ANNUAL REPORT 2015

Nishat Chunian Ltd

BRIEF PROFILE

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

CONTENTS

COMPANY INFORMATION

Board of Directors:
Ms. Farhat Saleem (*Chairperson)*
Mr. Shahzad Saleem (*Chief Executive)*
Mr. Yahya Saleem
Mr. M. Imran Rafiq (*Nominee NIT)*
Mr. Aftab Ahmad Khan
Mr. Shahid A. Malik
Mr. Kamran Rasool

AUDIT COMMITTEE:
Mr. Aftab Ahmad Khan (*Chairman)*
Ms. Farhat Saleem (*Member)*
Mr. Yahya Saleem (*Member)*

HR & R COMMITTEE:
Mr. Yahya Saleem (*Chairman)*
Mr. Shahzad Saleem (*Member)*
Mr. Kamran Rasool (*Member)*

CFO / Company Secretary:
Mr. Saqib Riaz

Head of Internal Audit:
Mr. Faqir Syed Ameer Abbas

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

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

Spinning 2, 3, 6 & Weaving
49th Kilometre, Multan Road,
Kamogal, Tehsil Pattoki,
District Kasur.

Bankers to the Company:
Allied Bank Limited
Askari Bank Limited
Al Barka Bank (Pakistan) Limited
Bank Alfalah Limited
Barclays Bank plc, Pakistan
Bank Islami Pakistan Limited
Burj Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Kuwait Investment Company (Private) Limited
Standard Chartered Bank Pakistan Limited
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors:
Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:
31-Q, Gulberg-II,
Lahore, Pakistan.
Phone : 35761730-39
Fax : 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 26th Annual General meeting of the Shareholders of Nishat (Chunian) Limited will be held at the Registered Office of the Company, 31-Q, Gulberg II, Lahore on 30 October 2015 (Friday) at 09.45 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the last Extra Ordinary General Meeting held on May 14, 2015.
2. To receive, consider and adopt audited unconsolidated and consolidated financial statements of the Company for the year ended 30 June 2015 together with Directors' and Auditors' reports thereon.
3. To approve a final cash dividend @15% (i.e.Rs.1.50 per share) as recommended by the Board of Directors.
4. To appoint auditors for the year ending 30 June 2016 and to fix their remuneration. The present Auditors M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for reappointment.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

6. To alter the provisions of Memorandum of Association with respect to the objects of the company to enable it to carry on business, not being a business specified in its existing object by passing the following resolution as a special resolution:

"RESOLVED that, pursuant to the provisions of Section 21 and other applicable provisions, if any of the Companies Ordinance, 1984 and subject to the confirmation of the Securities and Exchange Commission of Pakistan, the following new sub clause No. 39 A be and is hereby inserted after the existing sub clause 39 of the Object Clause III of the Memorandum of Association of the company:

"To provide/issue corporate guarantee(s) to the Banks/financial institutions on behalf of subsidiaries and associated companies / undertaking and to provide securities to any of the corporate or non-corporate bodies including but not limited to the financial institutions / banks on behalf of subsidiaries and associated companies / undertakings for obtaining loans, and other financial facilities".

RESOVLED FURTHER that a petition be filed with the SECP under Section 21 of the Companies Ordinance, 1984 and the Chief Executive Officer and the Company Secretary be and are hereby jointly and severally authorized to undertake all such actions and to do all such things for and on behalf of the Company including completion of all requisite legal and corporate formalities including filing of application and execution of necessary documents for effectuating the alteration of the Memorandum of Association."

A statement under Section 160(1)(b) of the Companies Ordinance, 1984, is annexed to this Notice of Annual General Meeting.

By Order of the Board

Saqib Riaz
Company Secretary

Lahore: October 9, 2015

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 24-10-2015 to 30-10-2015 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore by the close of business on 23-10-2015 will be considered in time to determine the above mentioned entitlement and to attend and vote at 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 in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

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

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

B. For Appointing Proxies:

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

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

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

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

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

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

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 19(I)/2014 dated 10th January 2014 read with Notification S.R.O. 831(1)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

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

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

(i) Pursuant to the provisions of the Finance Act 2015 effective July 1, 2015, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

1. Rate of tax deduction for filer of income tax return 12.5%

2. Rate of tax deduction for non-filers of income tax return 17.5%

To enable the company to make tax deduction on the amount of cash dividend @ 12.5% instead of 17.5%, shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @17.5% instead of 12.5%

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

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

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

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

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

5. Dividend Mandate (Optional)
In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 18 of 2012 dated June 05, 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account under Section 250 of the Companies Ordinance, 1984.

Further, transferee of shares may exercise option for dividend mandate by using the revised "Form of Transfer Deed available on Company's website. The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he/she/it desires to be used for credit of cash dividend.

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

6. Payment of Cash Dividend Electronically (Optional)
The SECP has initiated e-dividend mechanism through its letter No: 8(4) SM/CDC/2008 dated April 05, 2013. In order to avail benefits of e-dividend (such as instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc.) shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address.

7. Consent for Electronic Transmission of Audited Financial Statements & Notices (Optional)
The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company's website http://www.nishat.net.

8. 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.

9. The Company has placed the audited unconsolidated and consolidated financial statements for the year ended June 30, 2015 along with Auditors and Directors Reports thereon on its website: www.nishat.net

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 30th October 2015 pertaining to issue of bank/corporate guarantee(s) to financial institutions on behalf of subsidiaries and associated companies by way of alteration in the Memorandum of Association by inserting a new sub clause.

In order to meet the required funding for subsidiaries and associated companies of Nishat (Chunian) Limited to ensure smooth operations of subsidiaries and associated companies, the Company is required to submit to the Banks / financial institutions corporate guarantees and securities on behalf of its subsidiaries and associated companies. Some of the Banks / Financial institutions of subsidiaries and associated companies require such guarantees from the Company as a condition to issue credit lines for their projects. Hence, the management of the Company is proposing to issue bank/corporate guarantee(s) to the lenders and suppliers of subsidiaries and associated companies of the Company as and when needed.

There is no direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the subsidiaries and associated companies or the transaction under consideration.

A copy of the original and amended Memorandum and Articles of Association has been placed at the Registered Office of the Company and will be available for inspection during usual business hours till the date of annual general meeting.

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Consent Form For Electronic Transmission

Pursuant to the allowance granted through SRO 787(I)/2014 of September 8, 2014, by the Securities Exchange Commission of Pakistan, the Company can circulate its annual balance sheet and profit and loss accounts, auditor's report and directors' report etc. ("Audited Financial Statements") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a completed consent form to the Company's Share Registrar, Hameed Majeed Associates (Pvt) Limited.

PLEASE NOTE THAT RECEIPT OF THE ANNUAL REPORT VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

ELECTRONIC TRANSMISSION CONSENT FORM

Date:__________________

The Share Registrar
Hameed Majeed Associates (Pvt) Limited Hameed Majeed House, 7-Bank Square
The Mall, Lahore.
Ph#042-37235081-82 Fax#042-37358817
Email: info@hmaconsultants.com

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I, Mr./Ms.__________________________S/o, D/o, W/o ____________________________ hereby consent to have The Nishat Chunian Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name of Member/ Shareholder	
Folio/ CDC Account Number	
Email Address:	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of Annual General Meeting.

____
Signature of the Member/ Shareholder


OMNI

DIRECTOR'S REPORT

The year has witnessed the continuity of downtrend of previous year as textile industry as whole remained under pressure. Demand for textile products in general and cotton yarn in particular declined during the year. Anticipated growth in textile exports, after the grant of GSP Plus status, was not achieved due to increased competition from regional players, China and India, and by the general economic slump in the US and European Markets. Sales volumes for value added segment have increased as compared to last year but could not add much value to the bottom line due to Rupee appreciation against US dollar compounded by increased labour costs.

Despite stringent challenges which we are facing in domestic and international market, we remain committed to creating value for our stakeholders.

Over the last six years company has shown steady and durable growth. Our net sales rose to Rs. 23.8 billion in 2015 from Rs. 13.3 billion in 2010, while total assets stood at Rs.26.9 billion as at June 30, 2015 against total assets of Rs. 14.3 billion in 2010.

We are pleased to announce the audited results for the year ended June 30, 2015.

YEAR AT A GLANCE

Revenue: Rs. 23.8 Billion (+4.3%)
Profit from Operations Rs. 2.5 Billion (+8.4%)
Net Profit for the Year Rs. 800.4 Million (+5.1%)

Financial Highlights	For the Year Ended	
	2015	2014
Sales (Rs.)	23,780,454,796	22,799,758,141
Gross Profit (Rs.)	1,956,778,596	1,380,613,423
Profit After Taxation (Rs.)	800,419,957	761,296,535
Gross Profit %	8.2%	6.06%
Profit After Taxation %	3.37%	3.34%
Earnings Per Share (Rs.)	4.00	3.80
Return on Equity	8.88%	9.04%

PROFITABILITY

Revenue earned during this year was Rs. 23.8 billion, up by 4.3% from last year. Despite continued depression in textile industry the gross profits for this period increased from 6.1% to 8.2% as compared to last year. Net profit after tax for the current period is Rs. 800.4 million compared to Rs. 761.3 million for the year 2014.

Moreover, the Company's subsidiary Nishat Chunian Power Limited has proposed a final cash dividend of Rs. 2 per ordinary share on its meeting held on October 5, 2015 which will be recognised in next financial year.

APPROPRIATIONS

The Board of Directors of the Company has proposed to pay Rs.1.5 per ordinary share cash dividend on its meeting held on October 5, 2015.

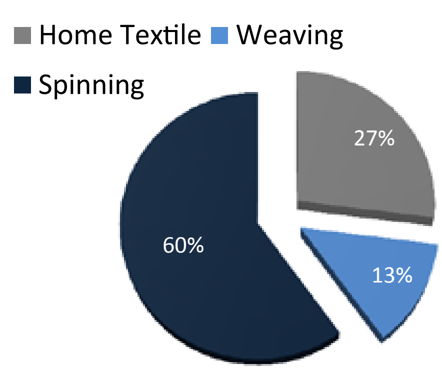
INVESTMENTS

To cope up with emerging demands of energy, Company had started setting up its own wholly owned company named NC Electric Company Limited to fulfil its energy demands in June 2014. The Company has invested Rs.1.16 billion on this project till date. Moreover, the Company has diversified into entertainment business by acquiring NC Entertainment (Private) Limited as wholly owned subsidiary. Its main business is to set up multiplexes cinemas to take advantage of this emerging and growing industry in Pakistan. Rs.48 million has been invested on this project till date.

Further, during the year investment of over Rs. 200 million was made on various projects including machines improvement, boilers improvement, grid station up-gradation, advanced lab equipment and other assets.

SEGMENT WISE REVENUE

Spinning continues to be the main revenue generating business for the Company. All business segments have shown steady growth in terms of volume but because of the recent depressed market and rupee appreciation, the revenues have not shown a corresponding growth.



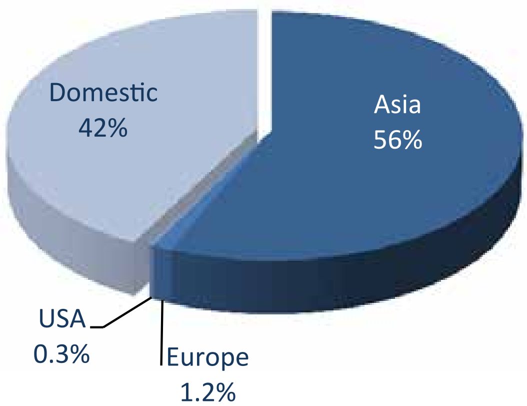
SPINNING

Our Spinning capacity has increased to 210,000 spindles, comprising in 8 spinning units producing approximately 85,000 tonnes of yarn per annum. The Company had acquired two sick units in 2013 which are now fully operational. Latest available machinery has been imported from Europe and Japan to replace the obsolete equipment which will raise the product quality as per The Company standards.

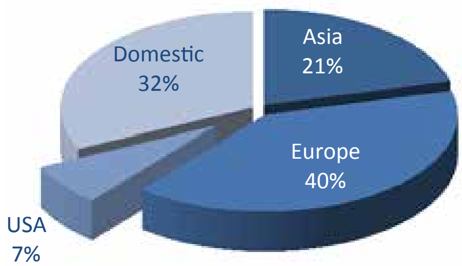
The Global textile market experienced another year of substantial slowdown, characterized by slow demand and over supply of yarn. Local textile manufacturers are heavily engaging in backward integration and many have set up their own spinning mills, thereby resulting in over-supply of yarn locally.

There has been a significant increase in imports of fine counts and blended yarns from India and China. India, previously a fine yarn supplier has now stepped into production of coarse yarns and has taken over a major chunk of Pakistan's coarse yarn market share in the international market, especially in China. These developments have created aggressive competition for the Pakistani Spinners and have brought down yarn prices by about 15% as compared to last year whereas manufacturing costs have gone up. Labour cost increased by more than 20% this year and Pakistani Rupee appreciated from an average of 102.66 in 2014 to 101.31 in 2015.

Despite these constraints our total sales grew by 13%; contributed by an 11% increase in exports and 21% increase in local sales.



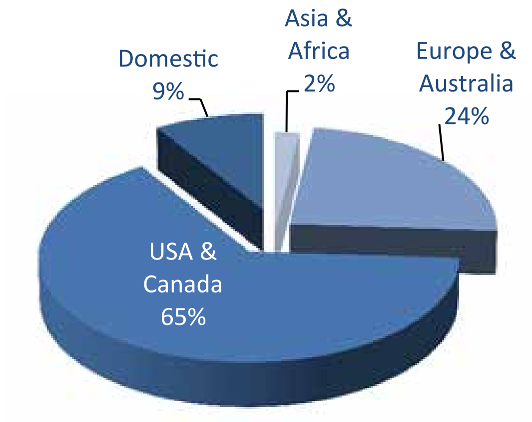
WEAVING



During the year under review, export sales increased by 10% since last year. Gross profit decreased from 10% to 7%. The decrease in profitability was mainly due to foreign exchange fluctuation and shrinking margins. Share of export sales has increased from 58% to 68%. Domestic volume has decreased from 42% to 32%. Export share in European market has increased substantially. The Company has also planned to enhance its capacity by adding narrow width looms to its production lines.

HOME TEXTILES

The Home Textile Division has been a consistent performer with a better financial performance compared to last year. The overall sales declined by 8% versus last year. The decline in sales was primarily due to the slow demand from the European & South American markets. The volatile European currency situation compared to US Dollar led to significantly reduced imports by these countries. The labor cost also increased by more than 20% further reducing the margins. However, the Company focused on improving the cost efficiencies including power costs of the division which helped reducing power cost. Thus the Company achieved better operating performance as compared to previous year. Management strongly believes that with the increased sales volumes, the division will be able to further improve its financials in the coming years.



FUTURE OUTLOOK

The Company has always been a leading trend setter in the market by investing in new technologies to achieve cost efficiencies. 46 MW coal based captive power plant which was initiated last year will commence operations in the last quarter of 2016. This will help coping energy shortages and will help reducing cost of production.

