The Effective Date of the Scheme for this purpose was the commencement date of book closure i.e. 10 August 2022 as announced by NCL in accordance with Pakistan Stock Exchange Limited Regulations. After the completion of necessary corporate and legal formalities in this regard, Nishat Chunian Power Limited ceased to be the subsidiary of NCL with effect from 10 August 2022.

1.3 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 Units 2, 3, 6 and 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 – Pakistan**	31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore.
5	**Office - USA**	230 Fifth Avenue, Suite 1406, New York, NY 10001.
6	**Office - USA**	2728 Railroad Grade Road, Fleetwood, North Carolina, NC 28262.
7	**Office - UAE**	Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates.
8	**Retail stores**	
9	The Linen Company (TLC) – I	Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore.
10	The Linen Company (TLC) – II	Shop No. 008, 2nd Floor, Packages Mall, Lahore.
11	The Linen Company (TLC) – III	Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.
12	The Linen Company (TLC) – IV	Shop No. 45, 3rd Floor, Centaurus Mall, Islamabad.
13	The Linen Company (TLC) – V	Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi.
14	The Linen Company (TLC) – VI	Plot No. HC-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.
15	The Linen Company (TLC) – VII	Shop 8, 1st Floor, Bosan Road, Multan.
16	The Linen Company (TLC) – VIII	Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt.
17	**Warehouse**	Room No. 1022, 10th Floor, 4-16 West 33rd Street, Manhattan, City of New York.

1.4 Significant restrictions

Cash and bank balances held in foreign countries 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 4.446 million (2022: Rupees 18.651 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.

Future estimation of export sales

Deferred income tax calculation has been based on estimate of future ratio of export and local sales.

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 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract which amended IAS 1 'Presentation of Financial Statements'.

- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.

- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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 2022 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 2023 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'.

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 consolidated financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their consolidated financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their consolidated financial statements.

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 01 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.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an nvestor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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 2023 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.

Provision for income tax on the income of foreign subsidiaries – Nishat Chunian USA Inc., T L C Middle East Trading L.L.C and Sweave Inc. are 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.

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

The Holding 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 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 15.1. Depreciation on standby generators of the Holding Company is charged on the basis of number of hours used. Depreciation on power generation equipment of the Holding Company 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 15.1. 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.

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 less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of 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.

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 recognizes loss allowances for ECLs on:

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

The Group 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 Group 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 Group’s historical experience and informed credit assessment and including forward-looking information.

The Group 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 Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group '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 Group 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 Group'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 Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group 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 Group 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 Group's procedures for recovery of amounts due.

At each reporting date, the Group 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 Group on terms that the Group 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.

2.13 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.

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

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 and subsequently measured at amortized cost using the effective interest method.

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.

Dividend

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

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the consolidated 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 consolidated statement of profit or loss.

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 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Zone 3 (Unit No. 2, 3 and 6) (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. AUTHORIZED SHARE CAPITAL

2023	2022		2023	2022
(Number of shares)			Rupees	Rupees
350,000,000	350,000,000	Ordinary shares of Rupees 10 each	3,500,000,000	3,500,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
370,000,000	370,000,000		3,700,000,000	3,700,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023	2022		2023	2022
(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

5. RESERVES

	2023 Rupees	2022 Rupees
Composition of reserves is as follows:		
Capital reserves		
Exchange translation reserve [Note 2.2(b)]	30,615,698	23,438,937
Share premium (Note 5.1)	600,553,890	600,553,890
	631,169,588	623,992,827
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	15,910,767,551	30,404,170,463
	17,539,988,829	32,033,391,741
	18,171,158,417	32,657,384,568

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

6. LONG TERM FINANCING

	2023 Rupees	2022 Rupees
From banking companies / financial institutions - secured		
Long term loans (Note 6.1)	12,745,749,728	13,674,037,925
Long term musharaka (Note 6.2)	1,279,468,806	1,490,411,865
	14,025,218,534	15,164,449,790
Less: Current portion shown under current liabilities (Note 12)		
Long term loans	(1,321,160,103)	(1,492,588,198)
Long term musharaka	(165,793,357)	(231,258,205)
	(1,486,953,460)	(1,723,846,403)
	12,538,265,074	13,440,603,387

6.1 Long term loans

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Nishat (Chunian) Limited - Holding Company (Note 6.3)						
MCB Bank Limited	100,000,000	120,000,000	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 6.5)	-	Quarterly
MCB Bank Limited	40,250,000	50,312,500	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	-	129,800,000	SBP rate for LTFF+ 1.25%	Ten equal half yearly instalments commenced on 18 October 2017 and ended on 18 April 2023. (Note 6.5)	-	Quarterly
MCB Bank Limited	2,000,000,000	2,000,000,000	3-months KIBOR + 0.20%	Twenty equal quarterly instalments commencing on 11 February 2024 and ending on 11 November 2028.	Quarterly	Quarterly
Allied Bank Limited	132,187,500	161,562,500	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	78,196,875	94,659,375	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	232,156,250	281,031,250	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	56,762,500	68,712,500	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	73,625,000	88,350,000	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	55,863,061	61,642,000	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	94,877,125	104,692,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	17,017,834	18,778,300	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	29,004,532	32,005,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	13,567,468	14,971,000	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	61,544,906	67,911,620	SBP rate for LTFF+ 1.00%	Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Allied Bank Limited	-	55,555,560	SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ended on 26 August 2022. (Note 6.5)	-	Quarterly
Allied Bank Limited	812,500,000	1,000,000,000	3-months KIBOR + 0.18%	Sixteen equal quarterly instalments commenced on 30 September 2022 and ending on 30 June 2026.	Quarterly	Quarterly
Allied Bank Limited	1,000,000,000	1,000,000,000	3-months KIBOR + 0.10%	Twenty four equal quarterly instalments commencing on 24 August 2024 and ending on 24 May 2030.	Quarterly	Quarterly
Askari Bank Limited	74,700,000	91,300,000	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

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Askari Bank Limited	9,000,000	11,000,000	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	67,500,000	82,500,000	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	63,460,000	76,820,000	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	3,100,000	3,720,000	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	29,400,000	35,000,000	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	10,000,000	12,000,000	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	58,900,000	70,680,000	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	2,877,000	3,452,400	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	10,657,500	12,687,500	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	118,000,000	141,600,000	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	246,807,000	283,371,000	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)	1,221,919,577	1,142,637,394	SBP rate for TERF + 2.00%	Five hundred and seventy six unequal instalments commencing on 26 August 2023 and ending on 22 April 2032.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	254,718,850	271,704,850	SBP rate for LTFF + 1.00%	Twenty equal quarterly instalments commenced on 05 January 2023 and ending on 05 October 2027.	-	Quarterly
Pak Kuwait Investment Company (Private) Limited	13,515,950	14,417,950	SBP rate for LTFF + 1.00%	Thirty two equal quarterly instalments commenced on 05 January 2023 and ending on 04 October 2030.	-	Quarterly
Habib Bank Limited	200,000,000	600,000,000	3-months 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	-	144,378,095	6-months KIBOR + 0.90%	Nine equal half yearly instalments commenced on 02 November 2017 and ended on 02 November 2022. (Note 6.5)	Half yearly	Quarterly
Habib Bank Limited	1,828,426,117	1,828,426,117	3-months KIBOR + 0.45%	Eighty unequal instalments commencing on 20 September 2024 and ending on 20 May 2032.	Quarterly	Quarterly
Habib Bank Limited	350,956,713	350,956,713	SBP rate for LTFF + 1.00%	Ninety six unequal instalments commencing on 03 June 2024 and ending on 15 April 2032.	-	Quarterly
Habib Bank Limited	215,133,503	215,133,503	SBP rate for LTFF + 1.00%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032.	-	Quarterly

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Habib Bank Limited (Note 6.6)	-	93,180,163	SBP rate for refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 01 January 2021 and ended on 01 October 2022.	-	Quarterly
Habib Bank Limited	221,825,624	-	3-months KIBOR + 0.45%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032	Quarterly	Quarterly
Soneri Bank Limited	177,828,125	215,265,625	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	138,750,000	166,500,000	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
National Bank of Pakistan	21,210,673	-	SBP rate for LTFF + 1.00%	Forty equal quarterly instalments commencing on 30 June 2024 and ending on 31 March 2034	-	Quarterly
National Bank of Pakistan	132,507,462	-	3-month KIBOR + 1.00%	Forty equal quarterly instalments commencing on 30 June 2024 and ending on 31 March 2034	Quarterly	Quarterly
United Bank Limited	2,000,000,000	2,000,000,000	1-month KIBOR + 0.25%	Twenty four equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2029.	Monthly	Quarterly
United Bank Limited (Note 6.8)	477,002,583	440,213,010	SBP rate for TERF + 1.25%	Ninety six unequal instalments commencing on 08 October 2023 and ending on 25 March 2032.	-	Quarterly
	12,745,749,728	13,656,927,925				
Nishat Chunian Power Limited - former subsidiary company and now associated company						
Loan under SBP Refinance Scheme	-	17,110,000	SBP rate for refinance scheme for payment of salaries and wages + 1.50% and 3.00%	Eight equal quarterly instalments commenced on 04 January 2021 and ended on 19 October 2022.	-	Quarterly
	12,745,749,728	13,674,037,925				

6.2 Long term musharaka

LENDER	2023	2022	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupees	Rupees				
Nishat (Chunian) Limited - Holding Company (Note 6.4)						
Meezan Bank Limited	244,752,920	261,069,782	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 24 March 2023 and ending on 24 December 2030.	-	Quarterly
Meezan Bank Limited (Note 6.9)	381,669,745	388,997,350	SBP rate for ITERF + 2.75%	One hundred and twenty eight unequal instalments commenced on 30 March 2023 and ending on 28 May 2031	-	Quarterly
Meezan Bank Limited	6,430,563	6,638,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	16,114,575	16,634,400	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	11,597,972	11,972,100	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	66,306,675	68,445,600	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	13,814,375	14,260,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	110,277,366	113,834,700	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030.	-	Quarterly
Meezan Bank Limited	197,652,000	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
Meezan Bank Limited	52,998,400	52,998,400	SBP rate for LTFF + 1.50%	Thirty two equal quarterly instalments commencing on 27 October 2023 and ending on 27 July 2031.	-	Quarterly
MCB Islamic Bank Limited (Note 6.9)	177,854,215	167,423,709	SBP rate for ITERF + 1.50%	Ninety six unequal instalments commencing on 06 August 2023 and ending on 25 May 2031.	-	Quarterly
Faysal Bank Limited (Note 6.7)	-	184,612,066	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.00%	Eight equal quarterly instalments commenced on 30 March 2021 and ended on 30 December 2022.	-	Quarterly
Faysal Bank Limited (Note 6.7)	-	5,873,758	SBP rate for Islamic refinance scheme for payment of salaries and wages + 1.25%	Eight equal quarterly instalments commenced on 30 March 2021 and ended on 30 December 2022.	-	Quarterly
	1,279,468,806	1,490,411,865				

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 21,484.022 million (2022: Rupees 21,769.914 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 2,199.998 million (2022: Rupees 3,787.667 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 were obtained by the Holding Company under SBP refinance scheme for payment of salaries and wages. These were recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment was recognized at discount rates ranging from 7.92% to 8.03% per annum.

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

6.8 These loans are obtained by the 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 8.23% to 14.27% per annum.

6.9 These loans are obtained by the 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 11.44% per annum.

		2023 Rupees	2022 Rupees
7.	**LEASE LIABILITIES**		
	Total lease liabilities	132,734,414	90,649,683
	Less: Current portion shown under current liabilities (Note 12)	(64,067,847)	(34,645,327)
		68,666,567	56,004,356
7.1	**Reconciliation of lease liabilities**		
	Opening balance	90,649,683	120,881,507
	Add: Additions during the year	98,087,096	25,199,677
	Add: Interest accrued on lease liabilities (Note 33)	13,591,883	11,558,235
	Less: Impact of lease termination	(9,579,843)	(9,925,725)
	Less: Payments during the year	(63,584,826)	(57,064,011)
	Add: Impact of exchange loss	3,570,421	-
	Closing balance	132,734,414	90,649,683

		2023 Rupees	2022 Rupees
7.2	**Maturity analysis of lease liabilities is as follows:**		
	Upto 6 months	39,346,353	25,456,747
	6-12 months	40,286,404	18,022,544
	1-2 years	43,484,847	35,564,384
	More than 2 years	37,229,387	31,071,655
		160,346,991	110,115,330
	Less: Future finance cost	(27,612,577)	(19,465,647)
	Present value of lease liabilities	132,734,414	90,649,683
7.3	**Amounts recognised in the consolidated statement of profit or loss**		
	Expense relating to short term leases (included in distribution cost)	-	25,146,805
	Interest accrued during the year	13,591,883	11,558,235
		13,591,883	36,705,040

7.4 Implicit rate against lease liabilities ranges from 7.97% to 21.41% (2022: 7.01% to 13.97%) per annum.

		2023 Rupees	2022 Rupees
8.	**DEFERRED LIABILITIES**		
	Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	-	-
	Deferred income - Government grant (Note 8.2)	677,389,719	832,798,931
		677,389,719	832,798,931
8.1	**Gas Infrastructure Development Cess (GIDC) Payable**		
	Gas Infrastructure Development Cess payable at amortized cost	450,872,207	438,359,078
	Add: Adjustment due to impact of IFRS 9 (Note 33)	267,980	12,513,129
	Less: Adjustment during the year	(19,952,391)	-
	Closing balance	431,187,796	450,872,207
	Less: Current portion shown under current liabilities (Note 12)	(431,187,796)	(450,872,207)
		-	-

8.1.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, 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.

		2023 Rupees	2022 Rupees
8.2	**Deferred income - Government grant**		
	Opening balance	978,773,879	193,082,195
	Less: Deferred income derecognized relating to Nishat Chunian Power Limited - former subsidiary company and now associated company (Note 37)	(99,833)	-
	Government grant recognized during the year	-	881,639,750
	Less: Amortized during the year	(145,875,115)	(95,948,066)
		832,798,931	978,773,879
	Less: Current portion shown under current liabilities (Note 12)	(155,409,212)	(145,974,948)
		677,389,719	832,798,931

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 was that borrowers could obtain loan at mark-up rates that were 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 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.

		2023 Rupees	2022 Rupees
9.	**TRADE AND OTHER PAYABLES**		
	Creditors	1,313,319,045	983,984,478
	Sindh infrastructure cess payable (Note 9.1)	1,101,364,137	746,149,339
	Accrued liabilities	1,094,749,599	2,068,275,221
	Contract liabilities - unsecured	488,834,712	162,118,230
	Securities from contractors - interest free and repayable on completion of contracts (Note 9.2)	4,662,800	4,811,800
	Retention money	24,173,129	35,022,362
	Income tax deducted at source	104,088,556	35,729,410
	Fair value of forward exchange contracts	-	154,046,505
	Payable to employees' provident fund trust	8,300,503	-
	Workers' profit participation fund (Note 9.3)	-	1,080,319,677
	Workers' welfare fund (Note 9.4)	35,663,769	228,058,769
	Others	81,530,546	80,650,828
		4,256,686,796	5,579,166,619

9.1 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 Holding Company filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favour 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 Holding 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 Honourable Sindh High Court, Karachi. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

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

	2023 Rupees	2022 Rupees
9.3 Workers' profit participation fund		
Opening balance	1,080,319,677	834,730,188
Less: Derecognition of liability relating to Nishat Chunian Power Limited - former subsidiary company and now associated company	(651,841,000)	-
Add: Interest for the year (Note 33)	1,408,698	20,851,237
Add: Adjustment during the year	20,112,625	-
Add: Provision for the year	-	553,712,680
	450,000,000	1,409,294,105
Less: Payments during the year	(450,000,000)	(328,974,428)
Closing balance	-	1,080,319,677

9.3.1 The Holding Company 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.

	2023 Rupees	2022 Rupees
9.4 Workers' welfare fund		
Opening balance	228,058,769	177,362,596
Less: Derecognition of liability relating to Nishat Chunian Power Limited - former subsidiary company and now associated company	(192,395,000)	-
Add: Provision for the year	-	50,696,173
Closing balance	35,663,769	228,058,769
10. ACCRUED MARK-UP / PROFIT		
Long term financing	452,367,077	199,540,765
Short term borrowings	944,942,268	515,701,083
	1,397,309,345	715,241,848

	2023 Rupees	2022 Rupees
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Nishat (Chunian) Limited - Holding Company		
Short term running finances (Notes 11.1 and 11.2)	13,058,819,675	3,049,797,496
Export finances - Preshipment / SBP refinance (Notes 11.1 & 11.3)	7,027,349,773	3,874,638,840
Other short term finances (Notes 11.1 and 11.4)	7,400,000,000	5,900,000,000
Murabaha finance (Notes 11.1 and 11.5)	395,548,396	119,573,561
Nishat Chunian Power Limited - former subsidiary company and now associated company		
Running finances	-	6,177,017,000
Running musharaka and murabaha facilities	-	4,674,709,000
	27,881,717,844	23,795,735,897

11.1 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 Holding Company to the extent of Rupees 46,660 million (2022: Rupees 46,660 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 16,001 million (2022: Rupees 7,467 million). These form part of total credit facilities of Rupees 42,315 million (2022: Rupees 39,615 million).

11.2 The effective rates of mark-up range from 14.55% to 23.08% (2022: 7.70% to 15.31%) per annum.

11.3 The effective rates of mark-up on Pak Rupee finances and US Dollar finances range from 9.10% to 21.69% (2022: 1.00% to 11.13%) per annum and 1.00% to 2.50% (2022: 0.75% to 0.85%) respectively.

11.4 The effective rates of mark-up range from 10.93% to 17.50% (2022: 7.54% to 15.28%) per annum.

11.5 The effective rate of profit range from 4.50% to 11.06% (2022: 7.60% to 11.06%) per annum.

	2023 Rupees	2022 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	1,486,953,460	1,723,846,403
Lease liabilities (Note 7)	64,067,847	34,645,327
Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	431,187,796	450,872,207
Deferred income - Government grant (Note 8.2)	155,409,212	145,974,948
	2,137,618,315	2,355,338,885
13. PROVISION FOR TAXATION - NET		
Provision for taxation	912,014,984	881,527,308
Less: Advance income tax	(767,409,524)	(795,613,110)
	144,605,460	85,914,198

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 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 78.582 million is payable on this account but the management of the Holding Company is confident that payment of electricity duty will not be required.

14.1.2 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, Karachi on 07 December 2013 against the order of ATIR, where the case is pending.

14.1.3 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 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.

14.1.4 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 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 consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

14.1.5 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 which culminated in favour of the Holding Company.

14.1.6 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.

14.1.7 The DCIR through an order under section 161 and 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 filed appeal before ATIR which culminated in favour of the Holding Company.

14.1.8 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.

14.1.9 The 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, against which the Holding Company filled appeal before CIR(A). 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 culminated into an ex-parte appellate order by ATIR. Being aggrieved, the Holding Company filed before ATIR to recall the ex-parte order. The hearing of appeal is still pending fixation. 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.

14.1.10 The DCIR 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 filed an appeal before ATIR against the order of CIR(A) which culminated in favour of the Holding Company.

14.1.11 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 Honourable Sindh High Court, 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 Sindh High Court, Karachi 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 Honourable 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.

14.1.12 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 198.447 million (2022: Rupees 747.486 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.

14.1.13 The ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.846 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Holding Company. Being aggrieved, the Holding Company is in appeal before ATIR against the order of CIR(A). 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.

14.1.14 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 under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 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) and 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 have not been re-initiated by the concerned DCIR. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Holding Company.

14.1.15 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. However, based on facts of the case, the aforesaid proceedings are likely to culminate in favour of the Holding Company.

14.1.16 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. However, based on facts of the case, the aforesaid proceedings are likely to culminate in favour of the Holding Company.

14.1.17 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, Lahore 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 favourable outcome of its appeal.

14.1.18 In case of NC Electric Company Limited [now Nishat (Chunian) Limited - Holding Company] proceedings were initiated by DCIR under section 235, 161 and 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 and 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 sections 124, 235 and 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 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. Subsequently, a notice dated 31 August 2020 reinitiating the proceedings was issued. The said notice was duly responded to. However, order is yet to be passed.

14.1.19 The 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 was filed before the CIR(A) who vide his order dated 24 January 2022 waived the tax demand created by CIR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Holding Company being aggrieved with the decision, filed an appeal before ATIR which culminated into partial relief for the Holding Company. In response to the remaining issues, the Holding Company has filed a reference before Honourable Lahore High Court, Lahore, the hearing is still pending fixation. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Holding Company.

14.1.20 The 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 was filed before the CIR(A), who vide his order dated 03 June 2022 passed an order against the Holding Company. The Holding Company being aggrieved filled an appeal before ATIR wherein ATIR deleted majority of the heads and only three heads were remanded back to the department for proceedings afresh. In response to the order, an application for issuance of appeal effect order has been submitted before assessing officer. No further notice has been issued in this regard. Based on the facts of the case, it is likely that the said proceedings will culminate in the Holding Company's favour.

14.1.21 The 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), who vide his order dated 06 January 2022 passed an order against the Holding Company. The Holding Company being aggrieved with the decision, filed an appeal before ATIR which culminated in passing of order deleting tax demand amounting to Rupees 31.876 million, while tax demanded amounting to Rupees 15.298 million was upheld and tax demand amounting to Rupees 40.342 million was remanded back. The Holding Company has submitted an application for issuance of appeal effect order to assessing officer. The remand back proceedings are pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.22 Proceedings under sections 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under sections 161 and 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)-I, who upheld the demand amounting to Rupees 62.675 million while demand of Rupees 42.804 million was remanded back to the department for proceedings afresh. The Holding Company being aggrieved filed an appeal before ATIR which has been heard for order. Based on the facts of the case, it is likely that the order will be in Holding Company's favour.

14.1.23 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)-I, who vide his order dated 28 March 2022 passed an order against the Holding Company. Being aggrieved, the Holding Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.24 The DCIR initiated post sales tax refunds audit proceedings for tax periods July 2017 to June 2019 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 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by the DCIR, an appeal has been filed before the CIR(A) which culminated, giving partial relief to the Holding Company. Being aggrieved, an appeal has been filed before ATIR by the Holding Company which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.25 Through show cause notice, DCIR raised a demand of Rupees 24.512 million under section 8 of the Sales Tax Act, 1990 for the tax periods July 2016 to June 2018. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Holding Company, the DCIR passed an order dated 30 June 2019 under section 8 of the Sales Tax Act, 1990 creating a demand of Rupees 24.512 million along with default surcharge and penalty. Being aggrieved with the order passed by the DCIR, an appeal was filed before CIR(A)-I who vide his order dated 10 December 2019 upheld the assessment order made by DCIR. Subsequently, an appeal was filed before ATIR who vide its order dated 05 August 2021 rejected the appeal of the Holding Company. Subsequently, the Holding Company has filed an application before ATIR for reconsideration of the said order. Based on grounds and facts, Holding Company is hopeful for a favourable outcome of the appeal.

14.1.26 The DCIR initiated post sales tax refunds audit proceedings for tax periods July 2015 to September 2015 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. The said proceedings culminated in the learned DCIR passing an order under section 11(2) of the Sales Tax Act, 1990 creating a sales tax demand of Rupees 3.352 million. In response to the order passed by DCIR, an appeal has been filed before the CIR(A), which culminated in learned CIR(A) remanding back the proceedings. Subsequently the learned DCIR passed an adverse order against the Holding Company. The Holding Company being aggrieved by the order of DCIR filled an appeal before CIR(A) which culminated in passing an order, remanding back the proceedings. Subsequently, a notice by DCIR was issued re-initiating the second round proceedings, which culminated in adverse order against the Holding Company. The Holding Company, being aggrieved, filed an appeal before CIR(A) which culminated against the Holding Company. Being aggrieved, the Holding Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.

14.1.27 The ACIR issued a notice under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit certain records and documents. In response to the aforementioned notice, a reply has been submitted with the learned ACIR who passed an order under section 122(5A) of the Income Tax Ordinance, 2001 whereby ACIR is demanding income tax of Rupees 682.589 million. In retort, an appeal has been filled before CIR(A) which is pending adjudication. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Holding Company.

14.1.28 Guarantees of Rupees 2,110.704 million (2022: Rupees 1,140.200 million) are given by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director

Excise and Taxation, Karachi against infrastructure cess, Chairperson Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sindh High Court, Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.

14.1.29 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 34,440.200 million (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 (2022: Rupees 154.300 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments, post dated cheques of Rupees 156.532 million (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 and post dated cheques of Rupees 189.375 million (2022: Rupees Nil) have been issued to Commissioner Inland Revenue against the proceedings under section 122(5A) for tax year 2022.

14.2 Commitments

14.2.1 Letters of credit for capital expenditure amounting to Rupees 9.497 million (2022: Rupees Nil).

14.2.2 Letters of credit other than for capital expenditure amounting to Rupees 652.880 million (2022: Rupees 526.567 million).

14.2.3 Outstanding foreign currency forward contracts of Rupees Nil (2022: Rupees 2,488.054 million).

	2023 Rupees	2022 Rupees
15. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 15.1)	22,830,357,043	27,906,867,002
Capital work-in-progress (Note 15.2)	1,193,698,101	4,538,260,664
	24,024,055,144	32,445,127,666

15.1 Reconciliation of carrying amount 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 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
Year ended 30 June 2022										
Opening 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
Additions	217,040,223	170,390,261	2,878,368,425	10,593,193	222,376,182	59,180,609	46,713,901	20,153,350	97,885,352	3,722,701,496
Disposals:										
Cost	-	-	(190,546,212)	-	-	-	(1,595,066)	(2,333,566)	(62,054,153)	(256,528,997)
Accumulated depreciation	-	-	181,933,753	-	-	-	945,066	1,492,494	51,005,769	235,377,082
	-	-	(8,612,459)	-	-	-	(650,000)	(841,072)	(11,048,384)	(21,151,915)
Assets written off:										
Cost	-	(11,821,201)	(14,550,000)	-	-	-	-	-	(1,276,725)	(27,647,926)
Accumulated depreciation	-	3,525,584	7,590,762	-	-	-	-	-	1,182,732	12,299,078
	-	(8,295,617)	(6,959,238)	-	-	-	-	-	(93,993)	(15,348,848)
Reclassifications	-	-	116,781,944	17,210,285	(133,583,887)	-	(425,342)	17,000	-	-
Depreciation charge	-	(167,158,926)	(1,849,329,399)	(7,996,851)	(42,058,362)	(15,537,950)	(15,949,993)	(9,350,515)	(37,050,055)	(2,144,432,051)
Closing net book value	1,567,355,919	3,179,412,816	21,872,447,612	323,650,619	388,693,314	176,772,857	130,199,609	82,642,637	185,691,619	27,906,867,002
At 30 June 2022										
Cost	1,567,355,919	5,218,079,429	41,426,576,123	1,056,694,667	837,899,819	371,655,997	242,424,167	206,582,858	331,550,645	51,258,819,624
Accumulated depreciation	-	(2,038,666,613)	(19,554,128,511)	(733,044,048)	(449,206,505)	(194,883,140)	(112,224,558)	(123,940,221)	(145,859,026)	(23,351,952,622)
Net book value	1,567,355,919	3,179,412,816	21,872,447,612	323,650,619	388,693,314	176,772,857	130,199,609	82,642,637	185,691,619	27,906,867,002
Year ended 30 June 2023										
Opening net book value	1,567,355,919	3,179,412,816	21,872,447,612	323,650,619	388,693,314	176,772,857	130,199,609	82,642,637	185,691,619	27,906,867,002
Additions	264,122,476	777,697,313	4,393,972,324	-	455,662,617	103,273,425	43,931,677	20,997,774	80,541,390	6,140,198,996
Disposals:										
Cost	-	-	(348,325,879)	-	-	(68,000)	(896,471)	(5,300,205)	(76,732,002)	(431,322,557)
Accumulated depreciation	-	-	292,011,974	-	-	65,894	86,419	2,072,060	34,129,179	328,365,526
	-	-	(56,313,905)	-	-	(2,106)	(810,052)	(3,228,145)	(42,602,823)	(102,957,031)
Adjustments to operating fixed assets relating to Nishat Chunian Power Limited - former subsidiary company and now associated company (Note 37)	(225,183,639)	(109,341,699)	(9,005,536,657)	166,098,438	(227,049,018)	31,427,640	1,312,590	(3,718,736)	(29,620,348)	(9,401,611,429)
Assets written off:										
Cost	-	-	(17,400,106)	-	(11,582,719)	(4,647,294)	(10,729,474)	(4,621,448)	-	(48,981,041)
Accumulated depreciation	-	-	6,474,297	-	2,991,817	1,662,009	5,369,642	2,555,085	-	19,052,850
	-	-	(10,925,809)	-	(8,590,902)	(2,985,285)	(5,359,832)	(2,066,363)	-	(29,928,191)
Depreciation charge	-	(173,730,480)	(1,201,769,800)	(175,630,220)	(10,250,065)	(53,087,792)	(19,481,019)	(9,940,132)	(38,322,796)	(1,682,212,304)
Closing net book value	1,606,294,756	3,674,037,950	15,991,873,765	314,118,837	598,465,946	255,398,739	149,792,973	84,687,035	155,687,042	22,830,357,043
At 30 June 2023										
Cost	1,606,294,756	5,783,048,825	27,127,278,202	1,056,694,667	1,085,848,635	473,133,128	269,889,546	151,586,240	281,890,034	37,835,664,033
Accumulated depreciation	-	(2,109,010,875)	(11,135,404,437)	(742,575,830)	(487,382,689)	(217,734,389)	(120,096,573)	(66,899,205)	(126,202,992)	(15,005,306,990)
Net book value	1,606,294,756	3,674,037,950	15,991,873,765	314,118,837	598,465,946	255,398,739	149,792,973	84,687,035	155,687,042	22,830,357,043
Annual rate of depreciation (%)		5	4 - 10	Number of hours used	10	10	10 - 20	10 - 20	20	

15.1.1 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								
Comber E-7/6	6	15,014,102	(14,112,729)	901,373	945,055	43,682	Negotiation	Mr. Khalid Pervaz, Faisalabad
Ring Frame EJM - 128	2	5,274,262	(4,665,766)	608,496	1,076,924	468,428	Negotiation	Rehman Traders, Pattoki
Ring Frame EJM - 128	6	15,735,250	(12,738,934)	2,996,316	4,230,000	1,233,684	Negotiation	Mr. Khalid Pervaz, Faisalabad
Simplex Frame, RME Howa	3	6,987,360	(6,357,964)	629,396	2,051,283	1,421,887	Negotiation	Mubashar Brothers, Faisalabad
Toyoda RY-5	4	6,424,120	(5,721,161)	702,959	5,600,000	4,897,041	Negotiation	Olympia Blended Fiber Mills Limited, Lahore
Savio Orion	1	4,101,473	(3,394,304)	707,169	608,975	(98,194)	Negotiation	Awais Impex, Faisalabad
Simplex Machine	1	2,750,000	(1,969,890)	780,110	726,496	(53,614)	Negotiation	Mubashar Brothers, Faisalabad
Autocone, Savio / Italy Orion M	1	18,495,232	(15,070,515)	3,424,717	502,137	(2,922,580)	Negotiation	Venus Industries, Faisalabad
Ring Frame EJM - 128	7	31,412,910	(26,342,549)	5,070,361	3,769,232	(1,301,129)	Negotiation	Abdullah Waleed Textile Mills, Faisalabad
Over Lock 5 Thread Pegasus M 732	52	4,810,523	(3,884,907)	925,616	585,000	(340,616)	Negotiation	M. Riaz Traders, Lahore
Picanol Air Jet 340	4	14,043,164	(11,816,191)	2,226,973	3,200,000	973,027	Negotiation	Asco International (Private) Limited, Karachi
CS-5100BT (Golden Wheel) Single Needle	40	2,019,006	(1,428,892)	590,114	400,000	(190,114)	Negotiation	Sadaqat Limited, Faisalabad
Needle Detector Machines	2	2,307,420	(1,597,064)	710,356	20,583	(689,773)	Negotiation	M. Riaz Traders, Lahore
Ring Frame EJM - 128	1	4,487,559	(3,770,457)	717,102	538,462	(178,640)	Negotiation	Mubashar Brothers, Faisalabad
Savio Orion	3	33,400,258	(27,148,524)	6,251,734	2,884,614	(3,367,120)	Negotiation	Sana Industries Limited, Karachi
Picanol Air Jet 340 cm	2	7,021,582	(5,934,846)	1,086,736	1,600,000	513,264	Negotiation	Zaigham Mian Sizing, Sarghoda
Savio Orion-M	1	9,738,188	(8,570,087)	1,168,101	961,538	(206,563)	Negotiation	Sana Industries Limited, Karachi
Savio Orion	2	22,266,839	(18,129,717)	4,137,122	1,004,274	(3,132,848)	Negotiation	Mubashar Brothers, Faisalabad
Picanol Air Jet 340 cm	6	21,064,746	(17,831,289)	3,233,457	4,800,000	1,566,543	Negotiation	Valitex (Private) Limited, Karachi
Picanol Air Jet 340 cm	1	3,510,791	(2,971,882)	538,909	800,000	261,091	Negotiation	Valitex (Private) Limited, Karachi
Toyoda Simplex Fl-16-120 Spindles	1	2,100,000	(1,517,824)	582,176	726,496	144,320	Negotiation	Mubashar Brothers, Faisalabad
Vetal Scan (Sorter)	2	7,925,928	(7,180,319)	745,609	93,220	(652,389)	Negotiation	Bahoo Cotton Corporation, Jaranwala
Uni Flex B 60-Rieter-Cleaner	1	6,502,668	(5,435,224)	1,067,444	222,458	(844,986)	Negotiation	Opto Electronics, Lahore
Sanco Japan VS-15	2	16,772,467	(15,556,800)	1,215,667	86,864	(1,128,803)	Negotiation	Shanghai Traders, Lahore
Picanol Air Jet 340 cm- 800 Plus	7	24,575,537	(20,865,588)	3,709,949	5,600,000	1,890,051	Negotiation	Panama International, Karachi
Picanol Air Jet 340 cm Omni Plus	1	3,688,077	(3,122,808)	565,269	800,000	234,731	Negotiation	Valitex (Private) Limited, Karachi
Tunnel Reed for Picanol Omni Plus	40	2,594,605	(1,568,583)	1,026,022	120,980	(905,042)	Negotiation	Saad Abdullah Traders, Faisalabad
Reed for Picanol Summum Airjet	38	1,360,609	(718,192)	642,417	114,931	(527,486)	Negotiation	Saad Abdullah Traders, Faisalabad
Reed for Picanol Summum Airjet Looms	126	3,133,599	(1,646,879)	1,486,720	381,087	(1,105,633)	Negotiation	Saad Abdullah Traders, Faisalabad
Lock Stitch	179	4,237,577	(3,443,573)	794,004	1,864,583	1,070,579	Negotiation	M. Riaz Traders, Lahore
Toyoda RY-5 Japan	20	32,120,601	(28,680,839)	3,439,762	10,999,998	7,560,236	Negotiation	Mubashar Brothers, Faisalabad
DD Motor with LCD Panel	62	1,040,703	(409,664)	631,039	-	(631,039)	Written off	
DD Motor with LCD Panel	98	1,834,112	(753,469)	1,080,643	-	(1,080,643)	Written off	
DD Motor with LCD Panel	58	973,561	(408,046)	565,515	-	(565,515)	Written off	
Air Section Device For M732	30	1,320,000	(343,558)	976,442	-	(976,442)	Written off	
Printhead Assembly	2	2,018,191	(473,528)	1,544,663	-	(1,544,663)	Written off	
Habasit Printing Blanket	1	2,623,419	(433,730)	2,189,689	-	(2,189,689)	Written off	

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
		Rupees						
Motor vehicles								
Suzuki Cultus LE-15A-2749	1	1,010,000	(315,356)	694,644	1,010,000	315,356	Company Policy	Mr. Jamil Mumtaz, Holding Company's employee, Lahore
Toyota Corolla LED-17-215	1	3,000,000	(503,500)	2,496,500	3,000,000	503,500	Company Policy	Mr. Babar Ali Khan, Holding Company's employee, Lahore
Toyota Yaris AGD-382	1	2,441,256	(304,798)	2,136,458	2,443,000	306,542	Company Policy	Mr. Hassan Mujtaba, Holding Company's employee, Lahore
Honda City AAG-595	1	2,580,000	(929,746)	1,650,254	2,580,000	929,746	Company Policy	Mr. Altaf Hussain, Holding Company's employee, Lahore
Suzuki Cultus ABF-780	1	1,745,000	(563,635)	1,181,365	1,775,000	593,635	Company Policy	Mr. Bilal Shahid, Holding Company's employee, Lahore
Suzuki Cultus LEA-19-3875	1	1,372,980	(763,399)	609,581	561,349	(48,232)	Company Policy	Mr. Shiekh Riaz, Holding Company's employee, Lahore
Suzuki Cultus LEB-19-3196	1	1,413,380	(775,550)	637,830	578,928	(58,902)	Company Policy	Mr. Muhammad Asghar, Holding Company's employee, Lahore
Suzuki Cultus LEB-19-6787	1	1,537,590	(843,706)	693,884	701,224	7,340	Company Policy	Mr. Raffay Bin Rauf, Holding Company's employee, Lahore
Toyota Altis LED-19-9682	1	3,800,000	(1,487,320)	2,312,680	3,800,004	1,487,324	Company Policy	Mr. Abdul Sattar, Holding Company's employee, Lahore
Toyota Corolla Grande-LEB-15-7901	1	2,600,000	(686,111)	1,913,889	2,600,000	686,111	Company Policy	Ms. Samina Aslam, Holding Company's employee, Lahore
Porsche Panamera 4 Executive LEA-19A-607	1	46,114,438	(22,741,434)	23,373,004	30,000,000	6,626,996	Company Policy	Word Sense (Private) Limited, Lahore
Sportage AGK-328	1	5,600,000	(1,264,978)	4,335,022	5,600,000	1,264,978	Company Policy	Ms. Sadaf Kashif, Holding Company's employee, Lahore
Electric installations								
Plate Heat Exchanger	2	1,000,000	(181,000)	819,000	-	(819,000)	Written off	
End Suction Centrifugal Pump	2	620,000	(112,220)	507,780	-	(507,780)	Written off	
Furniture, fixture and equipment								
Industrial Air Cooler Fan Motor	2	1,299,638	(633,148)	666,490	-	(666,490)	Written off	
Motor With Gear Box	1	804,595	(275,397)	529,198	-	(529,198)	Written off	
Factory equipment								
GI Pipe 6" Seamless	200	580,800	(79,376)	501,424	-	(501,424)	Written off	
Office equipment								
Juki DD Motor with LCD Panel and Control Box	182	1,969,650	(804,170)	1,165,480	-	(1,165,480)	Written off	
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		55,127,832	(28,137,240)	26,990,592	8,437,544	(18,553,048)		
		480,303,598	(347,418,376)	132,885,222	120,402,239	(12,482,983)		

	2023 Rupees	2022 Rupees
15.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 28)	1,658,254,176	2,123,312,195
Administrative expenses (Note 30)	23,958,128	21,119,856
	1,682,212,304	2,144,432,051

15.1.3 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
Spinning Units 2, 3, 6 and Weaving	49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur.	124.70
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, and 10-N, Gulberg-II, Lahore.	0.98
Site for office	Plot No. 54, Ataturk Avenue, Street No. 88, Sector G-6/3, Islamabad.	0.27
		256.07

	2023 Rupees	2022 Rupees
15.2 Capital work-in-progress		
Civil works on freehold land	610,271,483	697,098,519
Plant and machinery	482,815,006	2,254,968,072
Electric installations	42,150	-
Mobilization advances	94,424,840	136,712,623
Advances for capital expenditures	6,144,622	1,449,481,450
	1,193,698,101	4,538,260,664

15.3 Movement in capital work in progress

	Civil works on freehold land	Plant and machinery	Electric installations	Mobilization advances
	Rupees			
As at 30 June 2021	39,387,755	131,802,001	753,855	87,643,981
Add: Additions during the year	815,332,025	5,001,534,496	221,228,327	350,371,973
Add / (Less): Adjusted during the year	-	-	-	(301,303,331)
Less: Transferred to operating fixed assets during the year	(157,621,261)	(2,878,368,425)	(221,982,182)	-
As at 30 June 2022	697,098,519	2,254,968,072	-	136,712,623
Add: Additions during the year	676,461,706	2,466,730,111	157,923,108	-
Add / (Less): Adjusted during the year	-	(2,948,446)	-	(42,287,783)
Less: Transferred to operating fixed assets during the year	(763,288,742)	(4,235,934,731)	(157,880,958)	-
As at 30 June 2023	610,271,483	482,815,006	42,150	94,424,840

	2023 Rupees	2022 Rupees
16. RIGHT-OF-USE ASSETS		
Opening balance	74,651,170	107,398,163
Add: Additions during the year	98,087,096	25,199,677
Less: Impact of lease termination	(9,041,566)	(9,007,416)
Less: Depreciation for the year (Note 29)	(50,523,804)	(48,939,254)
Closing balance	113,172,896	74,651,170

16.1 Lease of buildings

The Holding Company obtained buildings on lease for its retail outlets and warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

16.2 There is no impairment of right-of-use assets.

	2023 Rupees	2022 Rupees
17. INTANGIBLE ASSET - computer software		
Opening net book value	635,708	882,170
Addition during the year	1,733,750	591,164
Written off during the year:		
Cost	(66,000)	-
Accumulated amortization	21,450	-
	(44,550)	-
Amortization during the year (Note 17.1)	(478,970)	(837,626)
Closing net book value	1,845,938	635,708
Cost as at 30 June	24,332,177	46,616,427
Accumulated amortization as at 30 June	(22,486,239)	(45,980,719)
Net book value as at 30 June	1,845,938	635,708

		2023 Rupees	2022 Rupees
17.1	The amortization charge for the year has been allocated as follows:		
	Cost of sales (Note 28)	-	604,000
	Administrative expenses (Note 30)	478,970	233,626
		478,970	837,626

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

17.3 Intangible asset of Rupees 21.773 million (2022: Rupees 45.725 million) is fully amortized but still in the use of the Group. Fully amortised intangible asset of Rupees Nil (2022: Rupees 94,800) has been derecognised during the year.