In order to expand our product range, the Company has taken initiative by adding 96 state-of-the-art narrow width looms. They will be available tentatively for production by the end of calendar year 2015. The company has also planned to add digital printing machine for its Home Textiles division which will also help enhancing revenue base.

On the whole, with our commitment towards professional excellence and taking timely and deliberated initiatives for expansion and diversification, the Group is well set to achieve further success and build shareholders' value in the years ahead.

CORPORATE SOCIAL RESPONSIBILITY

NCL prides itself in providing its employees with an inclusive, safe and productive work environment. The company is a strong advocate of equal employment opportunity and continues to employ people irrespective of their ethnicity, gender and class.

The company is driven by the principle of equitable growth and a commitment to communal development. We significantly add to the national exchequer through regular payment of various taxes, duties and levies and our export earnings contribute substantially in stabilizing the country's foreign exchange position.

In addition to our significant economic impact, we are also strong proponents of communal uplift at the micro and macro level(s). We support causes of women empowerment, quality healthcare services, educational progress and environmental conservation.

The company established Nishat Chunian High School and Nishat Chunian Hospital. Both these charitable projects are aimed at serving the underprivileged sections of society. The school provides quality education for a nominal fee while the hospital provides affordable healthcare for indigent people.

Continuing our philanthropic endeavours, NCL is in the process of setting up a state-of-the-art, not-for-profit hospital which will have modern facilities and provide internationally comparable healthcare services to the masses. The hospital will offer subsidized medical treatment to the disadvantaged members of the community.

Statement of Value Addition & Distribution **Rs. In Millions**

Wealth Generated

Total Revenue and other income	25,260
Bought in Material and services	(19,925)
	5,335
Wealth Distribution	
To Society	
Employee remuneration	2,073
Donations	2.7
To Government	
Taxes, duties, development surcharge etc.	343
To providers of Finance	
Finance Cost	1,354
Dividend	200
Retained for reinvestment and future growth	
Depreciation, amortization and retained profit	1,362
	5,335

CORPORATE GOVERNANCE

Board of directors' meetings:

During the year under review six (6) meeting were held. Attendance by each director is as follows:

Name of Director	No. of meetings
Mr. Shahzad Saleem (Chief Executive)	5
Mrs. Farhat Saleem (Chairperson)	2
Mr. Yahya Saleem	1
Mr. Muhammad Imran Rafiq (Nominee NIT)	6
Mr. Aftab Ahmad Khan	4
Mr. Shahid Malik	6
Mr. Kamran Rasool	6

AUDIT COMMITTEI

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

Mr. Aftab Ahmad Khan (*Chairman)*
Ms. Farhat Saleem (*Member)*
Mr. Yahya Saleem (*Member)*

HR & R COMMITTEE:

In compliance with the COCG 2012, the Board of Directos of your Company has established a HR&R Committee. Composition of the HR&R committee is as follows:

Mr. Yahya Saleem (*Chairman)*
Mr. Shahzad Saleem (*Member)*
Mr. Kamran Rasool (*Member)*

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2015 is annexed.

DIRECTORS' STATEMENT

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework.

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operation, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Company's ability to continue as a going concern.

7. There has been no material departure form best practices of corporate governance, as detailed in the listing regulations.

Acknowledgement

The Directors of you company would like to show their appreciation of the support of respected customers, banks, financial institutions, regulators and shareholders for achieving good results and hope that this cooperation and support continues to grow in the future.

The directors of your Company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company and hope that they will continue to do so in the future.

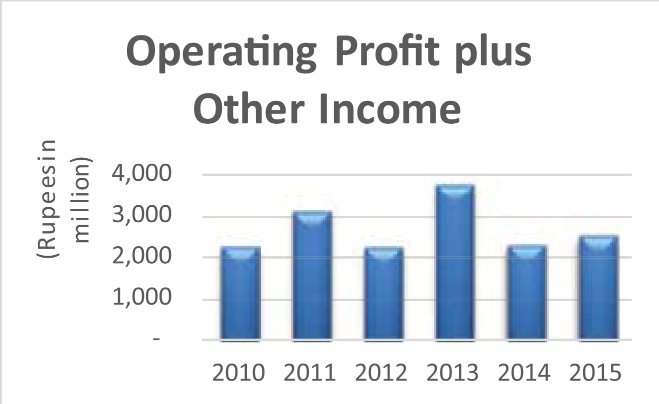
On behalf of the Board

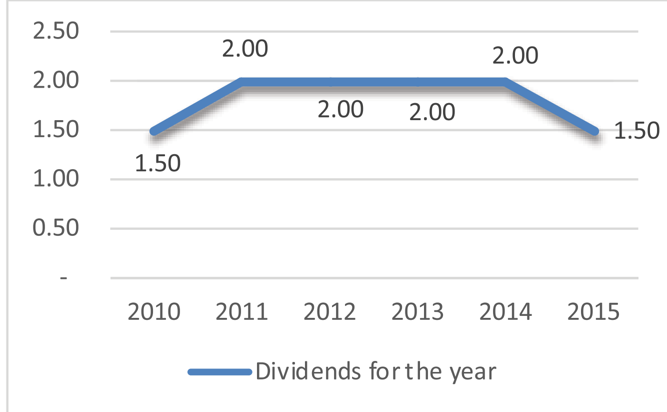
SHAHZAD SALEEM
Chief Executive

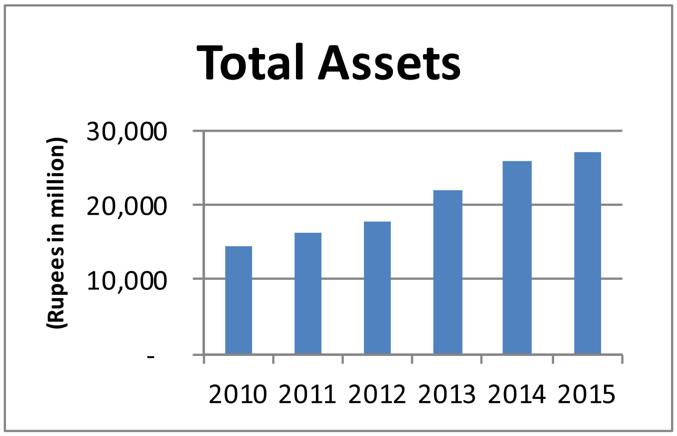
Lahore : October 5, 2015

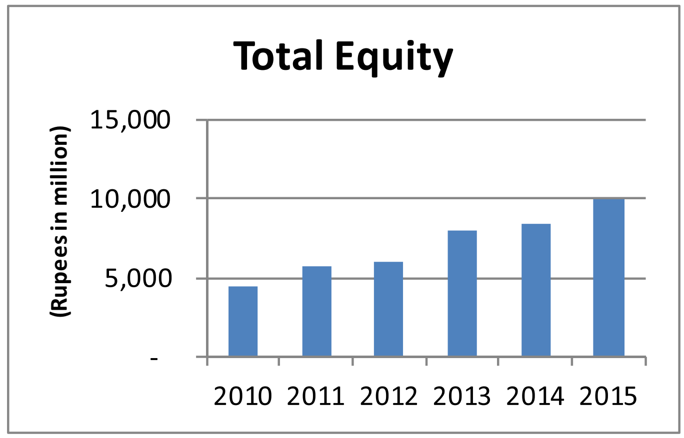
FINANCIAL HIGHLIGHTS

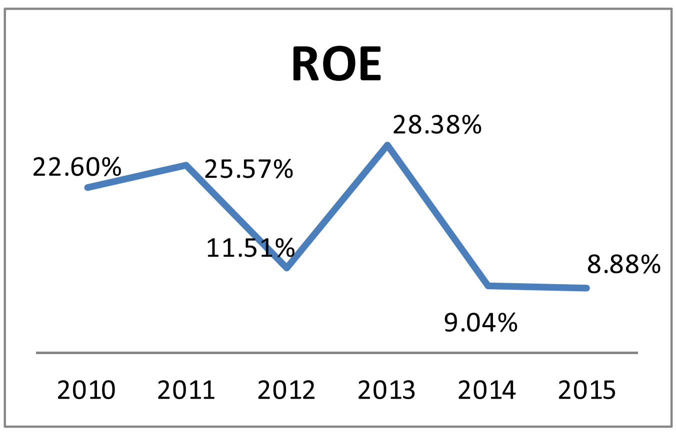
Year	2010	2011	2012	2013	2014	2015
			(Rupees in thousand)			
Net Sales	13,343,539	20,322,002	18,616,943	21,213,244	22,799,758	23,780,455
Gross Profit	2,682,206	3,408,524	2,076,797	3,595,567	1,380,613	1,956,779
Distribution, Admin and Other Expenses	631,908	866,966	685,999	821,778	892,998	940,051
Operating Profit plus Other Income	2,236,669	3,145,188	2,247,418	3,774,183	2,302,894	2,497,253
Finance Cost	1,101,054	1,482,399	1,353,445	1,243,262	1,375,292	1,353,886
Net Income	1,001,832	1,458,580	699,331	2,276,161	761,297	800,420
Current Assets	6,073,156	8,068,112	9,724,895	12,396,935	14,548,838	14,794,557
Total Assets	14,308,086	16,230,295	17,682,955	21,924,849	25,940,962	26,959,844
Current Liabilities	7,089,429	7,191,922	7,622,371	9,703,454	12,801,084	14,084,317
Total Equity	4,432,511	5,704,441	6,074,994	8,020,271	8,417,596	9,969,626
Cash Flows:						
Net Cash generated from /(used in) Operating Activities	630,193	(349,434)	298,230	(1,186,723)	(2,457,485)	319,654
Net Cash generated from/(used in) Investing Activities	(1,629,190)	138,299	(969,208)	(231,730)	(933,413)	166,018
Net Cash generated from /(used in) Financing Activities	1,060,325	255,384	583,952	1,629,694	3,149,899	465,557
Earnings Per Share						
Basic	7.72	8.25	3.88	11.37	3.80	4.00
Diluted	6.13	8.82	3.88	11.37	3.80	4.00
Dividends for the year	1.50	2.00	2.00	2.00	2.00	1.50
Dividend Payout Ratio	0.24	0.22	0.47	0.16	0.53	0.38
Financial Measures:						
ROE	22.60%	25.57%	11.51%	28.38%	9.04%	8.88%
ROI	101%	54%	-9%	255%	-26%	-10%
Shareholders' Equity Ratio	31%	35%	34%	37%	32%	37%
Net Debt Equity Ratio (times)	0.61	0.59	0.67	0.52	0.49	0.30
Interest Coverage Ratio (times)	2.03	2.12	1.66	3.04	1.67	1.84
P/E ratio (Price per share / EPS)	2.04	2.70	4.48	5.26	11.16	9.19
Dividend Yield Ratio (Cash dividend / Opening price per share)	0.17	0.13	0.09	0.12	0.03	0.04
Common Stock						
Number of shares outstanding at year end	158,552,667	162,090,349	165,441,844	181,986,028	200,184,630	200,184,630
Break up value	27.96	35.19	36.72	44.07	42.05	45.05

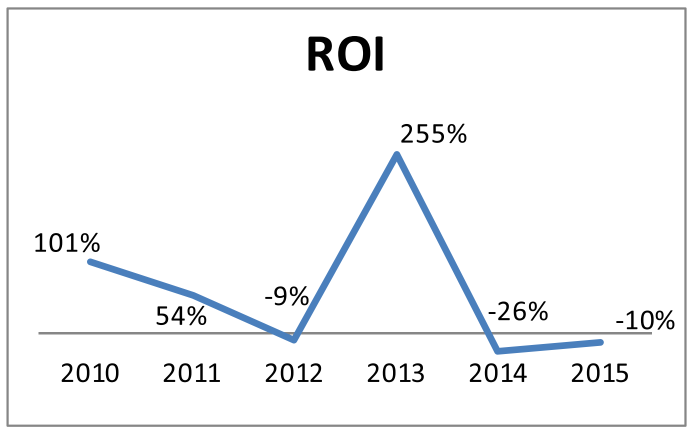

Operating Profit plus
Other Income
(Rupees in million)
4,000
3,000
2,000
1,000
-
2010 2011 2012 2013 2014 2015

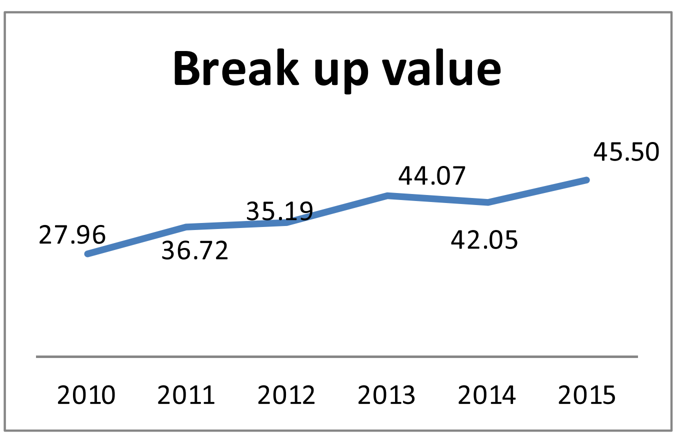

2.50
2.00
1.50
1.00
0.50
-
1.50
2.00
2.00
2.00
2.00
1.50
2010 2011 2012 2013 2014 2015
Dividends for the year

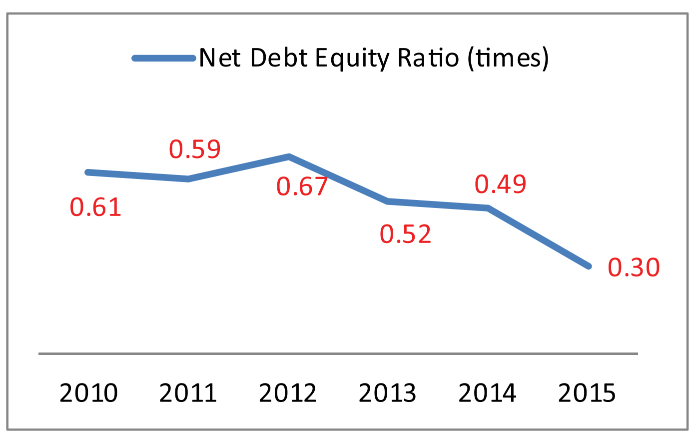

Total Assets
(Rupees in million)
30,000
20,000
10,000
-
2010 2011 2012 2013 2014 2015


Total Equity
(Rupees in million)
15,000
10,000
5,000
-
2010 2011 2012 2013 2014 2015


ROE
22.60%
25.57%
11.51%
28.38%
9.04%
8.88%
2010 2011 2012 2013 2014 2015


ROI
101%
54%
-9%
255%
-26%
-10%
2010 2011 2012 2013 2014 2015


Break up value
27.96
36.72
35.19
44.07
42.05
45.50
2010 2011 2012 2013 2014 2015


Net Debt Equity Ratio (times)
0.61
0.59
0.67
0.52
0.49
0.30
2010 2011 2012 2013 2014 2015

STATEMENT OF COMPLIANCE

WITH THE CODE OF CORPORATE GOVERNANCE (CCG)
FOR THE YEAR ENDED: 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No.35 of Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

Category	Names
Independent Directors	Mr. M. Imran Rafiq
Executive Directors	Mr. Shahzad Saleem
Non Executive Directors	Mr. Yahya Saleem Mrs. Farhat Saleem Mr. Kamran Rasool Mr. Aftab Ahmad Khan Mr. Shahid A. Malik

The independent director meets the criteria of independence as required under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board during the year.