		2023 Rupees	2022 Rupees
18.	**LONG TERM LOANS TO EMPLOYEES**		
	Considered good:		
	Executives (Notes 18.1,18.2,18.3, and 18.4)	4,022,917	15,814,267
	Other employees (Note 18.3)	13,539,894	18,731,403
		17,562,811	34,545,670
	Less: Current portion shown under current assets (Note 22)		
	Executives	(1,895,319)	(6,900,289)
	Other employees	(4,512,581)	(5,047,904)
		(6,407,900)	(11,948,193)
		11,154,911	22,597,477
18.1	**Reconciliation of carrying amount of loans to executives:**		
	Opening balance	15,814,267	17,913,659
	Less: Derecognition of loans relating to Nishat Chunian Power Limited - former subsidiary company and now associated company (Note 37)	(1,627,732)	-
	Add: Disbursements during the year	3,453,732	7,300,227
	Less: Repayments during the year	(13,617,350)	(9,399,619)
	Closing balance	4,022,917	15,814,267

18.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 13.562 million (2022: Rupees 19.063 million).

18.3 These represent motor vehicle loans to executives and employees, payable in 28 to 60 monthly instalments. Interest on long term loans ranged from 0% to 23.08% (2022: 4.13% to 15.30%) per annum. Theses loans are secured against registration of cars in the name of the Holding Company.

18.4 These included house building loan to Ms. Nadia Bilal - ex-director of the Holding Company which was given before her appointment as a director of the Holding Company. Maximum aggregate balance due from Ms. Nadia Bilal - ex-director at the end of any month during the year was Rupees 4.271 million (2022: Rupees 4.494 million). Outstanding amount of loan as at the date of her appointment as director of the Holding Company was Rupees 4.539 million and she repaid Rupees 4.316 million (2022: Rupees 0.223 million) till her resignation as director of the Holding Company. She resigned as director of the Holding Company with effect from 03 October 2022.

18.5 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.

	2023 Rupees	2022 Rupees
19. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	1,898,074,177	1,654,763,893
Spare parts	546,069,027	735,933,532
Loose tools	77,019,194	51,089,535
	2,521,162,398	2,441,786,960
Provision for slow moving, damaged and obsolete store items (Note 19.1)	(9,841,358)	-
	2,511,321,040	2,441,786,960
19.1 Provision for slow moving, damaged and obsolete store items		
Opening balance	-	-
Add: Provision recognised during the year (Note 31)	9,841,358	-
Closing balance	(9,841,358)	-
20. STOCK-IN-TRADE		
Raw materials	14,275,579,609	15,769,926,038
Work-in-process (Note 20.2)	2,557,921,137	2,378,018,568
Finished goods (Note 20.3)	6,109,788,164	4,908,924,263
Waste	681,947,132	420,199,392
	23,625,236,042	23,477,068,261

20.1 Stock-in-trade of Rupees 761.707 million (2022: Rupees 467.995 million) is being carried at net realizable value.

20.2 This includes stock of Rupees 239.836 million (2022: Rupees 0.371 million) sent to outside parties for processing.

20.3 Finished goods include stock in transit of Rupees 1,547.333 million (2022: Rupees 515.715 million).

	2023 Rupees	2022 Rupees
21. TRADE DEBTS		
Considered good:		
Secured		
- Others	8,793,011,537	18,686,351,194
Unsecured		
- Others	2,663,778,918	2,814,048,939
	11,456,790,455	21,500,400,133
Less: Allowance for expected credit losses (Note 21.4)	(94,186,247)	(84,822,783)
	11,362,604,208	21,415,577,350

		2023 Rupees	2022 Rupees
21.1	**Foreign jurisdictions of trade debts**		
	Europe	2,994,360,266	1,043,572,521
	Asia, Africa and Australia	4,399,576,497	3,007,188,524
	United States of America and Canada	295,032,084	298,464,131
		7,688,968,847	4,349,225,176
21.2	**Types of counterparties**		
	Export		
	Corporate	7,683,444,572	4,349,225,176
	Other	-	-
		7,683,444,572	4,349,225,176
	Local		
	Corporate	3,698,791,660	17,070,093,962
	Other	74,554,223	81,080,995
		3,773,345,883	17,151,174,957
		11,456,790,455	21,500,400,133

21.3 As at 30 June 2023, trade debts of Rupees 1,486.234 million (2022: Rupees 6,619.320 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:

		2023 Rupees	2022 Rupees
	Upto 1 month	1,444,883,537	4,454,204,931
	1 to 6 months	36,288,948	2,164,163,788
	More than 6 months	5,061,983	951,638
		1,486,234,468	6,619,320,357
21.4	**Allowance for expected credit losses**		
	Opening balance	84,822,783	6,774,524
	Add: Recognized during the year (Note 31)	9,363,464	78,048,259
	Closing balance	94,186,247	84,822,783
22.	**LOANS AND ADVANCES**		
	Considered good:		
	Employees - interest free:		
	- Executives	7,029,541	5,860,950
	- Other employees	52,383,987	13,241,745
		59,413,528	19,102,695
	Current portion of long term loans to employees (Note 18)	6,407,900	11,948,193
	Advances to suppliers	3,983,056,293	2,192,295,647
	Advances to contractors	6,643,341	3,584,677
	Letters of credit	14,916,932	36,694,357
		4,070,437,994	2,263,625,569
	Considered doubtful:		
	Advances to suppliers	10,897,130	-
	Less: Provision for doubtful advances to suppliers (Note 31)	(10,897,130)	-
		-	-
		4,070,437,994	2,263,625,569

		2023 Rupees	2022 Rupees
23.	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Margin against bank guarantees	-	26,356,000
	Prepayments	9,255,894	13,652,963
		9,255,894	40,008,963
24.	**OTHER RECEIVABLES**		
	Considered good:		
	Sales tax recoverable	3,318,728,543	1,421,985,975
	Export rebate and claims	74,857,601	31,683,585
	Duty drawback receivable	116,304,233	116,304,233
	Derivative financial instruments (Note 24.1)	19,326,849	7,776,329
	Receivable from employees' provident fund trust (Note 24.2)	-	110,289,698
	Recoverable from CPPA - G as pass through item:		
	Workers' profit participation fund	-	651,841,000
	Workers' welfare fund	-	192,395,000
	Insurance claim receivable	2,846,427	104,803
	Miscellaneous	84,694,476	77,266,995
		3,616,758,129	2,609,647,618

24.1 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 2023 has been marked to market and the resulting gain or loss has been recognized in consolidated statement of profit or loss.

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

		2023 Rupees	2022 Rupees
	Nishat (Chunian) Limited - Employees Provident Fund	129,783,366	132,089,734
25.	**SHORT TERM INVESTMENTS**		
	Equity instrument (Note 25.1)	13,185,639	43,620,329
	Debt instruments (Note 25.2)	67,178,679	8,624,510,143
		80,364,318	8,668,130,472

	2023 Rupees	2022 Rupees
25.1 Equity instrument		
At fair value through profit or loss:		
Investment by Nishat (Chunian) Limited - Holding Company		
Adamjee Life Assurance Company Limited - quoted		
956,174 (2022: 956,174) fully paid ordinary shares of Rupees 10 each		
Carrying value	21,810,329	26,772,872
Unrealized loss for the year (Note 31)	(8,624,690)	(4,962,543)
Fair value	13,185,639	21,810,329
Investment by Nishat Chunian Power Limited - former subsidiary company and now associated company		
Adamjee Life Assurance Company Limited - quoted		
2022: 956,174 fully paid ordinary shares of Rupees 10 each		
Carrying value	-	26,773,000
Unrealized loss for the year (Note 31)	-	(4,963,000)
Fair value	-	21,810,000
	13,185,639	43,620,329
25.2 Debt instruments		
At fair value through profit or loss:		
Pakistan Investment Bonds	-	2,923,927,000
Government Ijara Sukuks	-	2,923,744,000
	-	5,847,671,000
At amortized cost:		
Term deposit receipts (Note 25.2.1)	66,160,226	2,767,164,226
Add: Accrued interest	1,018,453	9,674,917
	67,178,679	2,776,839,143
	67,178,679	8,624,510,143

25.2.1 These represent deposits under lien with the banks of the Holding Company against bank guarantees of the same amount issued by the banks 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 9% to 20% (2022: 5.75% to 10.30%) per annum. The maturity period of these term deposit receipts is 1 and 12 months (2022: 1 and 12 months)

	2023 Rupees	2022 Rupees

26. CASH AND BANK BALANCES

	2023 Rupees	2022 Rupees
Cash with banks:		
On saving accounts (Note 26.1)		
Including US$ 11,820 (2022: US$ 11,805)	3,525,662	3,411,719
On current accounts		
Including US$ 102,789 and AED 14,068 (2022: US$ 225,115)	270,006,186	239,636,358
	273,531,848	243,048,077
Cash in hand	10,051,500	5,742,150
	283,583,348	248,790,227

26.1 Rate of profit on saving accounts ranges from 12.50% to 19.50% (2022: 4.00% to 12.25%) per annum.

27. REVENUE

	2023 Rupees	2022 Rupees
Revenue from contracts with customers:		
- Export sales (Note 27.1)	48,856,796,067	49,864,659,077
- Local sales (Note 27.2 and 27.2.1)	21,551,146,288	37,859,217,102
- Processing income (Note 27.3)	444,953,305	221,842,528
	70,852,895,660	87,945,718,707
Export rebate	96,465,453	80,068,532
	70,949,361,113	88,025,787,239

27.1 These include sales of Rupees 21,193.683 million (2022: Rupees 22,214.601 million) made to direct exporters against standard purchase orders (SPOs). Further, such sales are net of sales tax amounting to Rupees 3,542.017 million (2022: Rupees 3,776.482 million).

27.2 Local sales

	2023 Rupees	2022 Rupees
Sales	24,574,165,123	43,590,322,671
Less: Sales tax	(3,018,983,552)	(5,631,029,841)
Less: Discount	(4,035,283)	(100,075,728)
	21,551,146,288	37,859,217,102

27.2.1 Local sales includes waste sales of Rupees 1,420.479 million (2022: Rupees 1,029.773 million).

27.3 Processing income is net of sales tax amounting to Rupees 79.450 million (2022: Rupees 37.713 million).

27.4 The amount of Rupees 117.609 million included in contract liabilities (Note 9) at 30 June 2022 has been recognized as revenue during the year ended 30 June 2023 (2022: Rupees 186.609 million).

27.5 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees									
Region										
Europe	639,613,662	367,588,018	798,966,974	430,421,126	8,805,752,473	7,799,152,167	-	-	10,244,333,109	8,597,161,311
United States of America and Canada	18,902,563	-	308,579,025	383,003,507	3,799,898,681	5,025,972,007	-	-	4,127,380,269	5,408,975,514
Asia, Africa, Australia	8,557,881,506	10,532,664,146	1,526,901,177	745,275,602	3,505,000,528	3,228,210,800	-	-	13,589,783,211	14,506,150,548
Pakistan	32,325,604,349	26,327,362,515	5,822,905,227	5,851,691,090	1,114,434,874	1,380,356,291	3,183,501,316	25,652,178,910	42,446,445,766	59,211,588,806
Processing Income	954,772	-	128,394,558	59,279,196	315,603,975	162,563,332	-	-	444,953,305	221,842,528
Export Rebate	-	-	721,232	786,809	95,744,221	79,281,723	-	-	96,465,453	80,068,532
	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,636,434,752	17,675,536,320	3,183,501,316	25,652,178,910	70,949,361,113	88,025,787,239
Timing of revenue recognition										
Products and services transferred at a point in time	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,636,434,752	17,675,536,320	2,867,993,992	23,268,117,910	70,633,853,789	85,641,726,239
Products and services transferred over time	-	-	-	-	-	-	315,507,324	2,384,061,000	315,507,324	2,384,061,000
	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,636,434,752	17,675,536,320	3,183,501,316	25,652,178,910	70,949,361,113	88,025,787,239
Major products / service lines										
Yarn	40,293,622,640	36,353,971,393	8,770,847	105,634,298	2,195,042	421,317,551	-	-	40,304,588,529	36,880,923,242
Comber noil	1,249,334,212	873,643,286	-	-	-	-	-	-	1,249,334,212	873,643,286
Grey cloth	-	-	8,449,302,788	7,305,543,836	-	-	-	-	8,449,302,788	7,305,543,836
Process cloth	-	-	128,394,558	59,279,196	4,720,442,510	3,078,752,242	-	-	4,848,837,068	3,138,031,438
Made ups	-	-	-	-	12,913,797,200	14,175,466,527	-	-	12,913,797,200	14,175,466,527
Electricity	-	-	-	-	-	-	3,183,501,316	25,652,178,910	3,183,501,316	25,652,178,910
	41,542,956,852	37,227,614,679	8,586,468,193	7,470,457,330	17,636,434,752	17,675,536,320	3,183,501,316	25,652,178,910	70,949,361,113	88,025,787,239

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

28. COST OF SALES

	2023 Rupees	2022 Rupees
Raw materials consumed	49,519,868,243	58,565,490,470
Packing materials consumed	1,290,338,697	1,616,458,458
Stores, spare parts and loose tools consumed	1,170,570,756	1,264,663,733
Processing charges	22,506,926	259,873,680
Salaries, wages and other benefits (Note 28.1)	3,619,966,495	3,307,742,216
Fuel and power	7,125,692,031	4,567,651,058
Fee and subscription	4,896,978	4,296,000
Insurance	173,115,106	349,002,261
Postage and telephone	1,588,593	4,630,757
Travelling and conveyance	10,240,998	33,104,212
Vehicles' running and maintenance	56,352,534	37,549,053
Entertainment	19,327,906	16,881,804
Electricity consumed in-house	2,682,783	14,839,000
Amortization on intangible asset (Note 17.1)	-	604,000
Depreciation on operating fixed assets (Note 15.1.2)	1,658,254,176	2,123,312,195
Repair and maintenance	657,643,210	569,182,416
Other factory overheads	123,872,927	146,945,927
	65,456,918,359	72,882,227,240
Work-in-process		
Add: Opening stock	2,378,018,568	2,081,215,813
Less: Closing stock	(2,557,921,137)	(2,378,018,568)
	(179,902,569)	(296,802,755)
Cost of goods manufactured	65,277,015,790	72,585,424,485
Add: Finished goods and waste - opening stocks		
Finished goods	4,908,924,263	3,919,731,082
Waste	420,199,392	76,861,237
	5,329,123,655	3,996,592,319
	70,606,139,445	76,582,016,804
Less: Finished goods and waste - closing stocks		
Finished goods	(6,109,788,164)	(4,908,924,263)
Waste	(681,947,132)	(420,199,392)
	(6,791,735,296)	(5,329,123,655)
	63,814,404,149	71,252,893,149

28.1 Salaries, wages and other benefits include Rupees 40.770 million (2022: Rupees 34.137 million) and Rupees 116.320 million (2022: Rupees 102.565 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

		2023 Rupees	2022 Rupees
29.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 29.1)	182,398,236	192,694,015
	Ocean freight	306,968,998	514,334,691
	Freight and octroi	207,943,250	332,593,677
	Forwarding and other expenses	138,904,819	121,454,403
	Local marketing expenses	124,871,981	16,055,808
	Export marketing expenses	252,646,493	258,023,142
	Commission to selling agents	404,069,666	352,449,643
	Rent, rates and taxes	13,889,359	39,177,783
	Printing and stationery	121,479	168,444
	Travelling and conveyance	1,237,333	1,097,779
	Postage and telephone	8,248,421	8,324,925
	Legal and professional	3,903,810	2,939,611
	Repair and maintenance	1,696,411	597,286
	Electricity and sui gas	7,345,857	4,666,719
	Entertainment	1,571,779	1,405,091
	Depreciation on right-of-use assets (Note 16)	50,523,804	48,939,254
	Miscellaneous	5,190,460	4,368,604
		1,711,532,156	1,899,290,875

29.1 Salaries and other benefits include Rupees 4.253 million (2022: Rupees 3.990 million) and Rupees 7.459 million (2022: Rupees 7.173 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company respectively.

		2023 Rupees	2022 Rupees
30.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits (Note 30.1)	288,759,423	463,599,977
	Printing and stationery	6,572,094	7,695,267
	Vehicles' running and maintenance	13,447,566	6,870,663
	Travelling and conveyance	63,968,426	28,294,490
	Postage and telephone	6,724,573	8,528,354
	Fee and subscription	15,312,146	7,824,078
	Legal and professional (Note 30.2)	47,008,776	108,058,809
	Electricity and sui gas	5,625,681	5,982,442
	Insurance	5,324,003	6,849,954
	Repair and maintenance	13,908,759	20,842,807
	Entertainment	7,873,785	10,775,631
	Advertisement	40,645	134,000
	Depreciation on operating fixed assets (Note 15.1.2)	23,958,128	21,119,856
	Amortization on intangible assets (Note 17.1)	478,970	233,626
	Miscellaneous	23,627,104	10,932,251
		522,630,079	707,742,205

30.1 Salaries and other benefits include Rupees 3.411 million (2022: Rupees 2.299 million) and Rupees 6.858 million (2022: Rupees 7.868 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

30.2 Legal and professional charges include the following in respect of auditor's remuneration:

	2023 Rupees	2022 Rupees
Audit fee	3,170,000	4,837,053
Special audit fee	-	1,474,695
Half yearly review	778,635	1,720,850
Certification fees	250,000	521,335
Reimbursable expenses	285,000	322,636
	4,483,635	8,876,569

31. OTHER EXPENSES

	2023 Rupees	2022 Rupees
Workers' profit participation fund	-	428,478,680
Workers' welfare fund	-	602,173
Donations (Note 31.1)	83,157,183	538,366,955
Operating fixed assets written off	29,928,191	15,254,855
Export rebate receivable written off	-	7,444,410
Loss on disposal of Pakistan Investment Bonds and Government Ijara Sukuks	41,446,427	19,300,000
Intangible asset written off (Note 16)	44,550	-
Provision for doubtful advances to suppliers (Note 22)	10,897,130	-
Allowance for expected credit losses (Note 21.4)	9,363,464	78,048,259
Provision for slow moving, damaged and obsolete store items (Note 19.1)	9,841,358	-
Unrealized loss on re-measurement of investment at fair value through profit or loss (Note 25.1)	8,624,690	9,925,543
Miscellaneous	6,024	2,703
	193,309,017	1,097,423,578

31.1 These include donations amounting to Rupees 9.663 million (2022: Rupees 5.796 million) to Saleem Memorial Foundation (formerly Mian Muhammad Yahya Trust), 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive is trustee and Rupees 72.500 million (2022: Rupees 527.500 million) to Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive and Mr. Zain Shahzad, Director are members of board of directors.

32. OTHER INCOME

	2023 Rupees	2022 Rupees
Income from financial assets		
Return on bank deposits	2,663,676	2,330,126
Return on term deposit receipts	11,611,827	36,308,642
Gain on disposal of Government Treasury Bills	-	19,548,000
Interest on derivative financial instruments - net	89,292,247	-
Net exchange gain	597,631,632	369,911,856
Income from non-financial assets		
Gain on sale of operating fixed assets	17,445,208	59,275,638
Insurance claim	-	4,986,000
Sale of scrap	197,341,366	242,393,735
Gain on termination of leases	538,277	918,309
Credit balances written back	19,545,699	-
Miscellaneous	11,937,271	27,583,889
	948,007,203	763,256,195

	2023 Rupees	2022 Rupees
33. FINANCE COST		
Mark-up on :		
- long term loans	1,638,809,365	614,453,241
- long term musharaka	76,850,648	91,659,632
- short term running finances	1,537,319,109	1,304,092,241
- export finances - Preshipment / SBP refinances	397,729,206	239,287,410
- short term finances	1,693,362,253	651,527,419
Interest on derivative financial instruments - net	-	3,491,809
Adjustment due to impact of IFRS 9 on GIDC (Note 8.1)	267,980	12,513,129
Interest expense on lease liabilities (Note 7.1)	13,591,883	11,558,235
Interest on workers' profit participation fund (Note 9.3)	1,408,698	20,851,237
Bank charges and commission	136,731,030	149,379,629
	5,496,070,172	3,098,813,982
34. TAXATION		
Current	912,050,964	881,527,308

34.1 Deferred income tax asset

Previously, the Holding Company fell under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001 and provision for income tax was made accordingly. Now, the Holding Company falls under normal tax regime to the extent of its local sales and provision for income tax has been made accordingly. Deferred income tax asset as at 30 June 2023 has been presented in these consolidated financial statements in view of the aforesaid explanation. The asset for deferred income tax originated due to timing differences relating to:

	2023 Rupees
Taxable temporary differences	
Accelerated tax depreciation	988,350,265
Right-of-use assets	44,137,429
	1,032,487,694
Deductible temporary differences	
Available tax losses	(528,598,162)
Lease liabilities	(51,766,421)
Provision for slow moving, damaged and obsolete store items	(1,074,676)
Provision for doubtful advances to suppliers	(1,189,967)
Allowance for expected credit losses	(10,285,138)
Unrealized loss on re-measurement of investment at fair value through profit or loss	-
Minimum tax carry forward	(488,557,826)
	(1,081,472,190)
Deferred income tax asset	(48,984,496)
Deferred income tax asset not recognized in these financial statements	48,984,496
Deferred income tax asset recognized in these financial statements	-

34.1.1 Deferred income tax asset of Rupees 48.984 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. Impact of deferred income tax asset on unrealized loss on re-measurement of investment at fair value through profit or loss is ignored because there is no possibility of adjustment in foreseeable future.

Tax losses related to un-absorbed tax depreciation	Accounting year to which the tax loss relates	Amount of unused tax loss	Accounting year in which tax loss will expire
		Rupees	
	2023	483,856,574	Unlimited
	2020	311,584,958	Unlimited
	2019	133,222,280	Unlimited
	2018	16,074,382	Unlimited
	2017	597,663,697	Unlimited
	2016	280,350,392	Unlimited
		1,822,752,283	

Minimum tax	Accounting year to which minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
		Rupees	
	2023	233,804,846	2026
	2020	251,194,081	2025
	2019	3,558,899	2024
		488,557,826	

	2023	2022
35. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		
(Loss) / profit after taxation attributable to shareholders of the Holding Company (Rupees)	(871,909,855)	8,626,151,313
Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,119,029
Basic (loss) / earnings per share (Rupees)	(3.63)	35.92

35.1 There is no dilutive effect on basic (loss) / earnings per share for the year ended 30 June 2023 and 30 June 2022 as the Holding Company has no potential ordinary shares as on 30 June 2023 and 30 June 2022.

	2023 Rupees	2022 Rupees

36. CASH (USED IN) / GENERATED FROM OPERATIONS

	2023 Rupees	2022 Rupees
Profit before taxation	159,422,743	10,732,879,645
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	1,682,212,304	2,144,432,051
Depreciation on right-of-use assets	50,523,804	48,939,254
Amortization on intangible asset	478,970	837,626
Gain on sale of property, plant and equipment	(17,445,208)	(59,275,638)
Operating fixed assets written off	29,928,191	15,254,855
Finance cost	5,496,070,172	3,098,813,982
Intangible asset written off	44,550	-
Return on bank deposits	(2,663,676)	(2,330,126)
Return on term deposit receipts	(11,611,827)	(36,308,642)
Gain on disposal of Government Treasury Bills	-	(19,548,000)
Provision for doubtful advances to suppliers	10,897,130	-
Provision for slow moving, damaged and obsolete store items	9,841,358	-
Adjustment to GIDC	(19,952,391)	-
Exchange gain - net	(597,631,632)	(369,911,856)
Allowance for expected credit losses	9,363,464	78,048,259
Credit balances written back	(19,545,699)	-
Export rebate receivable written off	-	7,444,410
Loss on disposal of Pakistan Investment Bonds and Government Ijara Sukuks	41,446,427	19,300,000
Unrealized loss on re-measurement of investment at fair value through profit or loss	8,624,690	9,925,543
Gain on termination of leases	(538,277)	(918,309)
Working capital changes (Note 36.1)	(13,257,744,024)	2,959,140,276
	(6,428,278,931)	18,626,723,330

36.1 Working capital changes

	2023 Rupees	2022 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(865,132,440)	(90,862,857)
Stock-in-trade	(2,094,739,217)	(3,985,940,295)
Trade debts	(6,088,109,748)	5,864,110,059
Loans and advances	(2,861,972,507)	1,068,135,160
Short term deposits and prepayments	(5,951,693)	17,643,476
Other receivables	(1,309,930,404)	108,129,760
	(13,225,836,009)	2,981,215,303
Increase / (decrease) in trade and other payables	(31,908,015)	(22,075,027)
	(13,257,744,024)	2,959,140,276

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

	2023			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2022	15,164,449,790	90,649,683	23,795,735,897	80,295,091
Less: Derecognition of liabilities relating to Nishat Chunian Power Limited - former subsidiary company and now associated company	(8,514,310)	-	(4,741,751,443)	(16,563,000)
Financing / borrowings obtained	375,543,759	-	-	-
Lease liabilities recognized during the year	-	98,087,096	-	-
Repayment of financing / borrowings	(1,632,167,201)	-	-	-
Repayment of lease liabilities	-	(49,992,943)	-	-
Short term borrowings - net	-	-	8,827,733,390	-
Dividend declared	-	-	-	960,476,116
Dividend paid	-	-	-	(955,067,148)
Other changes - non-cash movement	125,906,496	(6,009,422)	-	-
Balance as at 30 June 2023	14,025,218,534	132,734,414	27,881,717,844	69,141,059

	2022			
	Liabilities from financing activities			
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend
	Rupees			
Balance as at 01 July 2021	8,760,380,819	120,881,507	29,084,279,595	68,194,087
Financing / borrowings obtained	9,798,969,235	-	-	-
Lease liabilities recognized during the year	-	25,199,677	-	-
Repayment of financing / borrowings	(2,644,543,271)	-	-	-
Repayment of lease liabilities	-	(45,505,776)	-	-
Short term borrowings - net	-	-	(5,288,543,698)	-
Dividend declared	-	-	-	1,920,952,232
Dividend paid	-	-	-	(1,908,851,228)
Other changes - non-cash movement	(750,356,993)	(9,925,725)	-	-
Balance as at 30 June 2022	15,164,449,790	90,649,683	23,795,735,897	80,295,091

36.3 **Non-cash financing activities**

	2023 Rupees	2022 Rupees
Lease liabilities recognised during the year	98,087,096	25,199,677
Other changes - non-cash movement	119,897,074	(760,282,718)

37. DERECOGNITION OF NISHAT CHUNIAN POWER LIMITED - former subsidiary company and now associated company

37.1 The Board of Directors of the Holding 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 Holding 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 Holding Company and Nishat Chunian Power Limited - former subsidiary company and now associated company (NCPL) totally independent of each other by the transfer amongst the members of the Holding 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 Holding Company of 187,585,820 ordinary shares of NCPL owned by the Holding Company was the commencement date of book closure (10 August 2022) announced by the Holding Company in accordance with Pakistan Stock Exchange Limited Regulations. On 18 August 2022, the members of the Holding Company have received 187,585,820 ordinary shares of NCPL. Hence, the members of the Holding Company have also become shareholders of NCPL 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 NCPL owned by it in the ratio of 0.78 share of NCPL for one fully paid-up share of the Holding Company. Pursuant to this distribution amongst and transfer to the members of the Holding Company of 187,585,820 ordinary shares of NCPL the carrying amount of investment in 187,585,820 ordinary shares of NCPL as at 10 August 2022 as per books of account of the Holding Company i.e. Rupees 1,875,858,200 has been eliminated with a corresponding decrease in the revenue reserve of the Holding Company by the same amount in accordance with Article 9 of the approved Scheme. The Holding Company ceased to be the holding company of NCPL and NCPL became an associated company of the Holding Company on the basis of common directorship with effect from 10 August 2022.

37.2 Detail of assets and liabilities de-recognised from these consolidated financial statements on transfer of investment in Nishat Chunian Power Limited - former subsidiary company and now associated company:

	Close of business on 09 August 2022 Rupees
Assets:	
Fixed assets - Operating fixed assets	9,401,611,429
Long term loans to employees	1,627,732
Long term security deposits	100,000
Stores, spare parts and loose tools	785,757,002
Stock-in-trade	1,946,571,436
Trade debts	16,732,921,479
Loans and advances	1,049,619,789
Short term deposits and prepayments	36,704,762
Other receivables	302,819,893
Short term investments	340,105,025
Cash and bank balances	46,896,996
Total asset	30,644,735,543
Liabilities:	
Long term financing	8,514,310
Deferred income - Government grant	99,833
Short term borrowings	4,741,751,443
Trade and other payables	1,283,331,937
Unclaimed dividend	16,563,000
Accrued mark-up / profit	75,368,843
Total liabilities	6,125,629,366
Net assets	24,519,106,177

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	29,184,616	28,219,536	2,817,022	5,994,200	160,639,200	119,695,799
Contribution to provident fund	-	-	209,039	499,317	13,381,245	9,970,660
House rent	11,673,846	11,287,812	1,126,809	2,397,680	64,255,680	47,878,319
Utilities	2,918,462	2,821,944	281,702	599,420	16,063,920	11,969,580
Others	-	-	115,339	4,340,437	6,798,820	19,189,916
	43,776,924	42,329,292	4,549,911	13,831,054	261,138,865	208,704,274
Number of persons	**1**	**1**	**2**	**2**	**76**	**57**

38.1 The Holding Company provides to chief executive, directors and certain executives with free use of Holding Company maintained cars.

38.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2022: seven) directors was Rupees 400,000 (2022: Rupees 580,000).

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

39. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise 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:

	2023 Rupees	2022 Rupees
Nishat Chunian Power Limited - former subsidiary company and now associated company		
Common facilities cost charged	17,671,000	-
Income sharing	497,397	-
Saleem Memorial Trust Hospital - associated company		
Donation given by the Group	72,500,000	527,500,000
Saleem Memorial Foundation (formerly Mian Muhammad Yahya Trust) - related party		
Donation given	9,662,783	5,796,955
Directors of the Holding Company		
Dividend paid	250,417,492	495,024,460
Adjustment of long term loan to executive to ex - director	4,312,684	223,310
Interest income on long term loan	64,991	90,571
Consultancy charges	4,492,609	49,961,319
Key management personnel of Nishat Chunian Power Limited - former subsidiary company and now associated company		
Repayment of long term loan	-	692,820
Mark-up on long term loan	-	91,203
Sale of vehicle and laptop	-	1,412,000
Employees' Provident Fund Trusts - related party		
Group's contribution to employees' provident fund trusts	130,637,249	117,606,100

39.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in (Note 38).

39.2 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 year		Percentage of shareholding
		2023	2022	
Saleem Memorial Trust Hospital	Common directorship	Yes	Yes	None
Nishat Chunian Power Limited - former subsidiary company and now associated company	Common directorship	Yes	Yes	None
Pakgen Power Limited	Common directorship	No	No	None
Saleem Memorial Foundation (formerly Mian Muhammad Yahya Trust)	Directors of the holding company are members	Yes	Yes	None
Pakistan Textile Council	Common directorship	No	No	None
Quaid-e-Azam Thermal Power (Private) Limited	Common directorship	No	No	None
Nishat (Chunian) Limited - Employees Provident Fund	Post-employment benefit plan	Yes	Yes	None
Mr. Shahzad Saleem	Chief executive	Yes	Yes	None
Mr. Zain Shahzad	Director	Yes	Yes	None
Mr. Farrukh Ifzal	Director	Yes	Yes	None
Ms. Ayesha Shahzad	Director	Yes	Yes	None
Mr. Muhammad Azam Siddique	Director	Yes	No	None
Ms. Mahnoor Adil	Director	No	No	None
Mr. Ahmad Hasnain	Director	No	No	None

40. 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. Head of Department, Adjudication Department - I, Adjudication Division, Securities and Exchange Commission of Pakistan vide his Order dated 04 July 2023 has advised the trustees of Nishat (Chunian) Limited - Employees Provident Fund to ensure compliance of the aforesaid requirements of law latest by 31 December 2023.

41. NUMBER OF EMPLOYEES

	2023	2022
Number of employees as on 30 June	7,101	7,277
Average number of employees during the year	7,189	7,643

42. SEGMENT INFORMATION

	Spinning						Weaving			
	Zone - 1 (Unit No. 1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees									
Sales										
External:										
- Export	11,451,797,932	11,619,512,500	9,010,020,092	8,841,439,803	9,089,878,500	11,398,409,901	858,384,541	479,509,556	2,634,447,176	2,334,681,699
- Local	436,292,935	278,403,477	6,217,580,181	2,917,464,871	5,336,432,440	2,172,384,127	3,499,848,186	3,573,117,673	1,464,672,500	1,023,082,397
- Export rebate and duty drawback	-	-	-	-	-	-	-	-	721,232	786,809
- Others	-	-	954,772	-	-	-	128,394,558	59,279,196	-	-
	11,888,090,867	11,897,915,977	15,228,555,045	11,758,904,674	14,426,310,940	13,570,794,028	4,486,627,285	4,111,906,425	4,099,840,908	3,358,550,905
Inter-segment	2,850,069,051	2,058,198,609	1,373,375,478	1,723,804,165	1,977,299,729	2,192,606,443	1,398,356,040	1,857,726,913	5,601,247,379	4,976,753,525
	14,738,159,918	13,956,114,586	16,601,930,523	13,482,708,839	16,403,610,669	15,763,400,471	5,884,983,325	5,969,633,338	9,701,088,287	8,335,304,430
Cost of sales	(14,466,663,660)	(10,600,210,362)	(15,864,402,094)	(10,682,795,540)	(15,539,094,503)	(11,539,432,285)	(5,320,297,078)	(5,067,008,848)	(9,347,660,464)	(7,859,051,607)
Gross profit	271,496,258	3,355,904,224	737,528,429	2,799,913,299	864,516,166	4,223,968,186	564,686,247	902,624,490	353,427,823	476,252,823
Distribution cost	(238,717,616)	(332,841,719)	(117,181,746)	(74,419,211)	(165,393,234)	(160,014,215)	(110,482,876)	(82,351,578)	(69,149,413)	(43,451,260)
Administrative expenses	(63,769,298)	(88,681,906)	(65,861,807)	(75,910,931)	(76,942,168)	(99,035,001)	(45,519,692)	(58,925,943)	(28,490,025)	(31,091,165)
	(302,486,914)	(421,523,625)	(183,043,553)	(150,330,142)	(242,335,402)	(259,049,216)	(156,002,568)	(141,277,521)	(97,639,438)	(74,542,425)
(Loss) / profit before taxation and unallocated income and expenses	(30,990,656)	2,934,380,599	554,484,876	2,649,583,157	622,180,764	3,964,918,970	408,683,679	761,346,969	255,788,385	401,710,398

	Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees							
Sales								
External:								
- Export	15,812,267,826	15,191,105,618	-	-	-	-	48,856,796,067	49,864,659,077
- Local	1,412,818,730	2,242,585,647	3,183,501,316	25,652,178,910	-	-	21,551,146,288	37,859,217,102
- Export rebate and duty drawback	95,744,221	79,281,723	-	-	-	-	96,465,453	80,068,532
- Others	315,603,975	162,563,332	-	-	-	-	444,953,305	221,842,528
	17,636,434,752	17,675,536,320	3,183,501,316	25,652,178,910	-	-	70,949,361,113	88,025,787,239
Inter-segment	-	240,458,160	8,391,073,390	4,040,221,137	(21,591,421,067)	(17,089,768,952)	-	-
	17,636,434,752	17,915,994,480	11,574,574,706	29,692,400,047	(21,591,421,067)	(17,089,768,952)	70,949,361,113	88,025,787,239
Cost of sales	(13,687,652,135)	(16,356,968,966)	(11,180,055,282)	(26,237,194,493)	21,591,421,067	17,089,768,952	(63,814,404,149)	(71,252,893,149)
Gross profit	3,948,782,617	1,559,025,514	394,519,424	3,455,205,554	-	-	7,134,956,964	16,772,894,090
Distribution cost	(1,010,607,271)	(1,206,212,892)	-	-	-	-	(1,711,532,156)	(1,899,290,875)
Administrative expenses	(200,762,778)	(162,021,075)	(41,284,311)	(192,076,184)	-	-	(522,630,079)	(707,742,205)
	(1,211,370,049)	(1,368,233,967)	(41,284,311)	(192,076,184)	-	-	(2,234,162,235)	(2,607,033,080)
(Loss) / profit before taxation and unallocated income and expenses	2,737,412,568	190,791,547	353,235,113	3,263,129,370	-	-	4,900,794,729	14,165,861,010
Unallocated income and expenses								
Other expenses							(193,309,017)	(1,097,423,578)
Other income							948,007,203	763,256,195
Finance cost							(5,496,070,172)	(3,098,813,982)
Taxation							(912,050,964)	(881,527,308)
(Loss) / profit after taxation							(752,628,221)	9,851,352,337

42.1 Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Processing and Home Textile		Power Generation		Total - Group	
	Zone - 1 (Unit No. 1 and 5)		Zone - 2 (Unit No. 4, 7 and 8)		Zone - 3 (Unit No. 2, 3 and 6)		Unit - 1		Unit - 2							
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees															
Total assets for reportable segments	10,251,734,362	7,149,327,201	12,529,897,554	8,738,066,579	15,187,754,611	10,591,595,853	2,674,907,016	2,860,420,674	3,661,278,978	3,915,200,797	13,351,204,440	12,983,877,753	6,351,922,991	31,512,420,429	64,008,699,952	77,750,909,286
Unallocated assets:																
Other receivables															3,616,758,129	2,609,647,618
Short term investments															80,364,318	8,668,130,472
Cash and bank balances															283,583,348	248,790,227
Other corporate assets															1,754,343,139	4,461,004,069
Total assets as per consolidated statement of financial position															69,743,748,886	93,738,481,672
Total liabilities for reportable segments	376,440,347	410,510,123	460,093,757	501,734,595	558,154,455	608,163,145	141,076,503	140,272,079	193,098,464	191,997,409	740,376,864	789,021,146	673,448,970	1,574,405,487	3,142,689,360	4,216,103,984
Unallocated liabilities:																
Long term financing															14,025,218,534	15,164,449,790
Accrued mark-up															1,397,309,345	715,241,848
Short term borrowings															27,881,717,844	23,795,735,897
Other corporate liabilities															2,724,465,096	3,049,567,693
Total liabilities as per consolidated statement of financial position															49,171,400,179	46,941,099,212

42.2 Geographical information

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

	2023 Rupees	2022 Rupees
Europe	10,244,333,109	8,597,161,311
United States of America, Canada and South America	4,127,357,753	5,408,975,514
Asia, Africa and Australia	13,589,783,211	14,506,150,548
Export rebate	96,465,453	80,068,532
Pakistan	42,891,421,587	59,433,431,334
	70,949,361,113	88,025,787,239

42.3 Almost all non-current assets of the Group as at reporting dates are located and operating in Pakistan.

42.4 Revenue from major customers

Nishat Chunian Power Limited - former subsidiary company and now associated company sold electricity only to CPPA-G. The Holding Company earns revenue from a large mix of customers.