5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board in accordance with the Articles of Association of the Company.

8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The

minutes of the meetings were appropriately recorded and circulated.

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses. Four (4) Directors of the Company are exempt due to 14 years of education and 15 years of experience on the Board of a listed company. One director, Mr. M. Imran Rafiq, has completed directors training program during the year.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of 3 members, all of whom are non-executive directors. The Chairman of the committee is a non-executive director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The Terms of Reference of the committee have been formed and approved by the Board and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members, of whom 2 are non-executive directors and 1 is an executive director. The chairman of the Committee is a non-executive director.

18. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and they are involved in the internal audit function on full time basis.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Stock Exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

SHAHZAD SALEEM
Chief Executive

Lahore : October 5, 2015

Statement of Compliance

With the Best Practices on Transfer Pricing

The Compnay has fully complied with best practices as contianced in the related listing Regulations of the Karachi and Lahore stock Exchanges.

On behalf of the Board

SHAHZAD SALEEM
Chief Executive

Lahore : October 5, 2015

REVIEW REPORT TO THE MEMBERS

ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **NISHAT (CHUNIAN) LIMITED** ("the Company") for the year ended 30 June 2015, to comply with the requirements of Listing Regulation No. 35 of the Karachi, Islamabad and Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirements of the Code was observed which is not stated in the Statement of Compliance:

(i) Members of Audit Committee do not include an independent director as required by clause (xxiv) of the Code.

Based on our review, except for the above instance of non-compliance, 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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: October 5, 2015
Lahore

AUDITORS' REPORT

TO THE MEMBERS

We have audited the annexed balance sheet of NISHAT (CHUNIAN) LIMITED as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, 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.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: October 5, 2015
Lahore

BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,000,000,000	2,500,000,000
Issued, subscribed and paid-up share capital	4	2,001,846,300	2,001,846,300
Share deposit money	5	951,794,725	-
Reserves	6	7,015,985,012	6,415,749,627
Total equity		9,969,626,037	8,417,595,927
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	2,905,900,727	4,691,031,413
Redeemable capital	8	-	31,250,000
		2,905,900,727	4,722,281,413
CURRENT LIABILITIES			
Trade and other payables	9	1,278,883,394	1,485,564,889
Accrued mark-up	10	171,942,000	210,934,620
Short term borrowings	11	10,817,110,967	9,180,243,052
Current portion of non-current liabilities	12	1,816,380,679	1,924,341,777
		14,084,317,040	12,801,084,338
Total liabilities		16,990,217,767	17,523,365,751
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		26,959,843,804	25,940,961,678

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

CHIEF EXECUTIVE

AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	9,041,707,018	9,382,006,140
Investments in subsidiary companies	15	3,097,125,226	1,986,318,705
Long term loans to employees	16	5,684,723	3,054,223
Long term security deposits		20,769,440	20,744,440
		12,165,286,407	11,392,123,508
CURRENT ASSETS			
Stores, spare parts and loose tools	17	648,363,911	765,142,811
Stock-in-trade	18	6,018,822,041	7,017,095,839
Trade debts	19	4,758,163,523	4,482,128,869
Loans and advances	20	845,091,689	586,862,402
Short term prepayments		2,084,516	866,632
Other receivables	21	1,530,672,435	1,655,844,130
Short term investments	22	21,891,484	22,658,812
Cash and bank balances	23	969,467,798	18,238,675
		14,794,557,397	14,548,838,170
TOTAL ASSETS		26,959,843,804	25,940,961,678

DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
SALES	24	23,780,454,796	22,799,758,141
COST OF SALES	25	(21,823,679,749)	(21,419,144,718)
GROSS PROFIT		1,956,775,047	1,380,613,423
DISTRIBUTION COST	26	(679,819,787)	(665,488,948)
ADMINISTRATIVE EXPENSES	27	(179,111,133)	(154,783,508)
OTHER EXPENSES	28	(81,116,719)	(72,725,888)
		(940,047,639)	(892,998,344)
		1,016,727,408	487,615,079
OTHER INCOME	29	1,480,525,662	1,815,279,349
PROFIT FROM OPERATIONS		2,497,253,070	2,302,894,428
FINANCE COST	30	(1,353,885,574)	(1,375,291,820)
PROFIT BEFORE TAXATION		1,143,367,496	927,602,608
TAXATION	31	(342,947,481)	(166,306,073)
PROFIT AFTER TAXATION		800,420,015	761,296,535
EARNINGS PER SHARE - BASIC AND DILUTED	32	4.00	3.80

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015 Rupees	2014 Rupees
PROFIT AFTER TAXATION	800,420,015	761,296,535
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	800,420,015	761,296,535

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

CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	33	2,195,065,081	(509,286,955)
Net increase in long term security deposits		(25,000)	(18,213,181)
Finance cost paid		(1,392,878,194)	(1,473,509,793)
Income tax paid		(480,241,585)	(454,900,277)
Net increase in long term loans to employees		(2,266,607)	(1,574,511)
Net cash generated from / (used in) operating activities		319,653,695	(2,457,484,717)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(443,595,392)	(2,210,599,129)
Capital expenditure on intangible asset		-	(9,585,298)
Proceeds from disposal of operating fixed assets		29,770,295	8,572,740
Investments in subsidiary companies		(1,110,806,521)	(99,637,505)
Dividend received from subsidiary company		1,688,272,380	1,313,100,740
Short term investments - net		-	59,503,547
Profit on bank deposits received		2,377,346	5,232,138
Net cash from / (used in) investing activities		166,018,108	(933,412,767)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		-	2,658,000,000
Repayment of long term financing		(1,799,341,784)	(1,707,716,765)
Share deposit money received		951,794,725	-
Repayment of redeemable capital		(125,000,000)	(125,000,000)
Short term borrowings - net		1,636,867,915	2,686,277,268
Dividend paid		(198,763,536)	(361,661,873)
Net cash from financing activities		465,557,320	3,149,898,630
Net increase / (decrease) in cash and cash equivalents		951,229,123	(240,998,854)
Cash and cash equivalents at the beginning of the year		18,238,675	259,237,529
Cash and cash equivalents at the end of the year		969,467,798	18,238,675

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	SHARE CAPITAL	SHARE DEPOSIT MONEY	REVENUE RESERVES			TOTAL EQUITY
			General reserve	Unappropriated profit	Total	
	----------	----------	----------	Rupees	----------	----------
Balance as at 30 June 2013	1,819,860,280	-	1,629,221,278	4,571,189,891	6,200,411,169	8,020,271,449
Transactions with owners:						
Final dividend for the year ended 30 June 2013 @ Rupees 2 per ordinary	-	-	-	(363,972,057)	(363,972,057)	(363,972,057)
Issue of bonus shares during the year	181,986,020	-	-	(181,986,020)	(181,986,020)	-
	181,986,020	-	-	(545,958,077)	(545,958,077)	(363,972,057)
Profit for the year	-	-	-	761,296,535	761,296,535	761,296,535
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	761,296,535	761,296,535	761,296,535
Balance as at 30 June 2014	2,001,846,300	-	1,629,221,278	4,786,528,349	6,415,749,627	8,417,595,927
Transactions with owners:						
Final dividend for the year ended 30 June 2014 @ Rupees 1 per ordinary	-	-	-	(200,184,630)	(200,184,630)	(200,184,630)
Share deposit money received during the year	-	951,794,725	-	-	-	951,794,725
	-	951,794,725	-	(200,184,630)	(200,184,630)	751,610,095
Profit for the year	-	-	-	800,420,015	800,420,015	800,420,015
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	800,420,015	800,420,015	800,420,015
Balance as at 30 June 2015	2,001,846,300	951,794,725	1,629,221,278	5,386,763,734	7,015,985,012	9,969,626,037

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

CHIEF EXECUTIVE

DIRECTOR

FOR THE YEAR ENDED 30 JUNE 2015

1. THE COMPANY AND ITS OPERATIONS

Nishat (Chunian) Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the Lahore, Karachi and Islamabad Stock Exchanges. 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.

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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

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:

Useful lives, patterns of economic benefits and impairment

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

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Accumulating compensated absences

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

Taxation

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.

Provisions for doubtful debts

The Company reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Impairment of investments in subsidiary companies

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

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

The following amendments to published approved standards and interpretation are mandatory for the Company's accounting periods beginning on or after 01 July 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of the above amendments and interpretation does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2014 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) Standards and amendments to published standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2015 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Company's financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) 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 management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2015) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

g) Standard and amendments to 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 2015 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 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 balance sheet 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 balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in statement of comprehensive income or directly in equity, respectively.

2.3 Employee benefits

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. Under the rules, head office employees are entitled to 15 days leave per year while factory staff and factory workers are entitled to 14 days leave per year respectively. Unutilized leaves can be accumulated up to 28 days in case of factory staff and factory workers. Any further un-utilized leaves will lapse. Any un-utilized leave balance can be encashed by them at any time during their employment. Unutilized leaves can be used at any time by all employees, subject to the Company's approval. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to income.

2.4 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.

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 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. 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 profit and loss account in the year the asset is derecognized.

Intangible asset

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.

2.5 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in profit and loss account 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.

2.6 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for 'investment at fair value through profit or loss' which is measured initially at fair value.

The Company assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investments in subsidiary companies, which are tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Investments in subsidiary companies

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

d) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 'Financial Instruments: Recognition and Measurement'.

2.7 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.

2.8 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company'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 balance sheet date, while the transactions in foreign currencies 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 included in the income currently.

2.9 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.

2.10 Revenue recognition

Revenue from sales is recognized on dispatch of goods to customers.

Return on bank deposits is accrued on a time proportionate basis by reference to the principal outstanding and the applicable rate of return.

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

Dividend income on equity investment is recognized as and when the right to receive dividend is established.

2.11 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, from the proceeds.

2.12 Financial instruments

Financial instruments carried on the balance sheet include security deposits, trade debts, loans and advances, short term investments, other receivables, cash and bank balances, short term borrowings, long term financing, redeemable capital, accrued mark-up and trade and other payables. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for 'financial instrument at fair value through profit or loss' which is measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

2.13 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.14 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 profit and loss account over the period of the borrowings using the effective interest rate method.

2.15 Trade and other payables

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

2.16 Off setting

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.

2.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair value. For the purpose of cash flow statement, 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.

2.18 Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.19 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in statement of comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account.

Amounts accumulated in equity are recognized in profit and loss account in the periods when the hedged item will affect profit or loss.

2.20 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.

2.21 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.22 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 four reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

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

2.23 Dividend to ordinary shareholders and other appropriations

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

3. AUTHORIZED SHARE CAPITAL

2015	2014		2015	2014
(Number of shares)			Rupees	Rupees
280,000,000	230,000,000	Ordinary shares of Rupees 10 each	2,800,000,000	2,300,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
300,000,000	250,000,000		3,000,000,000	2,500,000,000

3.1 Increase in authorized share capital of the Company was approved by the members of the Company in their extra ordinary general meeting held on 14 May 2015.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015	2014		2015	2014
(Number of shares)			Rupees	Rupees
94,720,922	94,720,922	Ordinary shares of Rupees 10 each fully paid in cash	947,209,220	947,209,220
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
200,184,630	200,184,630		2,001,846,300	2,001,846,300

4.1 Ordinary shares of the Company held by related companies:

	2015	2014
	(Number of shares)	
Nishat Mills Limited	27,241,116	27,241,116
D.G. Khan Cement Company Limited	6,062,169	6,062,169
	33,303,285	33,303,285

			2015 Rupees	2014 Rupees

4.2 Movement during the year

2015	2014			
(Number of shares)				
200,184,630	181,986,028	At 01 July	2,001,846,300	1,819,860,280
-	18,198,602	Issue of fully paid bonus shares of Rupees 10 each at par	-	181,986,020
200,184,630	200,184,630	At 30 June	2,001,846,300	2,001,846,300

5 SHARE DEPOSIT MONEY

Board of Directors of the Company in its meeting held on 20 April 2015 resolved to increase the issued, subscribed and paid-up share capital of the Company from Rupees 2,001,846,300 to Rupees 2,402,215,560 divided into 240,221,556 shares of Rupees 10 each by issue of 40,036,926 ordinary right shares at Rupees 25 per share including a premium of Rupees 15 per share to the members of the Company in the proportion of 20 right shares for every 100 ordinary shares. A separate bank account was opened for collection of share subscription money from right shares being issued to existing shareholders. The funds generated from right issue were made available to the Company subsequent to the reporting period on 10 July 2015 after the requirement of stock exchanges relating to confirmation of receipt of the full amount of right issue was fulfilled. Return of allotment was duly filed on 30 July 2015.

	2015 Rupees	2014 Rupees
6. RESERVES		
Composition of reserves is as follows:		
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	5,386,763,734	4,786,528,349
	7,015,985,012	6,415,749,627
7. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 7.1)	4,416,031,406	6,020,373,190
Long term musharaka (Note 7.2)	275,000,000	470,000,000
	4,691,031,406	6,490,373,190
Less: Current portion shown under current liabilities (Note 12)		
Long term loans	1,670,130,679	1,604,341,777
Long term musharaka	115,000,000	195,000,000
	1,785,130,679	1,799,341,777
	2,905,900,727	4,691,031,413

7.1 Long term loans

LENDER	2015	2014	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALLMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
	Rupees	Rupees				
Standard Chartered Bank (Pakistan) Limited	937,500,000	1,000,000,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 04 May 2015 and ending on 04 February 2019.	Quarterly	Quarterly
United Bank Limited-1	-	3,575,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 20 May 2011 and ended on 20 November 2014.	-	Quarterly
United Bank Limited-2	-	4,800,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 08 June 2011 and ended on 08 December 2014.	-	Quarterly
United Bank Limited-3	-	2,200,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 28 July 2011 and ended on 28 January 2015.	-	Quarterly
United Bank Limited-4	-	22,150,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 18 July 2011 and ended on 18 January 2015.	-	Quarterly
United Bank Limited-5	-	6,625,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 26 July 2011 and ended on 26 January 2015.	-	Quarterly
United Bank Limited-6	218,750,000	343,750,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 09 June 2013 and ending on 09 March 2017.	Quarterly	Quarterly
Allied Bank Limited-1	250,000,000	375,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 06 September 2013 and ending on 06 June 2017.	Quarterly	Quarterly
Allied Bank Limited-2	450,000,000	750,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 28 February 2013 and ending on 29 November 2016.	Quarterly	Quarterly
Pak Kuwait Investment Company (Private) Limited	27,777,792	83,333,344	6-month KIBOR + 2%	Eighteen equal quarterly instalments commenced on 21 September 2011 and ending on 21 December 2015.	Half Yearly	Quarterly
The Bank of Punjab-1	33,750,000	101,250,000	SBP rate for LTFF + 2.5%	Sixteen equal quarterly instalments commenced on 15 January 2012 and ending on 15 October 2015.	-	Quarterly
The Bank of Punjab-2	-	20,833,344	6-month KIBOR + 1.25%	Twelve equal quarterly instalments commenced on 01 October 2011 and ended on 01 July 2014.	Quarterly	Quarterly
The Bank of Punjab-3	250,000,000	350,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 17 June 2013 and ending on 17 December 2017.	Quarterly	Quarterly
The Bank of Punjab-4	600,000,000	800,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 10 December 2013 and ending on 10 June 2018.	Quarterly	Quarterly
Samba Bank Limited	312,500,000	437,500,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 28 February 2014 and ending on 31 October 2017.	Quarterly	Quarterly
Saudi Pak Industrial and Agricultural Investment Company Limited	26,378,614	47,481,502	SBP rate for LTFF+ 3%	Eighteen equal quarterly instalments commenced on 31 May 2012 and ending on 31 August 2016.	-	Quarterly
Soneri Bank Limited	109,375,000	171,875,000	3-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 April 2013 and ending on 31 January 2017.	Quarterly	Quarterly

Syndicated term finance						
Allied Bank Limited	880,000,000	1,100,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Bank Limited	240,000,000	300,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Metropolitan Bank Limited	80,000,000	100,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
	1,200,000,000	1,500,000,000				
	4,416,031,406	6,020,373,190				

7.2 Long term musharaka

LENDER	2015	2014	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	PROFIT REPRICING	PROFIT PAYABLE
	Rupees	Rupees				
Burj Bank Limited	35,000,000	70,000,000	6-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 September 2012 and ending on 30 June 2016.	Half Yearly	Quarterly
Dubai Islamic Bank (Pakistan) Limited-1	-	80,000,000	6-month KIBOR + 1.15%	Ten equal half yearly instalments commenced on 01 October 2010 and ended on 01 April 2015.	Half Yearly	Half Yearly
Dubai Islamic Bank (Pakistan) Limited-2	240,000,000	320,000,000	6-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 29 September 2013 and ending on 29 March 2018.	Half Yearly	Half Yearly
	275,000,000	470,000,000				

7.3 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 8,874.53 million (2014: Rupees 5,566.909 million) and ranking charge on all present and future fixed assets of the Company to the extent of Rupees Nil (2014: Rupees 4,550 million).

7.4 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 756.667 million (2014: Rupees 610.833 million) and ranking charge on all present and future fixed assets of the Company to the extent of Rupees Nil (2014: Rupees 480 million).

8. REDEEMABLE CAPITAL

	2015	2014	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	PROFIT REPRICING	PROFIT PAYABLE
	Rupees	Rupees				
Privately placed term finance certificates	31,250,000	156,250,000	3-month KIBOR + 2.25%	Sixteen equal quarterly instalments commenced on 30 December 2011 and ended on 30 September 2015.	Quarterly	Quarterly
Less: Current portion shown under current liabilities (Note 12)	31,250,000	125,000,000				
	-	31,250,000				

8.1 Privately placed term finance certificates 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 291.667 million (2014: Rupees 583.333 million).

	2015 Rupees	2014 Rupees
9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	326,499,751	823,301,752
Accrued liabilities	753,548,992	460,083,872
Advances from customers	28,252,171	42,660,691
Securities from contractors - interest free and repayable on completion of contracts	3,658,533	3,296,033
Retention money	7,121,026	33,695,305
Income tax deducted at source	24,454,465	15,469,966
Unclaimed dividend	24,409,298	22,988,204
Workers' profit participation fund (Note 9.2)	60,344,322	48,963,705
Workers' welfare fund	21,681,803	21,681,803
Others	28,913,033	13,423,558
	1,278,883,394	1,485,564,889

9.1 It includes Rupees 2.406 million (2014: Rupees 1.439 million) due to a related party.

9.2 Workers' profit participation fund

	2015 Rupees	2014 Rupees
Balance as at 01 July	48,963,705	133,588,242
Add: Interest for the year (Note 30)	3,174,627	2,707,776
Add: Allocation for the year (Note 28)	60,344,322	48,963,705
	112,482,654	185,259,723
Less : Payments during the year	52,138,332	136,296,018
Balance as at 30 June	60,344,322	48,963,705

9.2.1 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 Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2015 Rupees	2014 Rupees
10. ACCRUED MARK-UP		
Long term financing	56,741,818	99,717,443
Redeemable capital	7,926	53,165
Short term borrowings	115,192,256	111,164,012
	171,942,000	210,934,620
11. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances (Notes 11.1 and 11.2)	1,009,619,118	261,564,193
Export finances - Preshipment / SBP refinance (Notes 11.1 and 11.3)	7,317,491,849	7,043,678,859
Other short term finances (Notes 11.1 and 11.4)	2,490,000,000	1,875,000,000
	10,817,110,967	9,180,243,052

11.1 These finances are obtained from banking companies under mark-up arrangements and are secured by hypothecation of all present and future current assets of the Company and lien on export bills to the extent of Rupees 23,864 million (2014: Rupees 23,864 million) and ranking charge on all present and future current assets of the Company to the extent of Rupees 2,600 million (2014: Rupees Nil). These form part of total credit facilities of Rupees 18,815 million (2014: Rupees 17,140 million).

11.2 The rates of mark-up range from 7.31% to 9.45% (2014: 9.52% to 12.94%) per annum on the balance outstanding.

11.3 The rates of mark-up on Pak Rupee finances and US Dollar finances range from 5.50% to 7.25% (2014: 8.90% to 11.03%) per annum and 1.90% to 3.33% (2014: 1.25% to 3.28%) per annum respectively on the balance outstanding.

11.4 The rates of mark-up range from 7.13% to 8.38% (2014: 9.32% to 10.84%) per annum on the balance outstanding.

	2015 Rupees	2014 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of long term financing (Note 7)	1,785,130,679	1,799,341,777
Current portion of redeemable capital (Note 8)	31,250,000	125,000,000
	1,816,380,679	1,924,341,777

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Company filed the sales tax refund claim amounting to Rupees 43.507 million for the tax period December 2011 through Expeditious Refund System (ERS) / Risk Management System (RMS) of Federal Board of Revenue (FBR). However, the said claim did not qualify the RMS criteria due to information technology issues and was forwarded for normal processing to Large Taxpayer Unit (LTU). Subsequently, the request for roll back of the subject claim was submitted by the Company to FBR. The subject claim was rolled back by FBR. However, when the Company tried to re-file its claim through RMS, the claim had become time barred. In the meanwhile, the Tax Department had also initiated pre-refund audit of the Company for the tax period December 2011 and duly completed it. After completion of pre-refund audit, LTU, Lahore, tried to allow condonation so that the Company can file the above said claim, but filing of refund claim could not be processed as it has exceeded time limit of one year. Now, the Chief Commissioner has requested FBR to condone the time limit for re-filing of above referred refund claim, as the Company has filed complaint before Federal Tax Ombudsman in this regard. No provision against this sales tax refund has been made in these financial statements as the Company is confident to get the sales tax refund.

13.1.2 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 45.401 million (2014: Rupees 36.881 million) is payable on this account but the management of the Company is confident that payment of electricity duty will not be required.

13.1.3 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 now filed appeal before the Honourable High Court of Sindh against the order of ATIR, where the case is pending.

13.1.4 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 has filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR which is pending adjudication. No provision against this demand has been 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 As a result of withholding tax audit for the tax year 2006, the Deputy Commissioner Inland Revenue (DCIR) has raised a demand of Rupees 32.156 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Company is in appeal before ATIR as its appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was unsuccessful. The Company expects a favourable outcome of the appeal based on advice of the tax counsel. The Company also challenged the initiation of proceedings, under section 161 and 205 of the Income Tax Ordinance, 2001 pertaining to tax years 2007, 2008, 2009, 2010, 2011 and 2012 in the Honourable Lahore High Court, Lahore through a writ petition. The Honourable Lahore High Court, Lahore directed the Tax Department to issue notice for reconciliation and in case default is established only then action under section 205 of the Income Tax Ordinance, 2001 can be taken. The Company also filed intra court appeals to the Honourable Lahore High Court, Lahore, which were dismissed. The management of the Company believes that the expected favourable outcome of its appeal before ATIR, in respect of tax year 2006 on same issues, will dispose of the initiation of these proceedings.

13.1.6 The Company is in appeal before ATIR as its appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR) was unsuccessful. ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011 whereby a demand of Rupees 6.822 million has been raised. No provision against the demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on opinion of the tax advisor.

13.1.7 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 Appellate Tribunal Inland Revenue (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.

13.1.8 The Company is in appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR). The ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. No provision against this demand has been in these financial statements as the Company is hopeful for a favourable outcome of appeal based on opinion of the tax advisor.

13.1.9 The Company is in appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR). ACIR has 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. No provision against this demand has been 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 Company has impugned selection of its tax affairs for audit in terms of section 214C of the Income Tax Ordinance, 2001 for tax year 2013. The matter has been raised before the Member Inland Revenue - Taxpayers Audit for exclusion of the Company's name from list of cases selected for audit.

13.1.11 Guarantees of Rupees 322.130 million (2014: Rupees 296.059 million) have been issued by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connection.

13.1.12 Guarantees of Rupees 116 million (2014: Rupees 106 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

13.1.13 Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 584.887 million (2014: Rupees 292.511 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.

13.1.14 The Company has issued cross corporate guarantees of Rupees 7.7 billion (2014: Rupees Nil) on behalf of NC Electric Company Limited - wholly owned subsidiary company to secure the obligations of subsidiary company towards its lenders.

13.2 Commitments

13.2.1 Contracts for capital expenditure amounting to Rupees 754.881 million (2014: Rupees 128.530 million).

13.2.2 Letters of credit other than for capital expenditure amounting to Rupees 447.168 million (2014: Rupees 269.393 million).

13.2.3 Outstanding foreign currency forward contracts of Rupees 3,689.586 million (2014: Rupees 2,874.933 million).

13.2.4 During the year, the Company has obtained a singeing machine alongwith complete accessories under Ijarah arrangement from Meezan Bank Limited for a period of four years. Quarterly rentals amounting to Rupees 1.669 million are payable in arrears. On completion of Ijarah, ownership of the asset will be transfered to the company.

Amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	2015 Rupees	2014 Rupees
Less than one year	6,674,268	-
Between one and five years	16,685,670	-
	23,359,938	-

14. FIXED ASSETS

	2015 Rupees	2014 Rupees
Property, plant and equipment:		
Operating fixed assets (Note 14.1)	8,939,798,687	8,512,710,263
Capital work-in-progress (Note 14.2)	95,677,887	860,189,843
	9,035,476,574	9,372,900,106
Intangible asset:		
Computer software (Note 14.1)	6,230,444	9,106,034
	9,041,707,018	9,382,006,140

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

Description	Operating fixed assets										Intangible asset
	Freehold land	Buildings on freehold land	Plant and machinery	Standby equipment	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total	Computer software
	------	------	------	------	------	Rupees	------	------	------	------	------
At 30 June 2013											
Cost	579,653,397	1,757,379,475	8,944,409,615	30,352,951	213,930,242	160,453,961	60,563,755	58,998,498	126,898,933	11,932,640,827	5,664,316
Accumulated depreciation / amortization	-	(833,111,531)	(4,766,779,301)	(18,082,277)	(122,525,569)	(88,265,903)	(32,660,627)	(23,323,669)	(61,144,726)	(5,945,893,603)	(5,097,885)
Net book value	579,653,397	924,267,944	4,177,630,314	12,270,674	91,404,673	72,188,058	27,903,128	35,674,829	65,754,207	5,986,747,224	566,431
Year ended 30 June 2014											
Opening net book value	579,653,397	924,267,944	4,177,630,314	12,270,674	91,404,673	72,188,058	27,903,128	35,674,829	65,754,207	5,986,747,224	566,431
Additions	16,331,538	654,202,667	2,148,057,522	2,845,255	227,233,720	48,812,684	8,990,058	10,361,431	26,772,169	3,143,607,044	9,585,298
Disposals:											
Cost	-	-	-	-	(3,876,413)	-	-	(374,142)	(8,576,652)	(12,827,207)	-
Accumulated depreciation	-	-	-	-	2,762,181	-	-	115,604	5,211,646	8,089,431	-
	-	-	-	-	(1,114,232)	-	-	(258,538)	(3,365,006)	(4,737,776)	-
Depreciation / amortization charge	-	(59,202,810)	(502,639,018)	(1,466,394)	(19,507,127)	(9,049,136)	(3,185,802)	(4,040,128)	(13,815,814)	(612,906,229)	(1,045,695)
Closing net book value	595,984,935	1,519,267,801	5,823,048,818	13,649,535	298,017,034	111,951,606	33,707,384	41,737,594	75,345,556	8,512,710,263	9,106,034
At 30 June 2014											
Cost	595,984,935	2,411,582,142	11,092,467,137	33,198,206	437,287,549	209,266,645	69,553,813	68,985,787	145,094,450	15,063,420,664	15,249,614
Accumulated depreciation / amortization	-	(892,314,341)	(5,269,418,319)	(19,548,671)	(139,270,515)	(97,315,039)	(35,846,429)	(27,248,193)	(69,748,894)	(6,550,710,401)	(6,143,580)
Net book value	595,984,935	1,519,267,801	5,823,048,818	13,649,535	298,017,034	111,951,606	33,707,384	41,737,594	75,345,556	8,512,710,263	9,106,034
Year ended 30 June 2015											
Opening net book value	595,984,935	1,519,267,801	5,823,048,818	13,649,535	298,017,034	111,951,606	33,707,384	41,737,594	75,345,556	8,512,710,263	9,106,034
Additions	38,377,128	506,429,602	462,175,468	-	128,964,682	31,162,332	14,186,549	9,099,683	17,711,904	1,208,107,348	-
Disposals:											
Cost	-	-	(4,392,824)	-	-	-	(201,036)	(6,071,099)	(36,008,896)	(46,673,855)	-
Accumulated depreciation	-	-	355,087	-	-	-	108,848	2,803,417	21,523,535	24,790,887	-
	-	-	(4,037,737)	-	-	-	(92,188)	(3,267,682)	(14,485,361)	(21,882,968)	-
Depreciation / amortization charge	-	(90,399,565)	(590,839,854)	(1,319,755)	(39,913,118)	(13,342,971)	(4,383,454)	(4,498,822)	(14,438,417)	(759,135,956)	(2,875,589)
Closing net book value	634,362,063	1,935,297,838	5,690,346,695	12,329,780	387,068,598	129,770,967	43,418,291	43,070,773	64,133,682	8,939,798,687	6,230,445
At 30 June 2015											
Cost	634,362,063	2,918,011,744	11,550,249,781	33,198,206	566,252,231	240,428,977	83,539,326	72,014,371	126,797,458	16,224,854,157	15,249,614
Accumulated depreciation / amortization	-	(982,713,906)	(5,859,903,086)	(20,868,426)	(179,183,633)	(110,658,010)	(40,121,035)	(28,943,598)	(62,663,776)	(7,285,055,470)	(9,019,169)
Net book value	634,362,063	1,935,297,838	5,690,346,695	12,329,780	387,068,598	129,770,967	43,418,291	43,070,773	64,133,682	8,939,798,687	6,230,445
Annual rate of depreciation / amortization (%)		5	10	10	10	10	10	10	20		30