	2023	2022

43. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning		
Number of spindles installed	223,428	219,528
Number of spindles worked	200,850	206,221
Number of rooters installed	2,880	-
Number of rooters worked	2,566	-
Capacity after conversion into 20/1 count (Kgs.)	81,049,638	80,008,821
Actual production of yarn after conversion into 20/1 count (Kgs.)	79,851,861	78,893,713

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

Weaving		
Number of looms installed	379	379
Number of looms worked	365	379
Capacity after conversion into 50 picks - square yards	345,597,351	345,597,351
Actual production after conversion into 50 picks - square yards	216,850,138	256,118,920

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	19	19
Number of engines worked	19	19
Generation capacity (KWh)	334,953,000	334,953,000
Actual generation (KWh)	95,832,050	81,686,559

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

Process steam and coal fired power generation plant (46 MW)		
Installed	1	1
Worked	1	1
Number of shifts per day	3	3
Generation capacity (KWh)	404,064,000	404,064,000
Actual generation (KWh)	70,772,000	191,204,000

Solar power plant		
Installed	1	-
Worked	1	-
Generation capacity (KWh)	976,333	-
Actual generation (KWh)	918,173	-

Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	5	5
Capacity in meters	43,200,000	54,600,000
Actual processing of fabrics - meters	26,205,932	48,532,979

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	10,800,000
Actual processing of fabrics - meters	6,249,256	7,991,733

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	2,239,073	2,454,445

Stitching

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

44. INTERESTS IN OTHER ENTITIES

44.1 Non-controlling interests (NCI)

Set out below is summarised financial information for Nishat Chunian Power Limited - former subsidiary company and now associated company that had non-controlling interests that was material to the Group. The amounts disclosed for former subsidiary company and now associated company are before inter-company eliminations.

	2023 Rupees	2022 Rupees
Summarised balance sheet		
Current assets	-	26,620,503,000
Current liabilities	-	12,103,625,000
Current net assets	-	14,516,878,000
Non-current assets	-	9,462,085,000
Non-current liabilities	-	-
Non-current net assets	-	9,462,085,000
Net assets	-	23,978,963,000
Accumulated non-controlling interest	-	11,738,807,602
	-	11,738,807,602
Summarised statement of comprehensive income		
Revenue	-	25,415,977,000
Profit for the year	-	2,503,733,000
Other comprehensive income	-	-
Total comprehensive income	-	2,503,733,000
Profit allocated to non-controlling interest	-	1,225,201,024
Summarised cash flows		
Cash flows from operating activities	-	7,768,612,000
Cash flows used in investing activities	-	(8,838,062,000)
Cash flows used in financing activities	-	(36,328,000)
Net increase / (decrease) in cash and cash equivalents	-	(1,105,778,000)

45. FINANCIAL RISK MANAGEMENT

45.1 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), Euro, British Pound Sterling (GBP) and United Arab Emirates Dirham (AED). Currently, the Group's foreign exchange risk exposure is restricted to bank balances, short term borrowings, lease liabilities 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:

	2023	**2022**
Cash at banks - USD	114,609	236,920
Cash at banks - AED	14,068	-
Trade debts - USD	25,194,754	23,197,639
Trade debts - EURO	1,615,755	1,242,206
Trade debts - GBP	-	92,136
Trade and other payables - USD	(359,438)	(655,813)
Trade and other payables - EURO	(110,545)	(22,835)
Short term borrowings - USD	(1,382,154)	-
Lease liability - USD	(141,728)	-
Accrued mark-up - USD	(64,566)	-
Net exposure - USD	23,361,477	22,778,746
Net exposure - EURO	1,505,210	103,273,425
Net exposure - GBP	-	(655,813)
Net exposure - AED	14,068	

The following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	251.98	179.29
Reporting date rate	286.18	202.50
Rupees per EURO		
Average rate	265.46	199.13
Reporting date rate	312.85	212.00
Rupees per AED		
Average rate	68.65	190.59
Reporting date rate	77.92	-
Rupees per GBP		
Average rate	305.43	235.07
Reporting date rate	364.74	246.00

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, GBP and AED with all other variables held constant, the impact on loss after taxation for the year would have been Rupees 354.023 million lower / higher (2022: profit after taxation for the year would have been Rupees 230.331 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 commodity price risks.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's (loss) / profit for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

Index	Impact on loss	Impact on profit
	2023	2022
	Rupees	Rupees
PSX Index (5% increase)	(659,282)	2,181,016
PSX Index (5% decrease)	659,282	(2,181,016)

(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. 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:

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	5,829,959,331	6,591,645,578
Short term borrowings	7,027,349,773	9,211,091,253
	12,857,309,104	15,802,736,831
Financial assets		
Long term loans to employees	14,218,909	28,520,724
Trade debts - past due	-	4,751,628,000
Short term investments	66,160,226	8,614,835,226
	80,379,135	13,394,983,950
Net exposure	(12,776,929,969)	(2,407,752,881)
Floating rate instruments		
Financial assets		
Long term loans to employees	3,343,902	6,024,946
Bank balances - saving accounts	3,525,662	3,411,719
	6,869,564	9,436,665
Financial liabilities		
Long term financing	8,195,259,203	8,572,804,212
Short term borrowings	20,854,368,071	14,584,644,644
	29,049,627,274	23,157,448,856
Net exposure	(29,042,757,710)	(23,148,012,191)

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, loss after taxation for the year would have been Rupees 290.428 million higher / lower (2022: profit after taxation for the year would have been Rupees 219.906 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:

	2023 Rupees	2022 Rupees
Long term security deposits	33,959,024	30,834,231
Trade debts	11,362,604,208	21,415,577,350
Loans and advances (including long term loans to employees)	76,976,339	53,648,365
Short term deposits	-	26,356,000
Other receivables	106,867,752	929,384,127
Short term investments	80,364,318	8,668,130,472
Bank balances	273,531,848	243,048,077
	11,934,303,489	31,366,978,622

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			2023	2022
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	1,659,070	1,661,254
Askari Bank Limited	A1+	AA+	PACRA	-	1,208,000
Allied Bank Limited	A1+	AAA	PACRA	-	38,882
Bank Alfalah Limited	A1+	AA+	PACRA	6,895,999	5,176,451
Bank AL Habib Limited	A1+	AAA	PACRA	21,898	66,283
Bank Islami Pakistan Limited	A1	AA-	PACRA	799,757	758,760
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	805,476	1,099,378
Faysal Bank Limited	A1+	AA	PACRA	2,710	104,292
Habib Bank Limited	A-1+	AAA	VIS	20,253,671	38,253,268
Industrial and Commercial Bank of China Limited	P-1	A1	Moody's	351,374	99,278
JS Bank Limited	A1+	AA-	PACRA	25,320	625,320
MCB Bank Limited	A1+	AAA	PACRA	218,858,652	155,804,572
Meezan Bank Limited	A-1+	AAA	VIS	5,462,274	12,113,467
National Bank of Pakistan	A+	AAA	PACRA	407,010	2,612,126
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	297,930
The Bank of Punjab	A1+	AA+	PACRA	338,558	816,222
United Bank Limited	A-1+	AAA	VIS	4,954,094	3,661,759
Habib Metropolitan Bank Limited	A1+	AA+	PARCA	8,250,282	-
Standard Chartered Bank Limited		Not available		1,382,340	-
Wells Fargo Bank		Not available		2,001,847	8,139,654
Habib American Bank		Not available		1,010,797	10,475,290
JP Morgan Chase Bank		Not available		50,719	35,891
				273,531,848	243,048,077
Short term investments					
Bank Islami Pakistan Limited	A1	A+	PACRA	20,711,898	21,046,544
Dubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	16,105,137	15,725,599
Habib Bank Limited	A-1+	AAA	VIS	-	315,294,000
The Bank of Punjab	A1+	AA+	PACRA	30,361,644	-
State Bank of Pakistan		Not available		-	5,847,671,000
Allied Bank Limited	A1+	AAA	PACRA	-	2,424,773,000
Adamjee Life Assurance Company Limited	A++	A++	PACRA	13,185,639	43,620,329
				80,364,318	8,668,130,472
Trade debts - CPPA-G		Not available		-	8,705,605,000
				353,896,166	17,616,783,549

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 2023, the Group had Rupees 19,818.773 million (2022: Rupees 30,276.143 million) available borrowing limits from financial institutions and Rupees 283.583 million (2022: Rupees 248.790 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 2023:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	14,025,218,534	21,879,557,508	1,195,112,708	1,450,664,894	3,157,702,763	16,076,077,143
Lease liabilities	132,734,414	160,346,991	39,346,353	40,286,404	43,484,847	37,229,387
Trade and other payables	2,518,435,119	2,518,435,119	2,518,435,119	-	-	-
Short term borrowings	27,881,717,844	28,919,544,150	28,919,544,150	-	-	-
Accrued mark-up / profit	1,397,309,345	1,397,309,345	1,397,309,345	-	-	-
Unclaimed dividend	69,141,059	69,141,059	69,141,059	-	-	-
	46,024,556,315	54,944,334,172	34,138,888,734	1,490,951,298	3,201,187,610	16,113,306,530

Contractual maturities of financial liabilities as at 30 June 2022:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	15,164,449,790	22,125,213,668	1,443,979,416	1,102,355,979	2,978,470,189	16,600,408,084
Lease liabilities	90,649,683	110,115,330	25,456,747	18,022,544	35,564,384	31,071,655
Trade and other payables	3,172,744,689	3,172,744,689	3,172,744,689	-	-	-
Short term borrowings	23,795,735,897	24,696,119,492	17,757,392,492	6,938,727,000	-	-
Accrued mark-up / profit	715,241,848	715,241,848	715,241,848	-	-	-
Unclaimed dividend	80,295,091	80,295,091	80,295,091	-	-	-
Derivative financial liabilities	154,046,505	154,046,505	154,046,505	-	-	-
	43,173,163,503	51,053,776,623	23,349,156,788	8,059,105,523	3,014,034,573	16,631,479,739

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.

45.2 Financial instruments by categories

Assets as per consolidated statement of financial position

	2023		2022	
	At amortized cost	FVTPL	At amortized cost	FVTPL
	Rupees	Rupees	Rupees	Rupees
Long term security deposits	33,959,024	-	30,834,231	-
Trade debts	11,362,604,208	-	21,415,577,350	-
Loans and advances (including long term loans to employees)	76,976,339	-	53,648,365	-
Short term deposits	-	-	26,356,000	-
Other receivables	87,540,903	19,326,849	921,607,798	7,776,329
Short term investments	67,178,679	13,185,639	2,776,839,143	5,891,291,329
Cash and bank balances	283,583,348	-	248,790,227	-
	11,911,842,501	32,512,488	25,473,653,114	5,899,067,658

Liabilities as per consolidated statement of financial position

	2023	2022	
	At amortized cost	At amortized cost	FVTPL
	Rupees	Rupees	Rupees
Long term financing	14,025,218,534	15,164,449,790	-
Lease liabilities	132,734,414	90,649,683	-
Trade and other payables	2,518,435,119	3,172,744,689	154,046,505
Accrued mark-up / profit	1,397,309,345	715,241,848	-
Short term borrowings	27,881,717,844	23,795,735,897	-
Unclaimed dividend	69,141,059	80,295,091	-
	46,024,556,315	43,019,116,998	154,046,505

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

	2023		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	33,959,024	-	33,959,024
Trade debts	11,362,604,208	-	11,362,604,208
Loans and advances (including long term loans to employees)	76,976,339	4,004,616,566	4,081,592,905
Short term deposits and prepayments	-	9,255,894	9,255,894
Other receivables	106,867,752	3,509,890,377	3,616,758,129
Short term investments	80,364,318	-	80,364,318
Cash and bank balances	283,583,348	-	283,583,348
	11,944,354,989	7,523,762,837	19,468,117,826

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	14,025,218,534	-	14,025,218,534
Lease liabilities	132,734,414	-	132,734,414
Trade and other payables	2,518,435,119	1,738,251,677	4,256,686,796
Accrued mark-up / profit	1,397,309,345	-	1,397,309,345
Short term borrowings	27,881,717,844	-	27,881,717,844
Unclaimed dividend	69,141,059	-	69,141,059
	46,024,556,315	1,738,251,677	47,762,807,992

	2022		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Assets			
Long term security deposits	30,834,231	-	30,834,231
Trade debts	21,415,577,350	-	21,415,577,350
Loans and advances (including long term loans to employees)	53,648,365	2,232,574,681	2,286,223,046
Short term deposits and prepayments	26,356,000	13,652,963	40,008,963
Other receivables	929,384,127	1,680,263,491	2,609,647,618
Short term investments	8,668,130,472	-	8,668,130,472
Cash and bank balances	248,790,227	-	248,790,227
	31,372,720,772	3,926,491,135	35,299,211,907

	2022		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
	Rupees	Rupees	Rupees
Liabilities			
Long term financing	15,164,449,790	-	15,164,449,790
Lease liabilities	90,649,683	-	90,649,683
Trade and other payables	3,326,791,194	2,252,375,425	5,579,166,619
Accrued mark-up / profit	715,241,848	-	715,241,848
Short term borrowings	23,795,735,897	-	23,795,735,897
Unclaimed dividend	80,295,091	-	80,295,091
	43,173,163,503	2,252,375,425	45,425,538,928

45.4 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.

46. 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 2023	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
Financial assets				
Investment in quoted shares - FVTPL	13,185,639	-	-	13,185,639
Derivative financial assets	-	19,326,849	-	19,326,849
Total financial assets	13,185,639	19,326,849	-	32,512,488

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
Financial assets				
Investment in quoted shares - FVTPL	43,620,329	-	-	43,620,329
Debt instruments - FVTPL	-	5,847,671,000	-	5,847,671,000
Derivative financial assets	-	7,776,329	-	7,776,329
Total financial assets	43,620,329	5,855,447,329	-	5,899,067,658
Financial liabilities				
Derivative financial liabilities	-	154,046,505	-	154,046,505
Total financial liabilities	-	154,046,505	-	154,046,505

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.

47. 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'.

		2023	2022
Borrowings	Rupees	42,739,735,309	39,938,959,566
Total equity	Rupees	20,572,348,707	46,797,382,460
Total capital employed	Rupees	63,312,084,016	86,736,342,026
Gearing ratio	Percentage	67.51	46.05

48. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023	2022	2023	2022
	Rupees			
Total facilities	16,330,500,000	16,564,730,000	62,558,508,000	70,266,678,000
Utilized at the end of the year	3,527,148,786	3,672,027,923	42,739,735,309	39,990,534,566
Unutilized at the end of the year	12,803,351,214	12,892,702,077	19,818,772,691	30,276,143,434

49. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on 28 September 2023 has proposed cash dividend of Rupees Nil per ordinary share (2022: Rupee 4 per ordinary share) in respect of the year ended 30 June 2023. 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.

50. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 28 September 2023 by the Board of Directors of the Holding Company.

51. 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 except for:

Description	Reclassified from	Reclassified to	2022
			Rupees
Amortization of deferred income - Government grant	Other income	Finance cost	95,948,066

52. 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 27, 2023 (Friday) at 10:00 A.M. at 31-Q, Gulberg-II, Lahore.

as witness may hand this __________ day of __________ 2023

Signed by the said member ______________________

In presence of ______________________

Please affix

revenue stamp Rs.5/-

____

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.

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of NISHAT (CHUNIAN) LIMITED to be held on (Friday) 27 October 2023 at 10:00 AM (PST) at 31-Q, Gulberg-II, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nishat.net

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio No. / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (In case of foreigner) *(Copy to be attached)*	
Additional Information and enclosures (In case of representative of body corporates, corporations and Federal Government)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - *(Copy to be attached)*	

I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by giving my/our assent or dissent to the following resolutions by placing tick (√) mark in the appropriate box below:

Special Resolutions
Agenda Item 4 To approve the circulation of the Annual Report (including the Audited Financial Statements, Auditor's Report, Director's Report, and Chairman's Review Report) to the Members of the Company through QR-enable code and weblink, following Section 223(6) of the Companies Act 2017 read with S.R.O. 389(I)2023 dated March 21, 2023, by passing the following special resolution with or without modification: **"RESOLVED THAT** the approval be and is hereby given to allow the Company to circulate the annual audited financial statement to its members/shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023". **Agenda Item 5** To ratify and approve transactions conducted with the Related parties for the year ended June 30, 2023, by passing the following special resolution with or without modification: "RESOLVED THAT the transactions conducted with the Related Parties, as disclosed in note 38 to the unconsolidated financial statements for the year ended June 30, 2023, and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved and confirmed." **Agenda Item 6** To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2024 by passing the following special resolution with or without modification: **"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2024." **"RESOLVED FURTHER THAT** these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

I/we hereby exercise my/our vote in respect of above mentioned special resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick (√) mark in the appropriate box below:

Sr. No.	Nature and Description of resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	**Special Resolution as per the Agenda Item No. 4 (as given above)**		
2.	**Special Resolution as per the Agenda Item No. 5 (as given above)**		
3.	**Special Resolution as per the Agenda Item No. 6 (as given above)**		

____

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place: __________________

Date: __________________

NOTES:

1. Duly filled postal ballots should be sent to the Chairman at 31-Q, Gulberg-II, Lahore or through email at: chairman@nishat.net
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before 26-10-2023 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

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 my Email address.

I understand 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, 2023 at 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:danishfarooq@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.

NISHAT (CHUNIAN) LIMITED
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: danishfarooq@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 27th October, 2023.

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: danishfarooq@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

نمونہ حصص داری

30 جون 2023 کے مطابق نمونہ حصص داری منسلک ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر حصص داران، بینکوں، مالیاتی اداروں اور کسٹمرز کا شکر گزار ہے، جن کے تعاون، مسلسل حمایت اور تحفظ نے کمپنی کو مسلسل بہتری کی طرف گامزن کیا ہے۔ زیر 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

چیف ایگزیکٹو

ڈائریکٹر

لاہور:

28 ستمبر 2023

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۔

چیف ایگزیکٹو اور ڈائریکٹر کے مشاہرہ کے لیے مالی بیانات کے نوٹ نمبر 37 سے رجوع کریں۔

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 اعظم صدیقی	چیئرمین
جناب فرخ افضال	ممبر
محترمہ ماہ نور عادل	ممبر

HR&R 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 احمد حسنین	چیئرمین
جناب فرخ افضال	ممبر
جناب محمد اعظم صدیقی	ممبر

محاسب

ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، موجودہ محاسب کمپنی کے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے ناطے، انہوں نے خود کو 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے پیش کیا ہے۔ جیسا کہ آڈٹ کمیٹی کی طرف سے تجویز کیا گیا مجلس نظماء نے ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی آئندہ سالانہ اجلاس عام میں حصص داران کی منظوری کے لیے دوبارہ تقرری کی سفارش کی ہے۔

اہم تبدیلیاں

30 جون 2023 اور 28 ستمبر 2023 کے درمیان کمپنی کی حالت کو متاثر کرنے والی کوئی اہم تبدیلی نہیں ہوئی۔

ترتیب

بورڈ کی ترتیب مندرجہ ذیل ہے:

کیٹیگری	نام
آزاد ڈائریکٹرز	جناب محمد اعظم صدیقی کو جناب محمد زاہد خان کی جگہ 13 اکتوبر 2022 کو ڈائریکٹر کے طور پر مقرر کیا گیا جناب محمد زاہد خان نے 29 ستمبر 2022 کو ڈائریکٹر کے عہدے سے استعفیٰ دیا۔ جناب احمد حسنین کو جناب آفتاب احمد خان کی جگہ 04 جولائی 2023 کو ڈائریکٹر کے طور پر مقرر کیا گیا جناب آفتاب احمد خان نے 25 مئی 2023 کو ڈائریکٹر کے عہدے سے استعفیٰ دے دیا۔
نان ایگزیکٹو ڈائریکٹرز	محترمہ عائشہ شہزاد کو محترمہ مادیہ بلال کی جگہ 13 اکتوبر 2022 کو ڈائریکٹر کے طور پر مقرر کیا گیا محترمہ مادیہ بلال نے 3 اکتوبر 2022 کو ڈائریکٹر کے عہدے سے استعفیٰ دیا۔ جناب فرخ افضال (چیئرمین) محترمہ ماہ نور عادل کو جناب فیصل فرید کی جگہ 08 جون 2023 کو ڈائریکٹر کے طور پر مقرر کیا گیا جناب فیصل فرید نے 05 اپریل 2023 کو ڈائریکٹر کے عہدے سے استعفیٰ دیا۔
ایگزیکٹو ڈائریکٹرز	جناب شہزاد سلیم (چیف ایگزیکٹو) جناب زین شہزاد

بورڈ آف ڈائریکٹرز کے اجلاس:

زیر جائزہ سال کے دوران چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹرز	تعداد حاضری
جناب شہزاد سلیم (چیف ایگزیکٹو)	4
محترمہ عائشہ شہزاد	1
جناب زین شہزاد	3
جناب فرخ افضال (چیئرمین)	4
محترمہ مادیہ بلال	0
جناب آفتاب احمد خان	3
جناب محمد زاہد خان	0
جناب محمد اعظم صدیقی	3
جناب فیصل فرید	0
محترمہ ماہ نور عادل	1
جناب احمد حسنین	0

ویلیو ایڈیشن اور تقسیم کا بیان

	روپے ملین میں
پیدا کردہ دولت	
کل وصولی اور دیگر آمدنی	68,567
مال اور خدمات میں خرچ	(57,516)
ڈیپریسیایشن اور ایمورٹائزیشن	(1,639)
	9,412
دولت کی تقسیم	
حکومت اور معاشرہ کو	
ملازمین کی تنخواہ	4,069
عطیہ	11
ٹیکس WWF اور WPPF	912
سرمایہ فراہم کنندگان کو	
مالی لاگت	5,419
منافع منقسمہ	-
	10,411

تعمیل کا بیان

کمپنی نے کوڈ آف کارپوریٹ گورننس کی ضروریات پر عمل اور باقاعدہ تعمیل کی ہے۔ اس کا بیان رپورٹ سے منسلک ہے۔

کارپوریٹ گورننس

سال کے دوران آپ کی کمپنی کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات پر عمل پیرا رہی ہے ان کے علاوہ جو تعمیل کے بیان میں بیان کردہ ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل:

ارکان کی مختلف علم، مہارت اور مہارت کے متنوع مرکب ہمارے بورڈ کی مؤثریت میں اضافہ کرتی ہے۔ ہمارے بورڈ کی تشکیل حصص داران کی تمام اقسام کے مفادات کی نمائندگی کرتی ہے اور یہ مشتمل ہے:

ڈائریکٹرز کی کل تعداد

مرد	5
خاتون	2

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 سے چلنے والے انرجی سسٹم کے ذریعے پاور اپ کرنے کی پہل کی ہے۔ ہم اپنے سائی اور رنگنے کے یونٹ کو چلانے کے لیے 1 میگا واٹ کی صلاحیت کا سولر پاور پلانٹ لگا رہے ہیں۔ ہم توانائی کے تحفظ کے طریقوں کی تلاش میں سرگرمی سے مصروف ہیں اور توانائی کو بچانے کے لیے مینوفیکچرنگ یونٹس میں بجلی سے چلنے والی LED لائٹس پر منتقل ہو چکے ہیں۔ توانائی کے تحفظ کو فروغ دینے کے لیے ملازمین کے لیے ترغیبی سیشن باقاعدگی سے منعقد کیے جاتے ہیں۔

ماحولیاتی تحفظ

ہم ماحولیاتی تحفظ کے حوالے سے حکومت کی طرف سے دی گئی تجاویز کا مسلسل جائزہ لیتے ہیں اور ان پر عمل درآمد کو یقینی بناتے ہیں۔ ہم اپنے متعلقہ عمل کے مضر اثرات سے ماحول کو بچانے کے لیے گندے پانی کی صفائی کا پلانٹ چلاتے ہیں۔ کمپنی گندے پانی سے کاسٹک بازیافت کرنے کے لیے ایک کاسٹک ریکوری پلانٹ بھی چلاتی ہے اور اس کا مقصد ہمارے خطے کی ندیوں پر آلودگی کے بوجھ کو کم کرنے کے لیے ماحول دوست رنگوں اور کیمیکلز کا استعمال کرنا ہے۔ کول پاور پلانٹ ایک جدید ترین آن لائن اخراج کی نگرانی کے نظام سے لیس ہے تاکہ یہ یقینی بنایا جا سکے کہ اخراج بین الاقوامی اور مقامی معیارات کے مطابق ہو۔ کول پاور پلانٹ کو ہوا کے معیار کی نگرانی کے نظام سے بھی لیس کیا گیا ہے، جو فضا میں آلودگی کی سطح پر نظر رکھتا ہے۔ اس کے علاوہ، ہم باقاعدگی سے ماحولیاتی نگرانی کی رپورٹوں کا سراغ لگاتے رہتے ہیں تاکہ یہ معلوم کیا جا سکے کہ آیا ہم تمام ریگولیٹری معیارات کے مطابق ہیں۔

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 فوگنگ مشینوں کا استعمال کر کے تمام مینوفیکچرنگ سہولیات کے احاطے میں باقاعدگی سے فیومیگیشن کی جاتی ہے۔

کمپنی اپنی تمام تر مینوفیکچرنگ سہولیات پر فائر فائٹنگ آلات اور گاڑیاں برقرار رکھتی ہے۔ باقاعدگی سے آگ بجھانے کی مشقیں کی جاتی ہیں اور ملازمین کو کسی بھی حادثے سے بچنے کے لئے انہیں بنیادی تربیت فراہم کی جاتی ہے۔

بین الاقوامی اور مقامی معیارات کے مطابق ہو۔ کول پاور پلانٹ کو ہوا کے معیاری نگرانی کے نظام سے بھی لیس کیا گیا ہے، جو فضا میں آلودگی کی سطح پر نظر رکھتا ہے۔

اپنی فلاحی کوششوں کے ایک حصے کے طور پر، کمپنی سلیم میموریل فاؤنڈیشن (سابقہ میاں محمد یحییٰ ٹرسٹ) کے تحت چلنے والے ایک اسکول کو عطیہ کرتی ہے جو معمولی فیس پر معاشرے کے پسماندہ طبقے کے بچوں کو معیاری تعلیم فراہم کرتا ہے۔

کمپنی نے دیگر مخیر حضرات کے ساتھ مل کر جدید ترین، غیر منافع بخش، سلیم میموریل ہسپتال قائم کیا ہے۔ 350 بستروں پر مشتمل یہ ہسپتال 477,000 مربع فٹ کے رقبے پر پھیلا ہوا ہے اور جدید سہولیات، آپریشن تھیٹرز، کیتھ لیب اور لاہور میں پہلا، لیول III ٹراما سینٹر سے آراستہ ہے۔ اسے مستند ڈاکٹروں اور ماہر عملے کی ایک ٹیم چلاتی ہے۔ ہسپتال خود پائیدار ماڈل پر پہنچ چکا ہے جس میں آمدنی کے دو ذرائع، باقاعدہ فیس اور کراس سبسڈی (سرپلس ریونیو، زکوٰۃ اور عطیات) شامل ہیں۔ اپنی فلاحی کوششوں کے ایک حصے کے طور پر، نشاط (چونیاں) لمیٹڈ اور نشاط چونیاں پاور لمیٹڈ (سابقہ ذیلی کمپنی) اور اب ایسوسی ایٹڈ کمپنی نے سلیم میموریل ہسپتال کو دل کھول کر عطیہ دیا ہے اور وہ اس ہسپتال کے سب سے بڑے عطیہ دہندہ ہیں۔ اس مالی سال میں نشاط چونیاں پاور لمیٹڈ کی جانب سے سلیم میموریل ٹرسٹ ہسپتال کو مجموعی طور پر 72.5 ملین روپے عطیہ کیے گئے۔

رسک مینجمنٹ

ہم سمجھتے ہیں کہ کوئی بھی ایسا کاروبار جو انڈسٹری میں ترقی اور مسابقت کا خواہاں ہے اس کے لئے خطرہ ناگزیر ہے۔ کمپنی کو متعدد مالی خطرات لاحق ہیں جیسا کہ مارکیٹ رسک میں (کرنسی اور سود کی شرح کا رسک)، 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 رسک کی شناخت، تشخیص، نگرانی اور ان کا سامنا کرنے کے لئے داخلی کنٹرول کا تیار ہونا ہے۔ ہم مختلف حالات میں رسک/انعام کے تناسب کے بارے میں اپنی فہم کو بہتر بنانا اور رسک کو قابل قبول سطح تک کم کرنا چاہتے ہیں۔

کمپنی میں ہم یہ کام متوقع رسک اور اس کے تخفیف کے کلچر کو فروغ دے کر کرتے ہیں۔ کمپنی نے رسک کو قابل قبول رکھنے کے انتظام کیلئے مختلف معیاری آپریٹنگ طریقہ کار نافذ کئے ہیں۔ ان معیاری آپریٹنگ طریقہ کار کو متروک ہونے سے بچانے کیلئے انتظامیہ وقتاً فوقتاً ان کا جائزہ لیتی 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، کاروباری 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 کمپنی کے اثاثوں کی حفاظت اور کمپنی کو درپیش بڑھتے ہوئے خطرات سے مناسب طریقے سے نمٹنے اور ان کو کم کرنے کے لئے تیار کئے گئے ہیں۔ کمپنی میں ایک اندرونی محاسب شعبہ ہے جو مقررہ وقت پر آڈٹ کرتا ہے اور مینجمنٹ کو رپورٹ پیش کرتا ہے۔ یہ رپورٹس نہ صرف کمی یا کوتاہی کو پیش کرتی ہیں بلکہ موجودہ نظام میں بہتری کی تجاویز بھی دیتی ہیں۔

بورڈ ایک کارگر اور موثر داخلی کنٹرول سسٹم کو قائم اور منظم کرنے کے لئے اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ بورڈ اندرونی محاسب شعبہ کی طرف سے پیش کردہ تجاویز کے مطابق 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 افادیت پر بھروسہ کیا جاتا ہے۔

نشاط چونیاں پراپرٹیز (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ کمپنی ہے جسے پاکستان میں کمپنیز ایکٹ 2017 کے تحت 31 جنوری 2022 کو رجسٹر کیا گیا تھا۔ نشاط چونیاں پراپرٹیز (پرائیویٹ) لمیٹڈ کا کاروبار ہر قسم کی رئیل اسٹیٹ کی مارکیٹنگ اور ترقی ہے بشمول آباد یا غیر آباد زمین، ہاؤسنگ یا تجارتی منصوبے بشمول کمرشل مارکیٹس یا کثیر المنزلہ عمارات (تجارتی یا رہائشی مقاصد کے لیے)، شاپنگ سینٹرز، ریسٹورانٹس، ہوٹل، تفریحی سہولیات وغیرہ۔

ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایک لمیٹڈ لائبلٹی سنگل اونر (SO-LLC) کمپنی ہے جو 14 اکتوبر 2021 کو تجارتی کمپنیوں سے متعلق 2015 کے وفاقی قانون نمبر (2) کے مطابق دبئی کی اور محکمہ اقتصادی ترقی کے ساتھ رجسٹرڈ ہے۔ ٹی ایل سی مڈل ایسٹ ٹریڈنگ کا اصل کاروبار ٹیکسٹائل کی تجارت، کمبل، تولیے اور کپڑے کی تجارت ہے۔ ٹی ایل سی مڈل ایسٹ ٹریڈنگ کا تجارتی پتہ آفس نمبر M13، فاطمہ بلڈنگ، الشیخ الحبیر، دبئی، متحدہ عرب امارات ہے۔ نشاط (چونیاں) لمیٹڈ TLC مڈل ایسٹ ٹریڈنگ L.L.C کے 100% شیئرز کا مالک ہوگا۔ تاہم نشاط (چونیاں) لمیٹڈ نے ابھی تک TLC مڈل ایسٹ ٹریڈنگ L.L.C کے بینک اکاؤنٹ میں سبسکرائب کیے گئے حصص کے خلاف رقم نہیں بھیجی ہیں۔ امید ہے کہ جلد ہی سرمایہ کاری کی جائے گی۔

نشاط چونیاں USA Inc. اور Sweave Inc. کو ریاست نیویارک کے بزنس کارپوریشن قانون کے تحت رجسٹر کیا گیا ہے۔ گورننگ قانون ماتحت کمپنی کے مالی بیانات کے محاسب شدہ ہونے کی ضرورت نہیں رکھتا ہے۔ مزید، جیسا کہ اوپر بتایا گیا ہے، نشاط (چونیاں) لمیٹڈ نے ابھی تک سبسکرائب کردہ حصص کے خلاف TLC Middle East Trading L.L.C کے بینک اکاؤنٹ میں رقم نہیں بھیجی ہیں۔ لہٰذا، ہم نے کنسولیڈیٹڈ مالیاتی گوشواروں کو تیار کرنے کے لیے ذیلی کمپنیوں کے غیر محاسب شدہ مالی بیانات کا استعمال کیا ہے۔ مزید یہ کہ محاسب کی رپورٹ میں مجموعی مالیاتی بیانات کے بیان کردہ معاملے کا منافع/ نقصان، ایکویٹی، فی حصص کی آمدنی/ نقصان اور کیش فلو پر کوئی خاص اثر نہیں ہے۔

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 نے ہمیشہ تربیت اور ترقی کے پروگرام ترتیب دے کر اپنی افرادی قوت میں سرمایہ کاری کی ہے۔ کمپنی لیبر قوانین اور ضوابط کی مکمل پاسداری کرتی ہے۔ سال کے دوران NCL نے پنجاب سوشل سیکورٹی ڈیپارٹمنٹ (PESSI) کے ساتھ تعاون کیا۔ سماجی تحفظ کے فوائد سے فائدہ اٹھانے کے بارے میں ملازمین کی رہنمائی کے لیے ایک سیمینار کا انعقاد کیا گیا۔

کمپنی نے ڈائننگ اور سلائی یونٹ میں خواتین کے لیے ایک تربیتی مرکز بھی تیار کیا ہے، جہاں خواتین کو پیشہ ورانہ تربیت مفت فراہم کی جاتی ہے۔

کمپنی نے ہوم ٹیکسٹائل ڈویژن میں جدید واٹر ٹریٹمنٹ پلانٹس لگا کر ماحول دوست ٹیکنالوجیز میں بھی سرمایہ کاری کی ہے۔ مزید برآں، اسپننگ اور ویونگ ملوں میں استعمال ہونے والا پانی مقامی کسانوں کو مفت فراہم کیا جاتا ہے۔ کول پاور پلانٹ ایک جدید ترین آن لائن اخراج کی نگرانی کے نظام سے لیس ہے تاکہ یہ یقینی بنایا جا سکے کہ اخراج

چڑھاؤ اب بھی ڈویژن کے لیے ایک اچھی مارکیٹنگ حکمت عملی وضع کرنے میں ایک چیلنج ہے۔

امریکی مارکیٹ میں اپنی موجودگی کو بڑھانے اور اپنے صارفین کے لیے مزید عمیق تجربہ فراہم کرنے کے لیے، ہم نے نیویارک میں اپنی گھریلو ٹیکسٹائل مصنوعات کے لیے ایک شوروم کا افتتاح کیا ہے۔ یہ شوروم ایک متحرک جگہ کے طور پر کام کرتا ہے جہاں گاہک ذاتی طور پر ہماری مصنوعات کے نمونے تلاش کر سکتے ہیں۔ آگے دیکھتے ہوئے، ہم اس اسٹریٹجک مقام سے تجارت کو شامل کرنے کے لیے اپنے آپریشنز کو بڑھانے کے لیے بھی فعال طور پر حکمت عملی بنا رہے ہیں۔

ذیلی کمپنیاں

کمپنی نے بین الاقوامی رپورٹنگ معیارات اور کمپنیز 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 یو ایس اے انکارپوریٹڈ، سویو انکارپوریٹڈ، نشاط چونیاں پراپرٹیز (پرائیویٹ) لمیٹڈ اور ٹی ایل سی مڈل ایسٹ ٹریڈنگ کے مالی حسابات شامل ہیں۔

مالی جھلکیاں	2023 (روپے ملین میں)	2022 (روپے ملین میں)
کل آمدنی	70,949	88,026
مجموعی منافع	7,135	16,773
ٹیکس سے پہلے منافع	159	10,733
ٹیکسیشن	912	882
ٹیکس کے بعد منافع/(نقصان)	(753)	9,851
فی شیئر آمدنی (بنیادی اور معتدل) - روپے	(3.63)	35.92

نشاط چونیاں لمیٹڈ کی تمام ذیلی کمپنیوں کی مختصر تفصیل درج ذیل ہے:

نشاط چونیاں یو ایس اے انکارپوریٹڈ، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیویارک 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 کرتا ہے اور امریکہ میں مقامی ریٹیلرز کو ہوم ٹیکسٹائل مصنوعات درآمد اور تقسیم کرتا ہے۔

سویو انکارپوریٹڈ، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیویارک کے تحت غیر ملکی ذیلی انکارپوریٹڈ ہے۔ اس کا رجسٹرڈ آفس Railroad Grade 2728 28262, USA Road, Fleetwood, NC پر واقع ہے۔ سویو انکارپوریشن کا اصل کاروبار اپنے گھریلو صارفین کے لیے گھریلو ٹیکسٹائل مصنوعات کی ای کامرس ریٹیل ہے۔ Sweave Inc. نشاط چونیاں USA Inc کا مکمل ملکیتی ذیلی ادارہ ہے۔

ہوم ٹیکسٹائل

زیرِ جائزہ سال میں ہوم ٹیکسٹائل کی فروخت 17.5 ارب رہی۔

موجودہ جیو اکنامک صورتحال میں، پاکستان کی ٹیکسٹائل انڈسٹری کو بڑھتی ہوئی مہنگائی، ایندھن کی قیمتوں اور امریکی ڈالر کے مقابلے PKR کی قدر میں کمی کے منفی اثرات کا سامنا ہے جس کے نتیجے میں درآمدی خام مال کی قیمتیں زیادہ ہیں۔ اس کے علاوہ قرض کی لاگت میں بے مثال اضافہ توانائی پر سبسڈی کے خاتمے اور سپر ٹیکس کے نفاذ نے ملک میں کاروبار کرنے کی لاگت میں خاطر خواہ اضافہ کیا ہے۔ موجودہ عالمی مارکیٹ کے منظر نامے میں مقابلہ کرنے کے لیے ہم نے اپنی یوٹیلیٹی لاگت کو کم کرنے کے اقدامات کر رہے ہیں۔ ہم اپنے سلائی اور رنگنے کے یونٹ کو چلانے کے لیے 1.6 میگاواٹ کی صلاحیت کا ایک سولر پاور پلانٹ لگا رہے ہیں۔ ہم بھاپ کی پیداوار کے لیے روایتی ایندھن سے بائیو ماس ایندھن پر منتقل ہونے پر کام کر رہے ہیں۔ اس سے بجلی کی پیداواری لاگت میں نمایاں کمی آئے گی۔ تمام چیلنجوں کے باوجود پیداواری لاگت کو کم کرنے کے لیے ہمارے فعال اقدامات 30 جون 2024 کو ختم ہونے والے سال کے لیے فروخت میں مسلسل اضافے کا نتیجہ رہا ہیں گے۔

ہماری ریٹیل مصنوعات کی بڑھتی ہوئی مقبولیت کی وجہ سے لینن کمپنی (TLC) (ریٹیل برانڈ) نے گزشتہ سال کے مقابلے میں 12% کی آمدنی میں اضافہ درج کیا۔ گاہکوں کی زبردست پذیرائی کی وجہ سے، کمپنی ملک کے مختلف شہروں میں ریٹیل دکانوں کی تعداد کو مزید بڑھانے کا ارادہ رکھتی ہے جس سے صارفین اور مارکیٹ تک رسائی وسیع ہوئی ہے۔

ای کامرس کی صلاحیت کے پیشِ نظر انتظامیہ نے مکمل ملکیتی ذیلی کمپنی TLC Middle East LLC کے ذریعے عالمی مارکیٹ میں اپنے آپریشنز کو وسعت دی ہے، جس نے آمدنی میں 10% سے زیادہ کی مسلسل ماہانہ نمو حاصل کی ہے جو بنیادی طور پر ای کامرس پلیٹ فارم ایمیزون کے ذریعے کام کر رہی ہے۔

پاور

ہمارے 48 میگاواٹ کے کوئلے سے چلنے والے پاور پلانٹ کی زیادہ تر صلاحیت ہمارے اسپننگ اور ویونگ یونٹ استعمال کرتے ہیں، کوئی بھی بجلی بیرونی خریداروں کو نہیں بیچی گئی۔ جب کوئلے کی اونچی قیمتوں کی وجہ سے ہمارے کوئلے سے چلنے والے پلانٹ کو چلانا ممکن نہ ہو تو ہم بجلی کے دوسرے ذرائع پر جا سکتے ہیں۔ ہمارے 48 میگاواٹ کے کوئلے سے چلنے والے پاور پلانٹ کے بیک اپ کے طور پر، ہمارے پاس 30 میگاواٹ سے زیادہ کی صلاحیت کے اسٹینڈ بائی انجن/جنریٹرز ہیں۔ نیز لیسکو سے بجلی کی فراہمی بھی لی جا سکتی ہے۔