14.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 50,000, disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		------------------------	-----------	Rupees	-----------	------------------------		
Plant and machinery								
Auto cone machine	1	2,353,298	(190,225)	2,163,073	2,400,000	236,927	Negotiation	Imperial Textile Mills Limited, Faisalabad
Auto cone machine	1	2,039,526	(164,862)	1,874,664	1,951,695	77,031	Negotiation	Mr. Muhammad Irfan, Vehari
Office equipment								
IPhone 5s	1	109,928	(15,901)	94,027	33,000	(61,027)	Negotiation	Mobile Centre, Al-Hafeez Centre, Lahore
Furniture, fixture and equipment								
Plasma TV	1	201,036	(108,848)	92,188	61,600	(30,588)	Insurance claim	Adamjee Insurance Company Limited - associated company
Motor vehicles								
Suzuki Swift LEB-14-6299	1	1,221,000	(131,461)	1,089,539	1,221,000	131,461	Company's policy	Mr. Muhammad Usman (Ex-Employee), Lahore
Audi A81 FS-820	1	8,916,884	(5,968,973)	2,947,911	6,500,000	3,552,089	Negotiation	Mrs. Bia Babar Agha, Lahore
Suzuki Bolan LEA-12-2328	1	392,094	(284,472)	107,622	470,000	362,378	Negotiation	Mr. Noor Zaman, Sargodha
Toyota Corolla NS-467	1	1,934,135	(1,419,478)	514,657	1,000,000	485,343	Negotiation	Mr. Asim Mumtaz, Lahore
Suzuki Cultus LEC-09-1479	1	809,170	(558,172)	250,998	590,000	339,002	Negotiation	Mr. Muhammad Shakeel, District Ghotki
Suzuki Cultus LEC-10-7435	1	875,264	(518,922)	356,342	700,000	343,658	Negotiation	Mr. Muhammad Mushtaq, Lahore
Suzuki Cultus LEC-10-7436	1	880,314	(521,916)	358,398	701,000	342,602	Negotiation	Mr. Muhammad Mushtaq, Lahore
Mercedes Benz SF-467	1	11,878,784	(6,946,650)	4,932,134	7,000,000	2,067,866	Negotiation	Mr. Anees Khawaja, Lahore
Toyota Corolla LEA-6579	1	1,782,272	(1,210,008)	572,264	1,210,000	637,736	Negotiation	Mr. Ishtiaq Khan, District Kotli
Hyundai LES-6375	1	686,977	(486,695)	200,282	820,000	619,718	Negotiation	Mr. Noor Zaman, Sargodha
Suzuki Cultus LED-10-2430	1	888,880	(525,937)	362,943	750,000	387,057	Insurance claim	Adamjee Insurance Company Limited - associated company
Honda Civic LEA-13-2831	1	2,015,660	(650,955)	1,364,705	1,700,000	335,295	Insurance claim	Adamjee Insurance Company Limited - associated company
Toyota Corolla LED-10-5869	1	1,794,875	(986,339)	808,536	1,350,000	541,464	Negotiation	Mr. Tajammal Javed, Faisalabad
Toyota Corolla LED-09-1769	1	1,692,507	(1,104,793)	587,714	1,130,000	542,286	Negotiation	Mr. Asim Mumtaz, Lahore
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	181	6,201,251	(2,996,280)	3,204,971	182,000	(3,022,971)		
		46,673,855	(24,790,887)	21,882,968	29,770,295	7,887,327		

	2015 Rupees	2014 Rupees
14.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 25)	749,173,139	603,961,035
Administrative expenses (Note 27)	9,962,817	8,945,194
	759,135,956	612,906,229

14.1.3 Amortization on intangible asset amounting to Rupees 2.876 million (2014: Rupees 1.046 million) has been allocated to administrative expenses.

14.2 Capital work-in-progress

	2015 Rupees	2014 Rupees
Civil works on freehold land	53,035,617	172,681,787
Plant and machinery	-	258,722,704
Mobilization advances	9,774,749	8,030,572
Letters of credit	19,664,691	16,384,824
Advances for capital expenditures	13,202,830	30,066,886
Unallocated expenditures (Note 14.2.1)	-	374,303,070
	95,677,887	860,189,843

14.2.1 Unallocated expenditures

	2015 Rupees	2014 Rupees
Unallocated expenditures incurred to-date relating to new spinning units	401,665,201	789,312,172
Less: Sale of trial production	47,913,696	122,997,390
Less: Stock-in-trade as at commercial operations date of spinning units	77,854,209	115,668,629
Less: Transferred to operating fixed assets on commercial operations of spinning units	275,897,296	176,343,083
	-	374,303,070

15. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST

	2015 Rupees	2014 Rupees
Nishat Chunian Power Limited - quoted (Note 15.1) 187,585,820 (2014: 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held 51.07% (2014: 51.07%)	1,875,858,200	1,875,858,200
Nishat Chunian USA Inc. - unquoted 200 (2014: 200) fully paid shares with no par value per share Equity held 100% (2014: 100%)	10,823,000	10,823,000
NC Electric Company Limited - unquoted (Note 15.2) 50,000 (2014: 50,000) fully paid ordinary shares of Rupees 10 each Equity held 100% (2014: 100%)	500,000	500,000
Advance for purchase of shares	1,161,875,112	99,137,505
	1,162,375,112	99,637,505
NC Entertainment (Private) Limited - unquoted (Note 15.2) 400 (2014: Nil) fully paid ordinary shares of Rupees 10 each Equity held 100% (2014: Nil)	4,000	-
Advance for purchase of shares	48,064,914	-
	48,068,914	-
	3,097,125,226	1,986,318,705

15.1 The Company has to maintain at least 51% holding in the share capital of Nishat Chunian Power Limited (NCPL) during the period of first six years from the date of commercial operations of NCPL which is 21 July 2010. Moreover, the Company has pledged 187,346,939 (2014: 187,346,939) ordinary shares to lenders of NCPL for the purpose of securing finance.

15.2 3 ordinary shares of NC Electric Company Limited and 2 ordinary shares of NC Entertainment (Private) Limited are in the name of directors of respective companies nominated by the Company.

	2015 Rupees	2014 Rupees
16. LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Notes 16.1 and 16.2)	7,212,691	4,908,602
Other employees (Note 16.2)	350,432	387,914
	7,563,123	5,296,516
Less: Current portion shown under current assets (Note 20)		
Executives	1,533,420	2,204,811
Other employees	344,980	37,482
	1,878,400	2,242,293
	5,684,723	3,054,223
16.1 Reconciliation of carrying amount of loans to executives:		
Balance as at 01 July	4,908,602	2,773,119
Add: Disbursements	5,000,000	2,625,000
Add: Transferred from other employees	-	573,936
Less: Repayments	2,733,730	1,063,453
Balance as at 30 June	7,174,872	4,908,602

16.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 7.228 million (2014: Rupees 4.908 million).

16.2 These represent motor vehicle loans, house building loan and personal loans to executives and employees, payable in 30 to 48, 96 and 16 monthly instalments respectively. Interest on long term loans ranged from 4.63% to 14.50% per annum (2014: 10.45% to 14.50% per annum) while some loans are interest free. Motor vehicle loans are secured against registration of cars in the name of the Company, whereas personal loan and house building loan are secured against balance standing to the credit of employee in the provident fund trust account.

16.3 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

	2015 Rupees	2014 Rupees
17. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	376,346,081	488,707,414
Spare parts	235,773,966	233,768,022
Loose tools	36,243,864	42,667,375
	648,363,911	765,142,811
18. STOCK-IN-TRADE		
Raw materials	4,748,044,323	5,773,991,478
Work-in-process	440,237,780	507,370,103
Finished goods	796,579,213	695,735,249
Waste	33,960,725	39,999,009
	6,018,822,041	7,017,095,839

18.1 Stock-in-trade of Rupees 129.844 million (2014: Rupees 5,533.388 million) is being carried at net realizable value.

18.2 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 7.088 million (2014: Rupees 470.283 million).

	2015 Rupees	2014 Rupees
19. TRADE DEBTS		
Considered good:		
Secured:		
- Others	3,733,974,159	3,441,486,869
Unsecured:		
- Nishat Chunian USA Inc. - subsidiary company	483,072,445	613,576,538
- Nishat Mills Limited - related party	31,438,565	32,500,266
- Others	509,678,354	394,565,196
	1,024,189,364	1,040,642,000
	4,758,163,523	4,482,128,869

19.1 As at 30 June 2015, trade debts due from other than related parties of Rupees 640.550 million (2014: Rupees 479.249 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:

Upto 1 month	634,051,228	-
1 to 6 months	4,472,018	476,757,097
More than 6 months	2,026,653	2,491,679
	640,549,899	479,248,776

19.2 As at 30 June 2015, trade debts due from related parties amounting to Rupees 105.147 million (2014: Rupees 205.164 million) were past due but not impaired. The age analysis of these trade debts is as follows:

Upto 1 month	12,871,411	205,164,250
1 to 6 months	67,085,458	-
More than 6 months	25,190,299	-
	105,147,168	205,164,250

19.3 As at 30 June 2015, trade debts of Rupees 0.405 million (2014: Rupees Nil) were impaired and written off. The ageing of these trade debts was more than 5 years. These trade debts do not include amounts due from related parties.

20. LOANS AND ADVANCES	2015 Rupees	2014 Rupees
Considered good:		
Employees - interest free:		
- Executives	4,456,753	4,271,950
- Other employees	693,781	1,307,642
	5,150,534	5,579,592
Current portion of long term loans to employees (Note 16)	1,878,400	2,242,293
Advances to suppliers (Note 20.1)	305,668,900	527,455,675
Advances to contractors	51,999	558,612
Letters of credit	532,341,856	51,026,230
	845,091,689	586,862,402

20.1 It includes advances amounting to Rupees 1.531 million (2014: Rupees 3.178 million) to D.G. Khan Cement Company Limited - related party.

	2015 Rupees	2014 Rupees
21. OTHER RECEIVABLES		
Considered good:		
Sales tax recoverable	702,341,511	722,710,539
Advance income tax - net	642,859,483	505,565,379
Export rebate and claims	112,101,331	126,002,461
Fair value of forward exchange contracts	33,770,944	8,552,927
Receivable from employees' provident fund trust	12,973,186	3,179,649
Dividend receivable from Nishat Chunian Power Limited - subsidiary	-	281,378,730
Miscellaneous (Note 21.1)	26,625,980	8,454,445
	1,530,672,435	1,655,844,130

21.1 It includes Rupees 1.200 million (2014: Rupees Nil) due from NC Electric Company Limited - subsidiary company, which is in the ordinary course of business and is interest free.

	2015 Rupees	2014 Rupees
22. SHORT TERM INVESTMENTS		
Held-to-maturity		
Term deposit receipts (Note 22.1)	20,660,225	20,660,226
Add: Accrued interest	1,231,259	1,998,586
	21,891,484	22,658,812

22.1 These represent deposits under lien with the bank of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections. Interest on term deposit receipts range from 7.20% to 8.71% (2014: 4.98% to 9.01%) per annum. The maturity period of these term deposit receipts is one year.

	2015 Rupees	2014 Rupees
23. CASH AND BANK BALANCES		
Cash with banks:		
On saving accounts (Note 23.1) Including US$ 21,802 (2014: US$ 18,516)	3,074,263	1,834,710
On current accounts (Note 23.2 and 23.3) Including US$ 29,700 (2014: US$ 36,793)	965,238,181	15,226,155
	968,312,444	17,060,865
Cash in hand	1,155,354	1,177,810
	969,467,798	18,238,675

23.1 Rate of profit on saving accounts ranges from 4.5% to 7% (2014: 6%) per annum.

23.2 Included in cash with banks on current accounts are Rupees 1.931 million (2014: Rupees 5.993 million) with MCB Bank Limited - associated company.

23.3 These include Rupees 951.795 million (2014: Rupees Nil) in a separate bank account opened for collection of share subscription money from right shares being issued to the existing shareholders. The funds were made available to the Company subsequent to the reporting period on 10 July 2015 after the requirement of stock exchanges relating to confirmation of receipt of the full amount of right issue was fulfilled.

24. SALES

	2015 Rupees	2014 Rupees
Export	16,162,277,147	15,723,098,104
Local (Notes 24.1 and 24.2)	7,575,205,717	7,012,192,459
Export rebate and duty draw back	42,971,932	64,467,578
	23,780,454,796	22,799,758,141

24.1 Local sales

	2015 Rupees	2014 Rupees
Sales	7,297,314,976	6,761,065,099
Processing income	425,520,829	409,815,969
	7,722,835,805	7,170,881,068
Less: Sales tax	147,630,088	158,688,609
	7,575,205,717	7,012,192,459

24.2 Local sales includes waste sales of Rupees 493.522 million (2014: Rupees 544.910 million).

25. COST OF SALES

	2015 Rupees	2014 Rupees
Raw materials consumed (Note 25.1)	14,285,721,512	14,591,503,845
Packing materials consumed	703,305,158	668,286,707
Stores, spare parts and loose tools consumed	883,357,231	862,865,143
Processing charges	40,959,518	21,048,220
Salaries, wages and other benefits (Note 25.2)	1,932,306,490	1,526,798,448
Fuel and power	2,793,807,657	3,022,413,495
Insurance	44,471,871	42,507,210
Postage and telephone	4,214,493	4,114,794
Travelling and conveyance	19,694,340	18,908,191
Vehicles' running and maintenance	22,122,109	25,024,795
Entertainment	6,109,600	9,244,244
Ijarah rentals	9,116,975	-
Depreciation on operating fixed assets (Note 14.1.2)	749,173,139	603,961,035
Repair and maintenance	302,456,226	303,168,834
Other factory overheads	54,536,787	53,068,825
	21,851,353,106	21,752,913,786
Work-in-process		
Opening stock	507,370,103	376,405,750
Closing stock	(440,237,780)	(507,370,103)
	67,132,323	(130,964,353)
Cost of goods manufactured	21,918,485,429	21,621,949,433
Finished goods and waste - opening stocks		
Finished goods	695,735,249	478,795,009
Waste	39,999,009	54,134,534
	735,734,258	532,929,543
	22,654,219,687	22,154,878,976
Finished goods and waste - closing stocks		
Finished goods	(796,579,213)	(695,735,249)
Waste	(33,960,725)	(39,999,009)
	(830,539,938)	(735,734,258)
	21,823,679,749	21,419,144,718

		2015 Rupees	2014 Rupees
25.1	**Raw materials consumed**		
	Opening stock	5,773,991,478	4,730,548,430
	Add: Purchased during the year	13,259,774,357	15,634,946,893
		19,033,765,835	20,365,495,323
	Less: Closing stock	4,748,044,323	5,773,991,478
		14,285,721,512	14,591,503,845

25.2 Salaries, wages and other benefits include Rupees 13.919 million (2014: Rupees 10.412 million) and Rupees 33.848 million (2014: Rupees 26.619 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2015 Rupees	2014 Rupees
26.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 26.1)	58,923,567	46,012,905
	Ocean freight	152,052,727	135,990,247
	Freight and octroi	78,626,969	75,465,227
	Forwarding and other expenses	151,409,998	167,517,829
	Export marketing expenses	148,481,663	122,489,664
	Commission to selling agents	90,324,863	118,013,076
		679,819,787	665,488,948

26.1 Salaries and other benefits include Rupees 2.623 million (2014: Rupees 0.718 million) and Rupees 2.238 million (2014: Rupees 2.263 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

		2015 Rupees	2014 Rupees
27.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits (Note 27.1)	82,384,965	67,850,433
	Printing and stationery	3,513,705	3,751,059
	Vehicles' running and maintenance	2,490,202	4,486,506
	Travelling and conveyance	38,964,488	35,474,701
	Postage and telephone	7,620,169	3,851,550
	Fee and subscription	7,915,688	4,886,811
	Legal and professional (Note 27.2)	6,153,169	7,481,946
	Electricity and sui gas	2,177,475	3,441,121
	Insurance	3,361,460	3,306,950
	Repair and maintenance	1,729,465	1,933,107
	Entertainment	8,723,210	6,366,620
	Depreciation on operating fixed assets (Note 14.1.2)	9,962,817	8,945,194
	Amortization on intangible asset (Note 14.1.3)	2,875,589	1,045,695
	Miscellaneous	1,238,731	1,961,815
		179,111,133	154,783,508

27.1 Salaries and other benefits include Rupees 3.667 million (2014: Rupees 2.454 million) and Rupees 3.897 million (2014: Rupees 2.175 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

	2015 Rupees	2014 Rupees
27.2 Legal and professional charges include the following in respect of auditors' remuneration for:		
Audit fee	1,360,000	1,260,000
Half yearly review	336,000	280,000
Certification fees	100,000	100,000
Reimbursable expenses	152,000	138,000
	1,948,000	1,778,000
28. OTHER EXPENSES		
Workers' profit participation fund (Note 9.2)	60,344,322	48,963,705
Trade debts written off	405,087	-
Advances to suppliers written off	730,592	-
Donations (Note 28.1)	2,734,000	23,762,183
Net exchange loss	16,902,718	-
	81,116,719	72,725,888

28.1 Donations

This includes donations amounting to Rupees 2.464 million (2014: Rupees 3.696 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Aftab Ahmad Khan, Director, Mrs. Farhat Saleem, Director and Mr. Yahya Saleem, Director are trustees and Rupees Nil (2014: Rupees 20 million) to Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive, Mrs. Farhat Saleem, Director and Mr. Yahya Saleem, Director are directors.

	2015 Rupees	2014 Rupees
29. OTHER INCOME		
Income from financial assets		
Return on bank deposits	1,610,017	5,232,138
Net exchange gain	-	166,060,595
Credit balances written back	14,194,155	3,123,402
Income from investment in subsidiary company		
Dividend income from Nishat Chunian Power Limited	1,406,893,650	1,594,479,470
Income from non-financial assets		
Gain on disposal of operating fixed assets	7,887,327	3,834,964
Sale of scrap	48,274,783	41,875,851
Miscellaneous	1,665,730	672,929
	1,480,525,662	1,815,279,349

	2015 Rupees	2014 Rupees

30. FINANCE COST

	2015 Rupees	2014 Rupees
Mark-up on:		
- long term loans	562,745,102	561,112,815
- long term musharaka	39,935,287	60,101,084
- redeemable capital	13,277,741	28,002,801
- short term running finances	120,441,967	97,597,500
- export finances - Preshipment / SBP refinances	292,809,241	275,105,699
- short term finances	252,331,494	339,185,997
Interest on workers' profit participation fund (Note 9.2)	3,174,627	2,707,776
Bank charges and commission	69,170,115	11,478,148
	1,353,885,574	1,375,291,820

31. TAXATION

	2015 Rupees	2014 Rupees
Current (Note 31.1)	366,905,825	166,306,073
Prior year adjustment	(23,958,344)	-
	342,947,481	166,306,073

31.1 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 2015 has also been presented in these financial statements in view of the aforesaid explanation. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate has not been presented, being impracticable.

31.2 Deferred income tax asset

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

	2015 Rupees
Taxable temporary difference	
Accelerated tax depreciation	(98,454,328)
Deductible temporary differences	
Available tax losses	669,114,613
Amortization on intangible asset	265,986
	669,380,599
Deferred income tax asset	570,926,271
Deferred income tax asset not recognized in these financial	(570,926,271)
Deferred income tax asset recognized in these financial statements	-

Deferred income tax asset of Rupees 570.926 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.

The Company has carry forwardable tax losses of Rupees 2,229 million.

	2015	2014

32. EARNINGS PER SHARE - BASIC AND DILUTED

	2015	2014
Profit after taxation attributable to ordinary shareholders (Rupees)	800,420,015	761,296,535
Weighted average number of ordinary shares outstanding during the year (Number)	200,184,630	200,184,630
Basic earnings per share (Rupees)	4.00	3.80

32.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2015 and 30 June 2014 as the Company has no potential ordinary shares as on 30 June 2015 and 30 June 2014.

33. CASH GENERATED FROM / (UTILIZED IN) OPERATIONS

	2015 Rupees	2014 Rupees
Profit before taxation	1,143,367,496	927,602,608
Adjustments for non - cash charges and other items:		
Depreciation on operating fixed assets	759,135,956	612,906,229
Amortization on intangible asset	2,875,589	1,045,695
Gain on disposal of operating fixed assets	(7,887,327)	(3,834,964)
Dividend income	(1,406,893,650)	(1,594,479,470)
Finance cost	1,353,885,574	1,375,291,820
Return on bank deposits	(1,610,017)	(5,232,138)
Trade debts written off	405,087	-
Advances to suppliers written off	730,592	-
Credit balances written back	(14,194,155)	(3,123,402)
Working capital changes (Note 33.1)	365,249,936	(1,819,463,333)
	2,195,065,081	(509,286,955)

33.1 Working capital changes

	2015 Rupees	2014 Rupees
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	116,778,900	(195,965,004)
Stock-in-trade	998,273,798	(1,377,212,116)
Trade debts	(276,439,741)	(577,742,145)
Loans and advances	(259,323,772)	197,667,806
Short term prepayments	(1,217,884)	(526,419)
Other receivables	(18,912,931)	72,958,449
	559,158,370	(1,880,819,429)
(Decrease) / increase in trade and other payables	(193,908,434)	61,356,096
	365,249,936	(1,819,463,333)

34. 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	
	2015	2014	2015	2014	2015	2014
	------------------------- Rupees -------------------------					
Managerial remuneration	4,600,000	4,600,000	-	-	73,664,373	52,022,000
Contribution to provident fund	-	-	-	-	6,136,242	4,333,433
House rent	1,840,000	1,840,000	-	-	29,465,749	20,808,800
Utilities	460,000	460,000	-	-	7,366,437	5,202,200
Others	1,992,864	844,669	-	-	7,088,591	6,178,219
	8,892,864	7,744,669	-	-	123,721,392	88,544,652
Number of persons	**1**	**1**	**-**	**-**	**74**	**33**

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

34.2 Aggregate amount charged in these financial statements for meeting fee to seven (2014: seven) directors was Rupees 600,000 (2014: Rupees 400,000).

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

35. 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:

	2015 Rupees	2014 Rupees
Subsidiary companies		
Common facilities cost charged	19,200,000	18,000,000
Dividend income	1,406,893,650	1,594,479,470
Sale of goods	1,440,124,894	1,749,534,468
Investments made	1,110,806,521	99,637,505
Associated undertakings		
Insurance premium paid	75,874,875	78,299,654
Insurance claims received	26,064,985	7,765,714
Purchase of operating fixed asset	-	925,000
Other related parties		
Purchase of goods	29,238,182	52,371,455
Sales of goods	872,819,358	417,799,933
Dividend paid	33,303,285	60,551,432
Company's contribution to employees' provident fund trust	39,983,052	31,058,066

36 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on audited financial statements of the provident fund for the years ended 30 June 2015 and 30 June 2014:

	2015 Rupees	2014 Rupees
Size of the fund - Total assets	322,160,285	256,700,262
Cost of investments	289,715,208	228,951,219
Fair value of investments	299,945,346	238,320,167
Percentage of investments made	93.10%	92.84%

36.1 The break-up of fair value of investments is as follows:

	2015 Percentage	2014 Percentage	2015 Rupees	2014 Rupees
Deposits with banks	12.52%	0.84%	37,558,646	1,997,499
Treasury bills	78.59%	89.49%	235,731,493	213,261,143
Mutual funds - open end	6.06%	6.06%	18,189,902	14,444,594
Listed securities	2.83%	3.61%	8,465,305	8,616,931
	100%	100%	299,945,346	238,320,167

36.2 Investments, out of provident fund, have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

37 NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on 30 June	6,474	6,839
Average number of employees during the year	6,331	6,698

38. SEGMENT INFORMATION

	Spinning						Weaving				Processing and Home Textile		Power Generation		Elimination of inter-segment transactions		Total - Company	
	Zone - 1 (1)		Zone - 2 (4,5,7,8)*		Zone - 3 (2,3,6)		Unit-1 (1,2)		Unit-2 (3,4,5)									
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	------- Rupees -------																	
Sales																		
External																		
- Export	2,483,615,629	2,728,320,003	2,777,714,479	3,377,255,589	3,045,075,942	1,344,876,341	-	-	2,050,088,693	1,858,982,065	5,848,754,335	6,478,131,684	-	-	-	-	16,205,249,078	15,787,565,682
- Local	275,574,285	477,407,284	2,765,150,206	1,234,903,775	3,036,483,808	3,332,537,695	853,392,017	1,223,961,693	94,939,492	107,475,849	549,665,911	635,906,163	-	-	-	-	7,575,205,719	7,012,192,459
	2,759,189,914	3,205,727,287	5,542,864,685	4,612,159,364	6,081,559,750	4,677,414,036	853,392,017	1,223,961,693	2,145,028,185	1,966,457,914	6,398,420,246	7,114,037,847	-	-	-	-	23,780,454,797	22,799,758,141
Inter-segment	18,983,854	326,122,990	204,599,579	1,533,330,403	1,626,490,947	7,018,400	3,089,700,405	3,593,916,009	-	-	-	-	2,924,616,301	2,477,159,080	(7,864,391,086)	(7,937,546,882)	-	-
	2,778,173,768	3,531,850,277	5,747,464,264	6,145,489,767	7,708,050,697	4,684,432,436	3,943,092,422	4,817,877,702	2,145,028,185	1,966,457,914	6,398,420,246	7,114,037,847	2,924,616,301	2,477,159,080	(7,864,391,086)	(7,937,546,882)	23,780,454,797	22,799,758,141
Cost of sales	(2,641,728,405)	(3,407,032,216)	(5,465,187,158)	(5,928,303,853)	(7,329,482,664)	(4,518,881,312)	(3,786,925,134)	(4,557,427,494)	(2,060,073,739)	(1,860,152,938)	(5,913,483,638)	(6,685,982,383)	(2,491,190,098)	(2,398,911,405)	7,864,391,086	7,937,546,882	(21,823,679,750)	(21,419,144,718)
Gross profit / (loss)	136,445,363	124,818,061	282,277,106	217,185,914	378,568,033	165,551,124	156,167,288	260,450,208	84,954,446	106,304,976	484,936,608	428,055,464	433,426,203	78,247,675	-	-	1,956,775,047	1,380,613,423
Distribution cost	(49,179,465)	(67,198,826)	(101,742,095)	(116,927,294)	(136,448,561)	(89,128,455)	(59,741,090)	(50,581,611)	(32,498,940)	(20,645,316)	(300,209,635)	(321,007,447)	-	-	-	-	(679,819,787)	(665,488,948)
Administrative expenses	(5,350,937)	(12,274,167)	(11,069,977)	(21,357,296)	(14,846,189)	(16,279,713)	(23,197,841)	(22,930,395)	(12,619,542)	(9,359,237)	(99,981,319)	(67,315,769)	(12,045,328)	(5,266,931)	-	-	(179,111,133)	(154,783,508)
	(54,530,402)	(79,472,993)	(112,812,072)	(138,284,589)	(151,294,750)	(105,408,168)	(82,938,931)	(73,512,006)	(45,118,482)	(30,004,553)	(400,190,954)	(388,323,216)	(12,045,328)	(5,266,931)	-	-	(858,930,920)	(820,272,456)
Profit / (loss) before taxation and unallocated income and expenses	81,914,960	45,345,068	169,465,034	78,901,325	227,273,283	60,142,957	73,228,357	186,938,202	39,835,964	76,300,423	84,745,654	39,732,248	421,380,875	72,980,744	-	-	1,097,844,127	560,340,967
Unallocated income and expenses																		
Other expenses																	(81,116,719)	(72,725,888)
Other income																	1,480,525,662	1,815,279,349
Finance cost																	(1,353,885,574)	(1,375,291,820)
Taxation																	(342,947,481)	(166,306,073)
Profit after taxation																	800,420,015	761,296,535

* This relates to 2015 only.

38.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Power Generation		Total - Company	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	------- Rupees -------									
Total assets for reportable segments	12,933,437,972	12,756,045,200	1,988,592,913	2,785,896,015	4,166,501,929	4,067,899,200	1,541,079,500	1,502,578,060	20,629,612,314	21,112,418,475
Unallocated assets:										
Investments in subsidiary companies									3,097,125,226	1,986,318,705
Other receivables									1,530,672,435	1,655,844,130
Short term investments									21,891,484	22,658,812
Cash and bank balances									969,467,798	18,238,675
Other corporate assets									711,074,547	1,145,482,881
Total assets as per balance sheet									26,959,843,804	25,940,961,678
Total liabilities for reportable segments	59,154,235	710,393,170	61,912,662	72,227,540	284,450,125	256,063,020	140,585,871	56,513,482	546,102,893	1,095,197,212
Unallocated liabilities:										
Long term financing									4,691,031,406	6,490,373,190
Redeemable capital									31,250,000	156,250,000
Accrued mark-up									171,942,000	210,934,620
Short term borrowings									10,817,110,967	9,180,243,052
Other corporate liabilities									732,780,501	390,367,677
Total liabilities as per balance sheet									16,990,217,767	17,523,365,751

38.2 Geographical information

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

	2015	2014
	Rupees	Rupees
Europe	2,952,755,518	2,763,173,122
Asia, Africa and Australia	8,839,507,209	7,798,926,494
United States of America, Canada and South America	4,370,014,420	5,160,998,488
Pakistan	7,618,177,649	7,076,660,037
	23,780,454,796	22,799,758,141

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

38.4 Revenue from major customers

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

38.5 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.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2015	2014
Spinning		
Number of spindles installed	209,412	171,836
Number of spindles worked	188,124	156,856
Number of shifts per day	3	3
Capacity after conversion into 20/1 count (Kgs.)	64,661,278	52,888,973
Actual production of yarn after conversion into 20/1 count (Kgs.)	63,705,692	52,034,299

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

	2015	2014
Weaving		
Number of looms installed	293	293
Number of looms worked	293	293
Number of shifts per day	3	3
Capacity after conversion into 50 picks - square yards	215,512,868	215,512,868
Actual production after conversion into 50 picks - square yards	184,549,618	185,426,474

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

	2015	2014
Power plant		
Number of engines installed	19	19
Number of engines worked	19	19
Number of shifts per day	3	3
Generation capacity (KWh)	346,896,000	346,896,000
Actual generation (KWh)	89,705,629	99,979,762

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

	2015	2014
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	3	3
Number of shifts per day	3	3
Capacity in meters	30,800,000	30,800,000
Actual processing of fabrics - meters	24,490,564	28,386,575

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

	2015	2014
Printing		
Number of printing machines	1	1
Number of shifts per day	2	2
Capacity in meters	6,200,000	6,200,000
Actual processing of fabrics - meters	5,963,426	7,517,225

Processing was limited due to orders in hand and normal maintenance of machines.