مستقبل کا جائزہ

کاروباری امکانات کا انحصار میکرو اکنامک عوامل اور سیاسی استحکام پر ہے۔ فی الحال، غیر ملکی منڈیوں، تجارتی پابندیوں اور عالمی کساد بازاری کے مروجہ عوامل نے مارکیٹ کے مثبت رجحانات کو پیچھے چھوڑ دیا ہے۔

کاروبار کرنے کی لاگت اب بھی ملک میں ایک چیلنج ہے۔ کرنسی میں عدم استحکام، مالیاتی لاگت اور بڑھتے ہوئے یوٹیلیٹی ٹیرف کمپنی کی کارکردگی کے لیے خطرہ بنے ہوئے ہیں۔ اس وجہ سے، مستقبل غیر یقینی نظر آ رہا ہے۔

انتظامیہ پاکستانی یارن کی بہتر عالمی مانگ کے ساتھ اسپننگ کاروبار کی بحالی کے لیے پر امید ہے۔ مزید برآں، رواں سیزن میں درآمدی روئی کے مقابلے بہتر پیداوار اور قیمتوں کے ساتھ مقامی روئی کی فصل میں خاطر خواہ اضافہ دیکھنے میں آ رہا ہے، جو کاروبار کے لیے فائدہ مند معلوم ہوتا ہے۔ اگرچہ زیادہ شرح سود اور شرح مبادلہ میں اتار

شعبہ وار آمدنی

اسپننگ

کتائی کے کاروبار کو اس سال ایک قابل ذکر مالیاتی دھچکا لگا ہے۔ جس نے زیر جائزہ مدت میں 2022 کے مقابلے میں 12% زیادہ 41.5 ارب روپے کی تاریخی فروخت کے باوجود نقصان رپورٹ کیا ہے۔

کتائی کے کاروبار کی فروخت میں مقامی سطح کی فروخت کا 78 فیصد حصہ رہا۔ اس کی وجہ پرکشش مقامی طلب اور فروخت کے بہتر مارجن ہیں۔ اس کے برعکس، امریکہ اور چین کے درمیان تجارتی پابندیوں، اور یوکرین-روس جنگ کی وجہ سے کرنسی کے حوالے سے غیر یقینی صورتحال یارن کی برآمدات میں کمی کے رجحانات کا ایک اہم جزو رہی۔

اس سال ملک کی سالانہ کپاس کی پیداوار کو شدید مندی کا سامنا کرنا پڑا۔ موجودہ سال میں روئی کی پیداوار 4.9 ملین گانٹھوں (2022 میں 7.4 ملین گانٹھوں) تک رہ گئی۔ اس کی بنیادی وجہ گزشتہ سال کی مون سون کے دوران ملک بھر میں سیلاب تھا جس نے کپاس کی فصل کی پیداوار اور زرعی زمین کو نقصان پہنچایا۔

اس پیداواری کمی سے زیادہ مہنگائی، کرنسی کی قدر میں کمی، اور بڑھتے ہوئے NY فیوچر نے روئی کی اوسط قیمتیں گزشتہ سیزن کے مقابلے میں بلند رکھی ہیں۔ سوت اور کپاس کی قیمتوں میں مطابقت رہی اور گزشتہ سال کے مقابلے میں فروخت کی قیمتوں کا فرق سازگار رہا تاہم، یہ مثبت رجحان پیداواری لاگت میں بے تحاشہ اضافے کو پورا کرنے کے لیے کافی نہیں تھا جس کے نتیجے میں ڈویژن کو نقصان ہوا۔

کمپنی نے بڑے پروڈکشن سائٹس میں سے ایک میں نئے ٹویوٹا RX 300 رنگ فریم کامیابی کے ساتھ نصب کیے ہیں۔ اس جدید ترین مشینری کے سیٹ اپ سے پیداواری صلاحیت میں بہتری آئی ہے۔

معاشی اور سیاسی بحران کی وجہ سے ملک شدید مالی بحران سے گزر رہا ہے۔ بڑھتی ہوئی خام مال، قرض لینے اور توانائی کی قیمتیں مشکل صورتحال پیدا کر رہی ہیں۔ ان مالیاتی مسائل نے کمپنی کے منافع کو منفی طور پر متاثر کیا ہے، خاص طور پر اسپننگ ڈویژن میں۔ تاہم، انتظامیہ ان کثیر الجہتی بحرانوں سے نمٹنے کی بھرپور کوشش کر رہی ہے۔ کمپنی کا خیال ہے کہ موثر ورکنگ کیپیٹل مینجمنٹ اور آپریشنل کارکردگی کو بہتر بنانے کے ساتھ بہتر سورسنگ حکمت عملی مستقبل میں ڈویژن کی کارکردگی میں مثبت کردار ادا کر سکتی ہے۔

ویونگ

ویونگ ڈویژن میں گریج فیبرک کی اعلی مانگ کی وجہ سے سال بھر آمدنی میں اضافے کا سلسلہ جاری رہا۔ کل فروخت اس سال ریکارڈ 8.63 ارب روپے تک پہنچ گئی جو کہ گزشتہ سال کے مقابلے میں 15 فیصد زیادہ ہے۔ فروخت کا ایک قابل ذکر حصہ بین الاقوامی منڈیوں میں تھا جہاں 69 فیصد اضافہ ہوا۔

اس وقت عالمی میکرو اکنامکس اور ملک کا سیاسی منظرنامہ ٹیکسٹائل کے کاروبار کے لیے معاون نہیں ہے۔ تاہم، انتظامیہ کا خیال ہے کہ توسیع شدہ مارجن اور آپریشنل آپٹیمائزیشن کے ساتھ جوڑ بنانے والی بہتر سورسنگ کی حکمت عملی اس شعبے میں ترقی اور منافع کے لیے محرک فراہم کرے گی۔

کمپنی پیداوار اور افادیت کی کیفیت کو بہتر بنانے کے لیے اپنی مشینری کو اپ گریڈ کر رہی ہے۔ ہم نے حال ہی میں پرانے لومز کو جدید ترین چوڑائی والے ماڈل لومز اور نئے سیکشنل ڈریسنگ مشین سے تبدیل کیا ہے۔

انتظامیہ مختلف ٹیکسٹائل کے حصے کو دریافت کرنے کا ارادہ رکھتی ہے اور مختلف کارکردگی والے کپڑوں کے لیے اختراعی ریشوں کا استعمال کرتے ہوئے نئی تعمیرات پر توجہ مرکوز کر کے اپنی مارکیٹ کو وسیع کرنا چاہتی ہے۔ یہ انتظام مجموعی طور پر پیداوار اور آپریشنل کارکردگی کو بہتر بنانے میں معاون ثابت ہوگا۔

تصرفات

قرض کی بلند لاگت اور کمپنی کے بہترین مفاد میں، کمپنی کی مجلس نظماء نے اس سال ڈیویڈنڈ نہ دینے کی سفارش کی ہے۔

سرمایہ کاری

سال کے دوران آپریشنل کارکردگی کی صلاحیت بہتر بنانے کے لیے ٹیکسٹائل کے مختلف شعبوں میں اہم سرمایہ کاری کی گئی۔ مختصر جائزہ حسب ذیل ہے:

کاروبار کا شعبہ	مشینری کا اضافہ	سرمایہ کاری (روپے ملین میں)
سپننگ	19 رنگ فریمز (ہر ایک میں 1,824 سپنڈلز)	1,514
	14 خودکار کون وائنڈنگ مشین	731
	14 کارڈنگ مشین	293
	5 کومبر مشین	193
	3 سادہ روونگ فریم مشین	143
	11 ڈرا فریم مشین	126
	1 کاٹن بلو روم مشین	112
	1 وژن انسپکشن سسٹم	93
	2 اسٹر ٹیسٹر یو ٹی 6-ایس 800	67
	2 اسٹر ٹیسٹر جوسی وژن شیلڈ	51
	1 ایپ فورمر مشین E-36	29
	9 ایئر کمپریسر	24
	1 ایپ فورمر مشین E-32	11
ویونگ	پکانول لومز	579
	سیکشنل ریپنگ مشین	37
ہوم ٹیکسٹائل	ہائی اسپیڈ ڈبل ڈرم ریزنگ مشین	87
	ہائی اسپیڈ شیئرنگ مشین	31

مجلس نظماء کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 کو اختتام شدہ مالی سال کے لئے مالیاتی نتائج پیش کرنے پر خوش ہیں جس میں محاسب شدہ الگ اور مشترکہ مالیاتی بیانات شامل ہیں۔

جائزہ

مالی سال 23-2022 خام مال کی زیادہ قیمتوں، خاص کر کپاس کی غیر موزوں قیمت کی وجہ سے ایک مشکل سال رہا۔ مزید یہ کہ شرح سود میں اضافے کی وجہ سے کمپنی کی کارکردگی شدید دباؤ کا شکار رہی۔ قرض کی مالی لاگت گزشتہ مالی سال کے 2.2 ارب سے بڑھ کے 5.4 ارب ہوگئی جبکہ آمدنی گزشتہ مالی سال کے 62 ارب سے بڑھ کے 67.6 ارب ہوگئی۔

گزشتہ مالی سال کے بعد از ٹیکس 12 فیصد منافع کی نسبت اس سال کمپنی نے بعد از ٹیکس 1.5 فیصد نقصان رپورٹ کیا ہے۔ مجموعی مارجن بھی گزشتہ سال کے 21 فیصد سے کم ہو کر 9.74 فیصد پر آ گئے ہیں۔

مجموعی بنیادوں پر، کمپنی نے 71 ارب روپے کا مجموعی کاروبار حاصل کیا جو کہ گزشتہ سال 88 ارب روپے تھا۔ اس کی بنیادی وجہ نشاط چونیاں پاور لمیٹڈ کو گروپ سے الگ کر دینا ہے، جس کی تفصیلات ملحقہ مالی بیانات کے نوٹ 37 میں دی گئی ہیں۔

مالیاتی جھلکیاں	گذشتہ سال 2023	گذشتہ سال 2022	اضافہ / کمی (فیصد)
فروخت (روپے)	67,629,278,772	61,988,039,043	9%
مجموعی منافع (روپے)	6,589,059,744	12,974,171,457	-49%
آپریٹنگ منافع (روپے)	5,331,902,056	10,551,950,599	-49%
بعد از ٹیکس (نقصان)/منافع (روپے)	(998,927,708)	7,468,201,616	-113%
مجموعی منافع فیصد	9.74%	20.93%	
بعد از ٹیکس (نقصان)/منافع فیصد	(1.48%)	12.05%	
فی شیئر آمدنی (نقصان)/(روپے)	(4.16)	31.10	

منافع

تمام کاروباری شعبوں (سیگمنٹ) کی فروخت میں اس سال بہتری دیکھی گئی ہے۔ اس سال کی آمدنی 67.63 ارب رہی جو کہ گزشتہ مالی سال سے 9 فیصد زیادہ ہے تاہم مجموعی منافع کی شرح میں گزشتہ مالی سال کے 20.93 فیصد سے کم ہو کر 9.74 فیصد رہی۔ قرض کی لاگت میں 146 فیصد کے بے تحاشا اضافے کی وجہ سے کمپنی پچھلے سال کے 12.05 فیصد منافع کی نسبت 1.48 فیصد کا نقصان رپورٹ کر رہی ہے۔

چیئرمین کی جائزہ رپورٹ

مجھے آپ کے سامنے نشاط (چونیاں) لمیٹڈ کے مجلس نظماء کے کمپنی کے مقاصد کے حصول میں کلیدی کردار کے ساتھ 30 جون 2023 کو ختم ہونے والے سال کے لیے معاشی اور کاروباری خاکہ پیش کرتے ہوئے بے حد خوشی ہو رہی ہے۔

یہ سال کمپنی کے لیے مشکل (چیلنجنگ) رہا ہے۔ اگرچہ ہماری فروخت 67.6 ارب (2022 میں 62 ارب) کی اب تک کی بلند ترین سطح پر پہنچ گئی ہے، جو گزشتہ سال کی آمدنی کے مقابلے میں 9 فیصد زیادہ ہے؛ تاہم ہم خالص نقصان کی اطلاع دے رہے ہیں۔ مجموعی اور خالص منافعوں میں کمی آئی ہے، جس کی بنیادی وجہ بالترتیب خام مال اور قرض لینے کی قیمت میں بے تحاشا اضافہ ہے۔

نشاط (چونیاں) لمیٹڈ کو اپنے بورڈ آف ڈائریکٹرز پر فخر ہے جو یقیناً اس کی بنیادی طاقت ہونے کے ساتھ ساتھ کمپنی کی اسٹریٹجک سمت متعین کرتے ہیں۔ بورڈ، ڈائریکٹرز اور ان کی کمیٹیوں کے حوالے سے کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 اور کمپنیز ایکٹ، 2017 میں درج شرائط کا پورا عمل کیا گیا ہے۔

کمپنی کے پاس سات رکنی بورڈ ہے، جس میں متنوع پس منظر والے ڈائریکٹرز شامل ہیں، جن کے پاس کمپنی کے کاروبار سے متعلق علم اور تجربہ موجود ہے۔ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل میں بھرپور حصہ لیا اور تعاون کیا ہے۔

جناب محمد اعظم صدیقی اور محترمہ عائشہ شہزاد کو جناب محمد زاہد خان اور محترمہ سادیہ بلال کی جگہ 13 اکتوبر 2022 سے ڈائریکٹرز مقرر کیا گیا جنہوں نے بالترتیب 29 ستمبر اور 3 اکتوبر 2022 کو ڈائریکٹرز کے عہدے سے استعفیٰ دیا تھا۔ محترمہ ماہ نور عادل کو مسٹر فیصل فرید کی جگہ 8 جون 2023 سے ڈائریکٹر کے طور پر مقرر کیا گیا تھا جنہوں نے 5 اپریل 2023 کو ڈائریکٹر کے عہدے سے استعفیٰ دے دیا تھا۔ جناب احمد حسنین کو جناب آفتاب احمد خان کی جگہ 4 جولائی 2023 سے ڈائریکٹر کے طور پر مقرر کیا گیا تھا جنہوں نے 25 مئی 2023 کو ڈائریکٹر کے عہدے سے استعفیٰ دیا تھا۔

بورڈ کی کارکردگی کا ایک بہترین معیار کے مطابق جائزہ لیا جاتا ہے۔ زیر جائزہ مدت میں بورڈ کی جانب سے انتہائی اہلیت اور تندہی کا مظاہرہ کیا گیا۔

بورڈ کی کامیابی کی اہم خصوصیات درج ذیل ہیں:

- کمپنی کے وژن، مشن اور اقدار کو واضح طور پر سمجھنا اور اس 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 حاصل کردہ اہم اطلاعات 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، جو 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 اقدامات کو مضبوط بنانے کے لیے موثر 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 اپنے بورڈ آف ڈائریکٹرز، ملازمین، شیئر ہولڈرز، کسٹمرز، بینکرز، ریگولیٹری اتھارٹیز اور دیگر اسٹیک ہولڈرز کا اس اعتراف میں مسلسل تعاون اور اعتماد کے لیے شکریہ ادا کرنا چاہتا ہوں۔

جناب فرخ افتخار

چیئرمین

تاریخ: 28 ستمبر، 2023

پراکسی فارم

میں / ہم ____________________

آف ____________________

بطور نشاط (چونیاں) لمیٹڈ کا ممبر، نامزد کرتا ہوں ____________________

آف ____________________

غیر موجودگی کی صورت میں ____________________

آف ____________________

کمپنی کا ممبر، 27 اکتوبر 2023 کو Q-31 گلبرگ-II میں صبح 10 بجے منعقدہ سالانہ اجلاس میں شرکت کرنے اور ووٹ ڈالنے کے لئے اپنی / ہماری غیر موجودگی میں پراکسی کے طور پر۔

گواہ کے طور پر میرے / ہمارے ____________ تاریخ ____________ 2023

دستخط ممبر ____________________

موجودگی میں ____________________

5 روپے کی ریونیو سٹیمپ چسپاں کریں

دستخط ممبر ____________________

دستخط موجودگی میں

دستخط گواہ ____________________

نام ____________________

شناختی کارڈ نمبر ____________________

دستخط گواہ ____________________

نام ____________________

شناختی کارڈ نمبر ____________________

براہ کرم حوالہ دیں:

فولیو نمبر	حصص شمار	سی ڈی سی اکاؤنٹ نمبر

اہم نوٹ:

پراکسی کا تقرر کرنے والا یہ مکمل پُر شدہ کاغذ کمپنی کے رجسٹرڈ دفتر Q-31 گلبرگ-II میں سالانہ اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل موصول ہو جانا چاہیے۔

نمبر شمار	قرارداد کی نوعیت اور تفصیل	میں / ہم قرارداد کے حق میں	میں / ہم قرارداد کے خلاف
۱	خصوصی قرارداد (بشمول) نمبر ۱ کے مطابق (جیسا کے پیش کی گئی ہے)		
۲	خصوصی قرارداد (بشمول) نمبر ۲ کے مطابق (جیسا کے پیش کی گئی ہے)		
۳	خصوصی قرارداد (بشمول) نمبر ۳ کے مطابق (جیسا کے پیش کی گئی ہے)		

شیئرز ہولڈر / پراکسی ہولڈر دستخط مجاز ____________

جگہ ________

تاریخ ________

نوٹس:

۱۔ مکمل طور پر پُر شدہ پوسٹل بیلٹ چیئرمین کو بھیجا جائے یا بذریعہ ای میل (chairman@nishat.net) کاروباری پتہ چیئرمین کو ای میل کو بھیجا جائے۔

۲۔ شناختی کارڈ کی کاپی ہمراہ پوسٹل بیلٹ فارم

۳۔ پوسٹل بیلٹ فارم میٹنگ کے چیئرمین کے پاس 26 اکتوبر 2023 کو شام 5 بجے یا اس سے پہلے پہنچ جانے چاہئیں۔ (پوسٹل بیلٹ وصول کرنے کی آخری تاریخ)۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے تسلیم نہیں سمجھا جائے گا۔

۴۔ کسی باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ پیپر فارم کے ساتھ کسی مجاز شخص کے CNIC کی کاپی، بورڈ ریزولوشن / پاور آف اٹارنی / اتھارٹی لیٹر وغیرہ کی تصدیق شدہ کاپی ہونا ضروری ہے کمپنیز ایکٹ 2017 کے سیکشن (ز) 138 یا 139 کے مطابق غیر ملکی باڈی کارپوریٹ وغیرہ کے معاملے میں، تمام دستاویزات کو قونصل جنرل آف پاکستان سے تصدیق شدہ ہونا چاہیے جو ممبر پر دائرہ اختیار رکھتا ہو۔

۵۔ بیلٹ پیپر پر دستخط یا انگوٹھے کا نشان CNIC/NCOP پر دستخط سے مماثل ہونے چاہئیں۔

۶۔ نامکمل، غیر دستخط شدہ، غلط، خراب، پھٹا ہوا، مسخ شدہ، زیادہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔

ڈاک کے ذریعے ووٹ ڈالنے کے لیے بیلٹ پیپر

نشاط چونیاں لمیٹڈ کے حصص داران کے سالانہ اجلاس عام منعقدہ 27 اکتوبر، 2023 (بروز جمعہ) صبح 10 بجے کمپنی کے رجسٹرڈ آفس 31-Q، گلبرگ-II، لاہور میں ڈاک کے ذریعے ہونے والی ووٹنگ کے لئے۔

چیئرمین کا نامزد ای میل ایڈریس chairman@nishat.net جس پر مکمل پُر شدہ بیلٹ پیپر بھیجا جا سکتا ہے:

	نام حصص دار / مشترکہ حصص دار
	رجسٹرڈ پتہ
	فولیو نمبر / سی ڈی سی پارٹیسپنٹ / سب اکاؤنٹ نمبر
	حصص کی تعداد
	شناختی کارڈ / این آئی کوپ / پاسپورٹ نمبر (غیر ملکیوں کے لئے)
	اضافی معلومات اور منسلکات (باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)
	مجاز دستخط کنندہ کا نام
	مجاز دستخط کنندہ کا شناختی کارڈ / این آئی کوپ / پاسپورٹ نمبر (غیر ملکیوں کے لئے)