Stitching

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

40. FINANCIAL RISK MANAGEMENT

40.1 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) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances, borrowings 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:

	2015	2014
Cash at banks - USD	51,502	55,309
Trade debts - USD	41,938,552	40,790,291
Trade debts - EURO	2,074,595	599,684
Trade and other payables - USD	(871,632)	(502,759)
Trade and other payables - EURO	(15,455)	(26,377)
Short term borrowings - USD	(31,776,183)	(41,094,691)
Accrued mark-up - USD	(274,008)	(239,838)
Net exposure - USD	9,068,231	(991,688)
Net exposure - EURO	2,059,140	573,307

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.31	102.80
Reporting date rate	101.50	98.65
Rupees per EURO		
Average rate	120.86	139.79
Reporting date rate	113.57	134.60

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and EURO with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 137.589 million respectively higher / lower (2014: Rupees 3.034 million respectively lower / higher), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

(iii) Interest rate risk

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

The Company has no significant long-term interest-bearing asset. The Company's interest rate risk arises mainly from long term financing, redeemable capital and short term borrowings. 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:

	2015 Rupees	2014 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	26,378,614	188,081,502
Short term borrowings	5,827,491,861	4,821,312,745
Financial assets		
Long term loans to employees	5,522,488	2,994,606
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	3,074,263	1,834,710
Short term investments	20,660,225	20,660,226
Financial liabilities		
Long term financing	4,664,652,792	6,302,291,688
Redeemable capital	31,250,000	156,250,000
Short term borrowings	4,989,619,106	5,793,965,784

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 91.787 million (2014: Rupees 102.552 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:

	2015 Rupees	2014 Rupees
Long term security deposits	20,769,440	20,744,440
Trade debts	4,758,163,523	4,482,128,869
Loans and advances	12,713,657	10,876,108
Other receivables	60,396,924	298,386,102
Short term investments	21,891,484	22,658,812
Bank balances	968,312,444	17,060,865
	5,842,247,472	4,851,855,196

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			2015	2014
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Askari Bank Limited	A-1+	AA	JCR-VIS	-	68,162
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	197,446	200,845
Allied Bank Limited	A1+	AA+	PACRA	951,794,725	-
Bank Alfalah Limited	A1+	AA	PACRA	1,182,125	1,139,920
Bank Al-Habib Limited	A1+	AA+	PACRA	594,052	58,646
BankIslami Pakistan Limited	A1	A+	PACRA	122,863	137,089
Burj Bank Limited	A-2	A-	JCR-VIS	-	4,123
Citibank N.A.	P-1	A2	Moody's	2,624	5,764
Deutsche Bank AG	P-2	A3	Moody's	-	105,108
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS	554,412	468,118
Faysal Bank Limited	A1+	AA	PACRA	879,976	186,181
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,344,445	684,876
HSBC Bank Middle East Limited	P-2	A3	Moody's	-	793,960
MCB Bank Limited	A1+	AAA	PACRA	1,931,362	5,993,382
Meezan Bank Limited	A-1+	AA	JCR-VIS	951,060	619,128
National Bank of Pakistan	A-1+	AAA	PACRA	5,000	98,289
NIB Bank Limited	A1+	AA -	PACRA	157,217	152,647
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	149,333	539,863
Summit Bank Limited	A-1	A-	JCR-VIS	463	463
The Bank of Punjab	A1+	AA -	PACRA	5,688,211	4,084,716
United Bank Limited	A-1+	AA+	JCR-VIS	1,757,130	1,719,585
				968,312,444	17,060,865
Short term investments					
BankIslami Pakistan Limited	A1	A+	PACRA	21,891,484	22,658,812
				990,203,928	39,719,677

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 19.

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.

(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 2015, the Company had Rupees 7,998 million (2014: Rupees 7,960 million) available borrowing limits from financial institutions and Rupees 969.468 million (2014: Rupees 18.239 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 2015:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	4,691,031,406	5,318,306,399	1,023,643,949	950,055,670	1,972,360,347	1,372,246,433
Redeemable capital	31,250,000	32,060,908	32,060,908	-	-	-
Short term borrowings	10,817,110,967	10,976,963,113	9,924,179,975	1,052,783,138	-	-
Trade and other payables	1,144,150,633	1,144,150,633	1,144,150,633	-	-	-
Accrued mark-up	171,942,000	171,942,000	171,942,000	-	-	-
	16,855,485,006	17,643,423,053	12,295,977,464	2,002,838,808	1,972,360,347	1,372,246,433

Contractual maturities of financial liabilities as at 30 June 2014:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	6,490,373,190	7,966,537,002	1,140,023,351	1,257,970,248	2,239,732,404	3,328,810,999
Redeemable capital	156,250,000	170,817,980	71,262,055	67,327,637	32,228,288	-
Short term borrowings	9,180,243,052	9,619,428,845	9,032,788,489	586,640,356	-	-
Trade and other payables	1,356,788,724	1,356,788,724	1,356,788,724	-	-	-
Accrued mark-up	210,934,620	210,934,620	210,934,620	-	-	-
	17,394,589,586	19,324,507,171	11,811,797,239	1,911,938,241	2,271,960,692	3,328,810,999

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 7, note 8 and note 11 to these financial statements.

40.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

40.3 Financial instruments by categories

Assets as per balance sheet

	2015			2014		
	Loans and receivables	At amortized cost	Total	Loans and receivables	At amortized cost	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term security deposits	20,769,440	-	20,769,440	20,744,440	-	20,744,440
Trade debts	4,758,163,523	-	4,758,163,523	4,482,128,869	-	4,482,128,869
Loans and advances	12,713,657	-	12,713,657	10,876,108	-	10,876,108
Other receivables	60,396,924	-	60,396,924	298,386,102	-	298,386,102
Short term investments	-	21,891,484	21,891,484	-	22,658,812	22,658,812
Cash and bank balances	969,467,798	-	969,467,798	18,238,675	-	18,238,675
	5,821,511,342	21,891,484	5,843,402,826	4,830,374,194	22,658,812	4,853,033,006

	Liabilities at amortized cost	
	2015	2014
	Rupees	Rupees
Liabilities as per balance sheet		
Long term financing	4,691,031,406	6,490,373,190
Redeemable capital	31,250,000	156,250,000
Accrued mark-up	171,942,000	210,934,620
Short term borrowings	10,817,110,967	9,180,243,052
Trade and other payables	1,144,150,633	1,356,788,724
	16,855,485,006	17,394,589,586

41. 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, redeemable capital and short term borrowings obtained by the Company as referred to in note 7, note 8 and note 11 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Company's strategy was to maintain a gearing ratio of 65% debt and 35% equity (2014: 65% debt and 35% equity).

		2015	2014
Borrowings	Rupees	15,539,392,373	15,826,866,242
Total equity	Rupees	9,969,626,037	8,417,595,927
Total capital employed	Rupees	25,509,018,410	24,244,462,169
Gearing ratio	Percentage	60.92	65.28

The decrease in gearing ratio resulted primarily from increase in equity of the Company.

42. UNUTILIZED CREDIT FACILITIES

The Company has total credit facilities amounting to Rupees 18,815 million (2014: Rupees 17,140 million) out of which Rupees 7,998 million (2014: Rupees 7,960 million) remained unutilized at the end of the year.

43. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company at their meeting held on October 5, 2015 has proposed cash dividend of Rupees 1.5 per ordinary share (2014: Rupees 1 per ordinary share) in respect of the year ended 30 June 2015. 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.

Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Company is required to pay tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes profits equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, by due date for filing of income tax return for the tax year 2015. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on October 5, 2015 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 5, 2015 by the Board of Directors of the Company.

45. 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 financial statements.

46. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE   DIRECTOR

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2015

Number of ShareHolders	Shareholding From	To	Total Number of Shares Held	Percentage of Total Capital
2539	1	100	56,112	0.03
1433	101	500	472,419	0.24
1190	501	1000	994,196	0.50
1976	1001	5000	5,529,631	2.76
543	5001	10000	4,194,138	2.10
182	10001	15000	2,302,542	1.15
112	15001	20000	2,036,091	1.02
79	20001	25000	1,855,191	0.93
38	25001	30000	1,094,642	0.55
38	30001	35000	1,246,610	0.62
30	35001	40000	1,150,566	0.57
13	40001	45000	554,644	0.28
29	45001	50000	1,423,194	0.71
15	50001	55000	788,624	0.39
5	55001	60000	290,350	0.15
4	60001	65000	246,777	0.12
10	65001	70000	691,062	0.35
12	70001	75000	886,014	0.44
8	75001	80000	625,027	0.31
8	80001	85000	657,445	0.33
2	85001	90000	179,893	0.09
5	90001	95000	458,359	0.23
21	95001	100000	2,091,207	1.04
5	100001	105000	514,000	0.26
4	105001	110000	438,100	0.22
4	110001	115000	446,172	0.22
1	115001	120000	116,000	0.06
3	120001	125000	368,500	0.18
1	125001	130000	130,000	0.06
3	130001	135000	399,000	0.20
1	135001	140000	137,000	0.07
4	145001	150000	597,133	0.30
2	150001	155000	304,151	0.15
1	155001	160000	160,000	0.08
2	165001	170000	337,609	0.17
2	170001	175000	346,699	0.17
1	180001	185000	184,500	0.09
2	185001	190000	377,000	0.19
4	195001	200000	800,000	0.40
1	200001	205000	201,994	0.10
3	205001	210000	625,500	0.31
1	210001	215000	213,000	0.11
1	215001	220000	218,142	0.11
1	230001	235000	232,400	0.12
1	235001	240000	240,000	0.12
1	245001	250000	250,000	0.12
1	250001	255000	250,163	0.12
3	270001	275000	820,959	0.41
1	280001	285000	284,100	0.14
1	285001	290000	288,000	0.14
1	290001	295000	291,000	0.15
1	295001	300000	298,000	0.15
1	310001	315000	312,500	0.16
1	325001	330000	330,000	0.16

Number of ShareHolders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	330001	335000	332,500	0.17
1	345001	350000	350,000	0.17
1	360001	365000	360,500	0.18
1	365001	370000	367,000	0.18
1	370001	375000	372,000	0.19
1	390001	395000	393,525	0.20
2	395001	400000	800,000	0.40
1	400001	405000	405,000	0.20
1	410001	415000	411,500	0.21
1	415001	420000	420,000	0.21
1	440001	445000	445,000	0.22
1	455001	460000	458,000	0.23
2	495001	500000	1,000,000	0.50
1	510001	515000	515,000	0.26
1	565001	570000	567,000	0.28
2	595001	600000	1,200,000	0.60
1	610001	615000	612,203	0.31
1	640001	645000	640,603	0.32
1	645001	650000	650,000	0.32
1	675001	680000	678,700	0.34
1	720001	725000	725,000	0.36
1	735001	740000	739,000	0.37
1	825001	830000	829,000	0.41
1	935001	940000	937,650	0.47
1	965001	970000	966,500	0.48
1	985001	990000	985,450	0.49
1	1000001	1005000	1,000,084	0.50
1	1075001	1080000	1,075,486	0.54
1	1250001	1255000	1,252,715	0.63
1	1355001	1360000	1,358,003	0.68
1	1390001	1395000	1,395,000	0.70
1	1400001	1405000	1,401,000	0.70
1	1450001	1455000	1,452,950	0.73
1	1490001	1495000	1,491,000	0.74
1	1805001	1810000	1,808,400	0.90
1	1930001	1935000	1,933,449	0.97
1	2045001	2050000	2,048,345	1.02
1	2185001	2190000	2,189,180	1.09
1	2455001	2460000	2,457,500	1.23
1	2850001	2855000	2,851,645	1.42
1	3995001	4000000	3,996,000	2.00
1	4060001	4065000	4,060,465	2.03
1	4355001	4360000	4,357,000	2.18
1	4700001	4705000	4,704,166	2.35
1	4835001	4840000	4,839,826	2.42
1	5920001	5925000	5,922,500	2.96
1	6615001	6620000	6,619,632	3.31
1	6740001	6745000	6,744,576	3.37
1	7230001	7235000	7,232,557	3.61
1	8445001	8450000	8,447,119	4.22
1	11820001	11825000	11,822,562	5.91
1	13910001	13915000	13,911,796	6.95
1	15415001	15420000	15,418,554	7.70
1	21895001	21900000	21,895,633	10.94
8,408	**<-----Total-------->**		**200,184,630**	**100.00**

CATEGORIES OF SHAREHOLDERS

AS ON JUNE 30, 2015

	CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
A)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mrs. Farhat Saleem	1	4,929,719	2.46
	Mr. Shahzad Saleem	1	22,971,118	11.47
	Mr. Yahya Saleem	1	22,971,119	11.47
	Spouse:			
	Mrs. Ayesha Shahzad w/o Mr. Shahzad Saleem	1	198,707	0.10
	TOTAL: -	4	23,169,826	25.51
B)	Executives			
	N/A	-	-	0.00
C)	Associated Companies, Undertakings and related parties	2	33,303,285	16.64
D)	Public Sectors Companies & Corporations	-	-	
E)	NIT and IDBP (ICP UNIT)	4	5,690	0.00
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions	37	24,270,838	12.12
H)	Insurance Companies	13	3,297,341	1.65
I)	Modarabas & Mutual Funds	17	13,359,656	6.67
J)	*Shareholding 5% or more	*3	*73,183,353	*36.56
K)	Joint Stock Companies	99	9,328,913	4.66
L)	Others	36	1,937,959	0.97
M)	General Public	8,196	63,610,285	31.78
	TOTAL: -	8,408	200,184,630	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	%
MIAN YAHYA SALEEM	22,971,119	11.47
MR. SHAHZAD SALEEM	22,971,118	11.47
NISHAT MILLS LIMITED	27,241,116	13.61
TOTAL :-	73,183,353	36.56

INFORMATION UNDER CLAUSE XIX(I) OF THE CODE OF CORPORATE GOVERNANCE

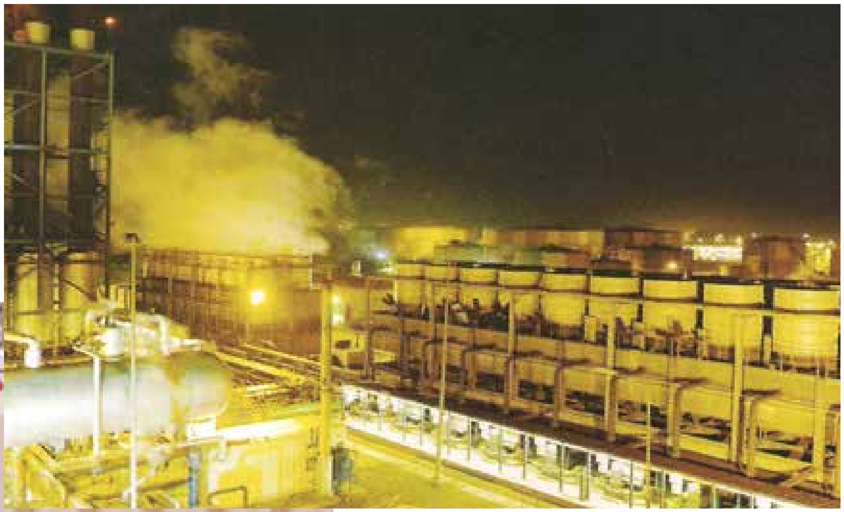
All the trade in the company's shares carried by its Directors, CEO, CFO, Company Secretary and their spouse and monor childern during the year July 1, 2014 to June 30, 2015:

Sale	Purchase
-	-

NISHAT (CHUNIAN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

30 JUNE 2015



The Board of Directors is pleased to present their report together with the consolidated audited results of Nishat (Chunian) Limited and its subsidiaries for the year ended June 30, 2015. The Directors' Report, giving a commentary on the performance of Nishat (Chunian Limited for the year ended June 30, 2015 has been presented separately. The group results comprise of financial statements of Nishat (Chunian) Limited ("the Holding Company"), Nishat Chunian Power Limited (NCPL) , Nishat Chunian USA Inc., NC Electric Company Limited and NC Entertainment (Private) Limited

Financial Highlights	**2015**	**2014**
Turnover	46,509	50,325
Gross Profit	7,208	6,437
Profit before taxation	2,767	2,225
Taxation	343	166
Profit after taxation	2,425	2,059
Earnings per share (basic & diluted) – Rupees	4.56	3.20

Nishat Chunian Power Limited, incorporated under the Companies Ordinance, 1984 on 23 February, 2007, is established with the objective of setting up power generation project having gross capacity of 200MW under a 25 year 'take or pay' agreement with National Transmission & Dispatch Company Limited (NTDCL). NCPL started its operations on July 21, 2010. The Company has been listed on Karachi, Islamabad and Lahore Stock Exchanges. Nishat (Chunian) Limited currently owns and controls 51.07% shares of Nishat Chunian Power Limited. The Directors' Report giving a commentary on the performance of NCPL for the year ended 30 June 2015 has been presented separately.