خصوصی قرارداد
ایجنڈا آئٹم نمبر 3 کمپنیز ایکٹ کے سیکشن 223(6) اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 کے مطابق مندرجہ ذیل قرارداد پر غور کرنا اور اگر مناسب سمجھا جائے تو ترمیم کے ساتھ یا اس کے بغیر خصوصی قرارداد کے طور پر منظور کرنا، تاکہ کمپنی کو اپنے ممبران کو QR کوڈ اور ویب لنک کے ذریعے سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشوارے، آڈیٹر کی رپورٹ، چیئرمین کی جائزہ رپورٹ اور ڈائریکٹرز کی رپورٹ) کی ترسیل کی اجازت دی جا سکے: سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 کی اجازت کے مطابق قرار پایا ہے کہ کمپنی کے ممبران کی جانب سے اس بات کی اجازت دی گئی ہے کہ کمپنی اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشوارے کی ترسیل سی ڈی / ڈی وی ڈی / یو ایس بی کی بجائے بذریعہ QR کوڈ اور ویب لنک کرے گی۔ ایجنڈا آئٹم نمبر 5 30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ فریقوں کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لیے درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر پاس کرنا: قرار پایا ہے کہ متعلقہ فریقین کے ساتھ لین دین جیسا کہ الگ الگ مالیاتی 30 جون 2023 کو ختم ہونے والے سال کے نوٹ نمبر 38 میں دیے گئے ہیں اور کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت مادی حقائق کے بیان میں بھی دکھائے گئے ہیں کی توثیق اور منظوری دی جاتی ہے۔ ایجنڈا آئٹم نمبر 6 مجلس نظماء کو 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری کے لیے درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر منظور کرنے کے لیے بااختیار بنانا: قرار پایا کہ مجلس نظماء 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے انفرادی طور پر کیس کی بنیاد پر متعلقہ فریقوں کے ساتھ کیے جانے والے لین دین کی منظوری دینے کے مجاز ہیں۔ مزید قرار پایا ہے کہ بورڈ کی طرف سے ان لین دین کو حصص داران کے ذریعہ منظور شدہ سمجھا جائے گا اور اگلے سالانہ اجلاس عام میں ان کی باضابطہ توثیق / منظوری کے لیے حصص داران کے سامنے رکھا جائے گا۔

ان متعلقہ فریقوں کے ساتھ تعلقات کی نوعیت کا اوپر بتایا جا چکا ہے۔ کلیدی انتظامی عہدوں پر مامور افراد جیسا کہ چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کو دیے گئے معاوضے کی تفصیل 30 جون 2023 کو ختم ہونے والے سال کے الگ مالیاتی بیانات کے نوٹ 37 میں بیان کی گئی ہے۔ ڈائریکٹرز متعلقہ فریقوں کے ساتھ لین دین میں صرف اپنی شیئرہولڈنگ اور مشترکہ ڈائریکٹرشپ کی حد تک قرارداد میں دلچسپی رکھتے ہیں۔

ایجنڈا آئٹم 9

30 جون 2024 کو ختم ہونے والے سال کے دوران متعلقہ فریقوں سے متعلق لین دین منظور کرنے کے لئے مجلس نظماء کی منظوری

کمپنی اپنے متعلقہ فریقوں کے ساتھ 30 جون 2024 کو ختم ہونے والے سال کے دوران کاروبار کے معمول کے مطابق لین دین کرے گی۔ ڈائریکٹرز کی اکثریت متعلقہ اداروں میں مشترکہ ڈائریکٹرشپ کی وجہ سے دلچسپی رکھتی ہے۔ شفاف کاروباری طریقوں کو فروغ دینے کے لیے، حصص یافتگان کو مجلس نظماء کو متعلقہ فریقوں کے ساتھ 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے انفرادی معاملے کی بنیاد پر کیے جانے والے لین دین کی منظوری کا مجاز بنانا ہوگا۔ ایسی تمام لین دین کے معاملات کو شیئرہولڈرز کے ذریعے منظور شدہ سمجھا جائے گا۔

متعلقہ فریق کا نام	تعلق	لین دین کی تفصیل	2023 (روپے)	2022 (روپے)
نشاط چونیاں پاور لمیٹڈ	ایسوسی ایٹڈ کمپنی اور سابقہ ذیلی کمپنی	مشترکہ سہولیات کی قیمت	19,800,000	19,800,000
		آمدنی کا اشتراک	558,615	-
نشاط چونیاں (یو ایس اے) انکارپوریٹڈ	ذیلی کمپنی	سامان کی فروخت	86,772,291	217,753,739
سوئیو انکارپوریٹڈ	نشاط چونیاں (یو ایس اے) انکارپوریٹڈ کی ذیلی کمپنی جو کمپنی کی ذیلی کمپنی ہے	سامان کی فروخت	67,968,471	22,704,421
نشاط چونیاں پراپرٹیز پرائیویٹ لمیٹڈ	ذیلی کمپنی	نقد عام حصص میں سرمایہ کاری	-	100,000
		زمین کے بدلے عام حصص میں سرمایہ کاری	-	499,205,000
		ذیلی کمپنی کے بدلے اخراجات کی ادائیگی	518,040	288,345
ٹی ایل سی مڈل ایسٹ ٹریڈنگ	ذیلی کمپنی	ذیلی کمپنی کے بدلے اخراجات کی ادائیگی	1,226,174	3,388,145
		سامان کی فروخت	7,062,069	-
سلیم میموریل ٹرسٹ ہسپتال	ایسوسی ایٹڈ کمپنی	عطیہ	-	400,000,000
سلیم میموریل فاؤنڈیشن	سابقہ میاں محمد یحییٰ ٹرسٹ	عطیہ	9,662,783	5,796,955
ایمپلائز پراویڈنٹ فنڈ ٹرسٹ - متعلقہ فریق	کی گئی شراکت		129,722,971	109,320,065
نظماء		ڈیویڈنڈ ادائیگی	250,417,492	495,024,460
		سابق ایگزیکٹو ڈائریکٹر کو طویل مدتی قرض کی ایڈجسٹمنٹ	4,312,684	223,310
		طویل مدتی قرض پر سود کی آمدنی	64,991	90,571

ب)

پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار

اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ساتھ صحیح طریقے سے بھرے ہوئے اور دستخط شدہ بیلٹ پیپر چیئرمین تک کمپنی کے رجسٹرڈ ایڈریس نشاط ہاؤس، 53/A، لارنس روڈ، لاہور، پاکستان پر سالانہ اجلاس عام سے ایک دن پہلے ڈاک کے ذریعے پہنچیں یعنی 26 اکتوبر 2023ء کو شام 5 بجے تک chairman@nishat.net پر ای میل کریں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہونے چاہیے۔

پوسٹل بیلٹ پیپر کمپنی کی ویب سائٹ www.nishat.net سے ڈاؤن لوڈ کرنے کے لیے بھی دستیاب ہے یا اخبارات میں شائع ہونے اس نوٹس کے ساتھ منسلک کو بھی استعمال کر سکتے ہیں۔

براہ کرم نوٹ کریں کہ ایک سے زیادہ ووٹ ڈالنے سمیت ووٹنگ میں کسی تنازعہ کی صورت میں فیصلہ کن اختیار چیئرمین کا ہوگا۔

(ای ووٹنگ سروس پرووائڈر)

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت درکار مادی حقائق کا بیان

ایجنڈا آئٹم

QR کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 میں اس بات کی اجازت دی گئی ہے کہ کمپنی اپنے ممبران کو سالانہ آڈٹ شدہ مالی بیانات کی ترسیل سی ڈی (سی ڈی/ڈی وی ڈی/یو ایس بی) کی بجائے بذریعہ QR کوڈ اور ویب لنک کرے گی۔ ٹیکنالوجی کے آنے کے اور معلومات اور پائیداری کے لیے کمپنی کی کارپوریٹ سماجی ذمہ داری کو پورا کرنے پر غور کرتے ہوئے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 کی تعمیل میں سالانہ رپورٹس بشمول آڈٹ شدہ مالیاتی گوشوارے اور دیگر رپورٹس کی ترسیل بذریعہ QR کوڈ اور ویب لنک ممبران کی منظوری طلب کی جا رہی ہے۔

کمپنیز ایکٹ، 2017 (ایکٹ) کے تحت میٹنگ کا نوٹس ممبران کو ان کے رجسٹرڈ ایڈریس پر بھیجا جائے گا، جس میں QR کوڈ اور ویب لنک ایڈریس ہوں گے جہاں سالانہ آڈٹ شدہ مالیاتی گوشواروں اور ایکٹ کے تحت نوٹس کے ساتھ منسلک دیگر دستاویزات کو دیکھا اور ڈاؤن لوڈ کیا جا سکے۔ ممبر کی طرف سے مہیا کردہ ای میل ایڈریس پر کمپنی سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ وغیرہ بھیجے گی۔ وہ حصص یافتگان جو مذکورہ دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہیں وہ کمپنی کی ویب سائٹ پر فراہم کردہ درخواست فارم کمپنی کو بھیج سکتے ہیں۔ کمپنی درخواست موصول ہونے کے ایک ہفتے کے اندر مذکورہ دستاویزات حصص یافتگان کو فراہم کرے گی۔ ڈائریکٹرز، سپانسرز، اکثریتی حصص یافتگان اور ان کے رشتہ دار متعلقہ کاروباروں میں براہ راست یا بالواسطہ دلچسپی نہیں رکھتے ہیں سوائے اس حد تک کہ ان کے پاس کمپنی کے حصص موجود ہیں۔

ایجنڈا آئٹم

متعلقہ فریقین کے مابین لین دین کے معاملات کی توثیق اور منظوری

متعلقہ فریقوں کے ساتھ کیے گئے لین دین کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر بذریعہ آڈٹ کمپنی کی بورڈ کے مجلس نظماء سے منظوری لی ہوگی۔ تاہم سال کے دوران کمپنی کے ڈائریکٹرز چونکہ اپنی مشترکہ ڈائریکٹرشپ کی وجہ سے دلچسپی رکھتے تھے اس لیے ان لین دین کو سالانہ اجلاس عام میں حصص داران کی منظوری کے لیے رکھا جا رہا ہے۔

اگلے مالی حسابات 30 جون 2023 مختتمہ سال کے نوٹ نمبر 38 میں بتائے گئے تمام متعلقہ فریقین کے ساتھ لین دین کے معاملات کی توثیق کی جاتی ہے۔ ایسی تمام لین دین کے معاملات کی بر جماعت کے حساب سے تفصیلات ذیل میں دی گئی ہیں:

۵۔ 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 اور دستاویزات (i) متعلقہ سنٹرل ڈیپازٹری سسٹم پارٹیسپنٹس اور (ii) مادی سیکورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کریں۔

۶۔ 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 بمطابق مخصوص کردہ وقت 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۔

۷۔ کمپنی 30 جون 2023 کو ختم سال کے لیے نظرثانی شدہ الگ اور مشترکہ مالی حسابات معہ ان پر محاسب اور مجلس نظماء کی رپورٹس اور چیئرمین جائزہ رپورٹ اور سالانہ اجلاس کے نوٹس کو اپنی ویب سائٹ www.nishat.net پر رکھ دیا ہے۔

۸۔ مخصوص کاروباری قراردادوں پر ووٹنگ کا طریقہ کار

ممبران کو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 ("ریگولیشنز") میں ترمیم شدہ نوٹیفکیشن مورخہ 05 دسمبر 2022، جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعے جاری کیا گیا ہے کے مطابق، سیکیورٹیز اینڈ ایکسچینج کمیشن نے تمام لسٹڈ کمپنیوں کو اس بات کا پابند بنایا ہے کہ وہ اپنے ممبران کو خصوصی کاروبار کے طور پر درجہ بند تمام کاروباروں کے لیے الیکٹرانک اور ڈاک کے ذریعے ووٹنگ کی سہولت فراہم کریں۔

چنانچہ نشاط چونیاں لمیٹڈ ("کمپنی") کے ممبران کو 27 اکتوبر 2023 کو خصوصی کاروبار کے لیے صبح 10.00 بجے ہونے والے سالانہ اجلاس عام میں مذکورہ ضوابط میں موجود شرائط کے تابع الیکٹرانک یا ڈاک کے ذریعے ووٹ دینے کی اجازت ہوگی۔

(الف) ضابطہ برائے ای ووٹنگ

۱۔ مورخہ 19 اکتوبر 2023 کو کاروبار کے اختتام پر کمپنی کے ممبران کے رجسٹر میں جن ممبران کے درست CNIC نمبر، سیل نمبر، اور ای میل ایڈریس موجود ہوں گے، ای ووٹنگ کی سہولت کی تفصیلات کمپنی ان اراکین کے ساتھ ایک ای میل کے ذریعے شیئر کرے گی۔

۲۔ ای میل کے ذریعے اراکین کو ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے مطلع کیا جائے گا۔ ممبرز کو سیکورٹی کوڈ ایس ایم ایس کے ذریعے سی ڈی سی شیئر رجسٹرار (ای ووٹنگ سروس پرووائڈر) کے ویب پورٹل کے ذریعے مطلع کیا جائے گا۔

۳۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے ذریعے کی جائے گی۔

۴۔ ای ووٹنگ لائنیں 24 اکتوبر 2023 سے شروع ہوں گی اور 26 اکتوبر 2023 کو شام 5:00 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی رکن کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

اوپر دی گئی ریکوائرمنٹ کے مطابق پراکسی فارم جمع کرانا ہوگا۔

(ii)۔ پراکسی فارم پر دو (2) افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہوں گے، سے گواہی شدہ ہوں گے۔

(iii)۔ بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہوں گی۔

(iv)۔ پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا/گی۔

(v)۔ بصورت کارپوریٹ ادارے، بورڈ آف ڈائریکٹرز قرارداد/ مختار نامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے مہیا نہیں کئے)۔

س۔ الیکٹرانک میڈیم کے ذریعے سالانہ رپورٹس کی ترسیل

نشاط (چونیاں) لمیٹڈ کے حصص داران کمپنی کے 27 ویں AGM میں سالانہ رپورٹس بشمول محاسب شدہ سالانہ حسابات، سالانہ اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات کاغذی شکل 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 کاغذی شکل وصول کرنا چاہتے ہوں کمپنی سیکرٹری/ شیئرز 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 ان کی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹس 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۔

ع۔ ویڈیو کانفرنس سہولت

کمپنیز ایکٹ کی پروویژنز کی پیروی میں، کمپنی کے کل پیڈ اپ کیپٹل کے کم از کم مشترکہ 10% کے مالک لاہور کے علاوہ شہر میں مقیم ارکان کمپنی سے اجلاس میں شرکت کے لئے ویڈیو لنک کی سہولت مہیا کرنے کا مطالبہ کر سکتے ہیں۔ ویڈیو لنک سہولت کا مطالبہ مذکورہ بالا پتہ پر شیئرز رجسٹرار کے ذریعے سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ www.nishat.net پر بھی دستیاب معیاری درخواست فارم پر اجلاس کی تاریخ سے کم از کم 7 یوم قبل وصول کیا جائے گا۔

سکیورٹیز 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 شیئرز ہولڈرز کو ان کے گھروں سے اپنے اسمارٹ فون یا کمپیوٹر ڈیوائسز کے ذریعے میٹنگ میں شرکت کے لیے ویڈیو لنک کی سہولت کا انتظام کیا ہے۔ ویڈیو لنک کے ذریعے میٹنگ میں شرکت کی دلچسپی رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ ایک ای میل بہ مضمون (سالانہ اجلاس میں شرکت) اجلاس سے 48 گھنٹے قبل درج ذیل معلومات اور شناختی کارڈ کی دونوں اطراف کی کاپی کے ساتھ کمپنی سیکرٹری کی ای میل shahbazahsan@nishat.net پر بھیج کر خود کو رجسٹر کریں۔ میٹنگ میں شرکت کا لنک شیئرز ہولڈرز کو ان کے فراہم کردہ ای میل ایڈریس پر بھیجا جائے گا۔ حصص یافتگان سے درخواست کی جاتی ہے کہ وہ درج ذیل جدول کے مطابق تفصیلات دیں کریں۔

نام حصص دار	CNIC نمبر	فولیو نمبر/CDC اکاؤنٹ نمبر	حصص کی تعداد	موبائل نمبر	ای میل ایڈریس

مذکورہ لنک AGM کی تاریخ 27 اکتوبر 2023 کو صبح 09:55 بجے سے اجلاس کے اختتام تک فعال رہے گا۔

مزید قرار پایا ہے کہ بورڈ کی طرف سے ان لیس دین کو حصص داران کے ذریعہ منظور شدہ سمجھا جائے گا اور اگلے سالانہ اجلاس عام میں ان کی باضابطہ توثیق / منظوری کے لیے حصص داران کے سامنے رکھا جائے گا۔

لاہور

مورخہ 06 اکتوبر 2023

بحکم بورڈ

دانش فاروق

کمپنی سیکرٹری

نوٹس:

ا۔ حصص منتقلی کتابوں کی بندش

سالانہ اجلاس عام میں شرکت کے لئے کمپنی کی حصص منتقلی کتابیں 20 اکتوبر 2023 تا 27 اکتوبر 2023 (بشمول دونوں ایام) کے لئے بند رہیں گی۔ سی ڈی سی / فزیکل منتقلیاں، جو کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور کو 19 اکتوبر 2023 تک کاروبار کے اختتام تک موصول ہوں گی وہی اجلاس میں شرکت کے مقصد کیلئے بروقت تصور ہوں گی۔

۲۔ 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 لازما موصول ہو جانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری شدہ درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

الف۔ اجلاس میں شرکت کیلئے:

(i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی 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 / مجلس انتظامیہ کی قرارداد / مختار نامہ مع نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہوں گے (اگر پہلے مہیا نہیں کئے گئے)۔

ب۔ پراکسیز تقرری کیلئے:

(i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا شخص جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات ریگولیشنز کے مطابق اپ لوڈ ہیں، کو

نشاط (چونیاں) لمیٹڈ

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ نشاط (چونیاں) لمیٹڈ کے حصص داران کا 35واں سالانہ اجلاس عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ II، لاہور میں 27 اکتوبر 2023 کو صبح 10:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

۱۔ 27 اکتوبر 2022 کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔

۲۔ 30 جون 2023 مختتمہ سال کیلئے کمپنی کے محاسب شدہ الگ اور مشترکہ مالی حسابات معہ ان پر مجلس نظماء، محاسب اور چیئرمین رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔

۳۔ محاسب کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ اراکین کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور مجلس نظماء نے سبکدوش محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی کمپنی کے محاسب کے طور پر دوبارہ تقرری کی منظوری دی ہے۔

خصوصی امور:

۴۔ کمپنیز ایکٹ کے سیکشن (6)223 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ ایس آر او نمبر 389(I)/2023 بتاریخ 21 مارچ 2023 کے مطابق مندرجہ ذیل قرارداد پر غور کرنا اور تبدیلی یا بلا تبدیلی کے ساتھ خصوصی قرارداد کے طور پر منظور کرنا تاکہ کمپنی کو اپنے ممبران کو QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ رپورٹ (بشمول محاسب شدہ مالی بیانات، محاسب کی رپورٹ، مجلس نظماء کی رپورٹ اور چیئرمین جائزہ رپورٹ) کی ترسیل کی اجازت دی جا سکے:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ ایس آر او نمبر 389(I)/2023 بتاریخ 21 مارچ 2023 کی اجازت کے مطابق قرار پایا ہے کہ کمپنی کے ممبران کی جانب سے اس بات کی اجازت دے دی گئی ہے کہ کمپنی اپنے ممبران کو سالانہ محاسب شدہ مالی بیانات کی ترسیل سی ڈی / ڈی وی ڈی / یو ایس بی کی بجائے بذریعہ QR فعال کوڈ اور ویب لنک کرے گی۔

۵۔ 30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ فریقوں کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لیے درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر پاس کرنا:

قرار پایا ہے کہ متعلقہ فریقین کے ساتھ لین دین جیسا کہ الگ مالی حسابات 30 جون 2023 مختتمہ سال کے نوٹ نمبر 38 میں بتائے گئے ہیں اور کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت ضروری حقائق کے بیان میں بھی دکھائے گئے ہیں کی توثیق اور منظوری دی جاتی ہے۔

۶۔ مجلس نظماء کو 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری کے لیے درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر منظور کرنے کے لیے با اختیار بنانا:

قرار پایا کہ مجلس نظماء 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے انفرادی معاملے کی بنیاد پر متعلقہ فریقوں کے ساتھ کیے جانے والے لین دین کی منظوری دینے کے مجاز ہیں۔

INVESTORS' EDUCATION

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