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

NC Electric Company Limited, incorporated under the Companies Ordinance, 1984 on 18th April, 2014, is established with the objective of setting up coal based power plant of gross capacity of 46 MW. This will help Nishat (Chunian) Limited (holding company) to reduce their fuel and electricity cost.

NC Entertainment (Private) Limited is registered under the Companies Ordinance, 1984 as a company limited by shares on 31 January 2014. This company was acquired during the year in pursuance of our diversification strategy. Through this acquisition group has entered in cinema business.

On behalf of the Board

SHAHZAD SALEEM
Chief Executive

Lahore : October 5, 2015

AUDITORS' REPORT

TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Nishat (Chunian) Limited (the Holding Company) and its Subsidiary Companies (together referred to as Group) as at 30 June 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Nishat (Chunian) Limited and NC Electric Company Limited. The financial statements of the Subsidiary Companies, Nishat Chunian Power Limited, NC Entertainment (Private) Limited and Nishat Chunian USA Inc. were audited by other firms of auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such Companies, is based solely on the reports of such other auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Nishat (Chunian) Limited and its Subsidiary Companies as at 30 June 2015 and the results of their operations for the year then ended.

The auditors of Nishat Chunian Power Limited (Subsidiary Company) have drawn attention to Note 18.4 to the consolidated financial statements, which describe the matter regarding recoverability of certain trade debts. Their opinion is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Lahore : October 5, 2015

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	3	3,000,000,000	2,500,000,000
Issued, subscribed and paid-up share capital	4	2,001,846,300	2,001,846,300
Share deposit money	5	951,794,725	-
Reserves	6	8,819,241,226	8,107,892,249
Equity attributable to equity holders of the Holding Company		11,772,882,251	10,109,738,549
Non-controlling interest		3,607,323,562	3,443,288,118
Total equity		15,380,205,813	13,553,026,667
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	12,976,710,981	15,295,182,188
Redeemable capital	8	-	31,250,000
		12,976,710,981	15,326,432,188
CURRENT LIABILITIES			
Trade and other payables	9	1,879,738,635	3,521,920,445
Accrued mark-up	10	525,773,933	718,900,828
Short term borrowings	11	16,301,412,103	14,879,080,864
Current portion of non-current liabilities	12	3,248,813,130	3,157,186,050
		21,955,737,801	22,277,088,187
Total liabilities		34,932,448,782	37,603,520,375
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		50,312,654,595	51,156,547,042

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

CHIEF EXECUTIVE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	24,373,712,823	23,583,552,739
Long term loans to employees	15	16,459,773	3,473,721
Long term security deposits		20,874,440	20,849,440
		24,411,047,036	23,607,875,900
CURRENT ASSETS			
Stores, spare parts and loose tools	16	1,560,071,795	1,681,534,544
Stock-in-trade	17	7,400,959,342	7,938,835,684
Trade debts	18	12,502,422,838	14,182,408,936
Loans and advances	19	1,026,674,441	781,099,555
Short term deposits and prepayments	20	20,516,746	8,263,811
Accrued interest		477,712	402,011
Other receivables	21	2,354,067,741	1,866,117,388
Short term investments	22	21,891,484	22,658,812
Cash and bank balances	23	1,014,525,460	1,067,350,401
		25,901,607,559	27,548,671,142
TOTAL ASSETS		50,312,654,595	51,156,547,042

DIRECTOR

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
SALES	24	46,509,253,887	50,325,116,016
COST OF SALES	25	(39,301,654,299)	(43,887,268,875)
GROSS PROFIT		7,207,599,588	6,437,847,141
DISTRIBUTION COST	26	(815,192,033)	(783,994,589)
ADMINISTRATIVE EXPENSES	27	(331,503,468)	(282,205,382)
OTHER EXPENSES	28	(143,556,649)	(155,397,673)
		(1,290,252,150)	(1,221,597,644)
		5,917,347,438	5,216,249,497
OTHER INCOME	29	98,555,804	307,078,559
PROFIT FROM OPERATIONS		6,015,903,242	5,523,328,056
FINANCE COST	30	(3,248,414,233)	(3,297,614,246)
PROFIT BEFORE TAXATION		2,767,489,009	2,225,713,810
TAXATION	31	(342,947,481)	(166,306,073)
PROFIT AFTER TAXATION		2,424,541,528	2,059,407,737
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE HOLDING COMPANY		912,297,690	640,420,905
NON-CONTROLLING INTEREST		1,512,243,838	1,418,986,832
		2,424,541,528	2,059,407,737
EARNINGS PER SHARE - BASIC AND DILUTED	32	4.56	3.20

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

CHIEF EXECUTIVE

DIRECTOR

FOR THE YEAR ENDED 30 JUNE 2015

	2015 Rupees	2014 Rupees
PROFIT AFTER TAXATION	2,424,541,528	2,059,407,737
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	(764,083)	(113,412)
Other comprehensive loss for the year	(764,083)	(113,412)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,423,777,445	2,059,294,325
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	911,533,607	640,307,493
NON-CONTROLLING INTEREST	1,512,243,838	1,418,986,832
	2,423,777,445	2,059,294,325

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	8,027,637,742	637,069,874
Net increase in long term security deposits		(25,000)	(18,213,181)
Finance cost paid		(3,451,760,189)	(3,407,517,076)
Income tax paid		(517,728,154)	(457,440,819)
Net increase in long term loans to employees		(12,785,434)	(1,696,551)
Net cash generated from / (used in) operating activities		4,045,338,965	(3,247,797,753)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,714,871,871)	(2,829,783,049)
Capital expenditure on intangible asset		-	(9,585,298)
Proceeds from sale of operating fixed assets		31,766,695	19,557,106
Acquisition of subsidiary net of cash and cash equivalents		2,175,089	-
Short term investments - net		-	59,503,547
Profit on bank deposits received		4,568,325	6,739,201
Net cash used in investing activities		(2,676,361,762)	(2,753,568,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		899,091,997	2,658,000,000
Repayment of long term financing		(3,032,186,124)	(2,768,782,510)
Share deposit money received		951,794,725	-
Repayment of redeemable capital		(125,000,000)	(125,000,000)
Short term borrowings - net		1,422,331,239	8,380,904,220
Dividend paid to non-controlling interest		(1,348,208,394)	(1,255,349,512)
Dividends paid		(188,861,504)	(361,661,873)
Net cash from / (used in) financing activities		(1,421,038,061)	6,528,110,325
Net (decrease) / increase in cash and cash equivalents		(52,060,858)	526,744,079
Impact of exchange translation		(764,083)	(113,412)
Cash and cash equivalents at the beginning of the year		1,067,350,401	540,719,734
Cash and cash equivalents at the end of the year		1,014,525,460	1,067,350,401

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

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT

OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2015

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY									
	SHARE CAPITAL	SHARE DEPOSIT MONEY	CAPITAL RESERVE	REVENUE RESERVES			TOTAL RESERVES	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
			Exchange translation reserve	General reserve	Unappropriated profit	Total				
	Rupees									
Balance as at 30 June 2013	1,819,860,280	-	56,555	1,629,221,278	6,384,265,000	8,013,486,278	8,013,542,833	9,833,403,113	3,552,270,788	13,385,673,901
Transactions with owners:										
Final dividend for the year ended 30 June 2013 @ Rupees 2 per ordinary share	-	-	-	-	(363,972,057)	(363,972,057)	(363,972,057)	(363,972,057)	-	(363,972,057)
Bonus shares issued during the year	181,986,020	-	-	-	(181,986,020)	(181,986,020)	(181,986,020)	-	-	-
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(1,527,969,502)	(1,527,969,502)
	181,986,020	-	-	-	(545,958,077)	(545,958,077)	(545,958,077)	(363,972,057)	(1,527,969,502)	(1,891,941,559)
Profit for the year	-	-	-	-	640,420,905	640,420,905	640,420,905	640,420,905	1,418,986,832	2,059,407,737
Other comprehensive loss for the year	-	-	(113,412)	-	-	-	(113,412)	(113,412)	-	(113,412)
Total comprehensive income for the year	-	-	(113,412)	-	640,420,905	640,420,905	640,307,493	640,307,493	1,418,986,832	2,059,294,325
Balance as at 30 June 2014	2,001,846,300	-	(56,857)	1,629,221,278	6,478,727,828	8,107,949,106	8,107,892,249	10,109,738,549	3,443,288,118	13,553,026,667
Transactions with owners:										
Final dividend for the year ended 30 June 2014 @ Rupee 1 per ordinary share	-	-	-	-	(200,184,630)	(200,184,630)	(200,184,630)	(200,184,630)	-	(200,184,630)
Share deposit money received during the year	-	951,794,725	-	-	-	-	-	951,794,725	-	951,794,725
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	(1,348,208,394)	(1,348,208,394)
	-	951,794,725	-	-	(200,184,630)	(200,184,630)	(200,184,630)	751,610,095	(1,348,208,394)	(596,598,299)
Profit for the year	-	-	-	-	912,297,690	912,297,690	912,297,690	912,297,690	1,512,243,838	2,424,541,528
Other comprehensive loss for the year	-	-	(764,083)	-	-	-	(764,083)	(764,083)	-	(764,083)
Total comprehensive income for the year	-	-	(764,083)	-	912,297,690	912,297,690	911,533,607	911,533,607	1,512,243,838	2,423,777,445
Balance as at 30 June 2015	2,001,846,300	951,794,725	(820,940)	1,629,221,278	7,190,840,888	8,820,062,166	8,819,241,226	11,772,882,251	3,607,323,562	15,380,205,813

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

CHIEF EXECUTIVE

DIRECTOR

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

- Nishat (Chunian) Limited

Subsidiary Companies

- Nishat Chunian Power Limited
- Nishat Chunian USA Inc.
- NC Electric Company Limited
- NC Entertainment (Private) Limited

Nishat (Chunian) Limited

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

Nishat Chunian Power Limited

Nishat Chunian Power Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on the Lahore, Karachi and Islamabad Stock Exchanges. 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. Its registered office is situated at 31-Q, Gulberg II, Lahore. Nishat Chunian Power Limited has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited (NTDCL) starts from this date.

Nishat Chunian USA Inc.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at Suite No. 639, 7 West, 34th Street 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.

NC Electric Company Limited

NC Electric Company Limited is a public limited company incorporated in Pakistan on 18 April 2014 under the Companies Ordinance, 1984. NC Electric Company Limited is a wholly owned subsidiary of Nishat (Chunian) Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The principal objects of NC Electric Company Limited are to develop, own and operate a 40 MW and 8 TPH process steam coal fired electric power generation project at 49 KM, Multan Road, near Bhai Phero, District Kasur.

NC Entertainment (Private) Limited

NC Entertainment (Private) Limited is registered under the Companies Ordinance, 1984 as a company limited by shares on 31 January 2014. The registered office of NC Entertainment (Private) Limited is situated at 31-Q, Gulberg II, Lahore. The main objective of NC Entertainment (Private) Limited is to construct and/or operate cinemas, theatres and studios.

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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

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:

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

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

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.

Taxation

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.

Provisions for doubtful debts

The Group reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

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

The following amendments to published approved standards are mandatory for the Group's accounting periods beginning on or after 01 July 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Group's consolidated financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of the above amendments and interpretation does not result in any material impact on profit or loss, other comprehensive income and total comprehensive income.

e) Standards and amendments to published approved standards that are effective in current year but not 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 2014 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

f) Standards and amendments to published standards that are not yet effective but relevant to the Group

Following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2015 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. The management of the group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) 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 management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2015) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. However, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

h) Exemption from applicability of certain interpretations to standards

Securities and Exchange Commission of Pakistan (SECP) through SRO 24(I)/2012 dated 16 January 2012, has exempted the application of International Financial Reporting Interpretations Committee (IFRIC) 4 'Determining whether an Arrangement contains a Lease' to all companies. However, the SECP made it mandatory to disclose the impact of the application of IFRIC 4 on the results of the companies. This interpretation provides guidance on determining whether arrangements that do not take the legal form of a lease should, nonetheless, be accounted for as a lease in accordance with International Accounting Standard (IAS) 17 'Leases'.

Consequently, Nishat Chunian Power Limited – Subsidiary Company is not required to account for a portion of its PPA with NTDCL as a lease under IAS 17. If the aforesaid Subsidiary Company were to follow IFRIC 4 and IAS 17, the effect on the consolidated financial statements would be as follows:

	2015 Rupees	2014 Rupees
De-recognition of property, plant and equipment	(13,223,381,381)	(14,053,671,701)
Recognition of lease debtor	13,844,802,763	14,988,100,810
Increase in un-appropriated profit at the beginning of the year	934,429,109	1,214,033,241
Decrease in profit for the year	(313,007,727)	(279,604,132)
Increase in un-appropriated profit at the end of the year	621,421,382	934,429,109

2.2 Consolidation

Subsidiaries

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary companies are included in the consolidated financial statements from the date control commences until 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.

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. Balance sheet items are translated at the exchange rate at the balance sheet date and profit and loss account 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 relating to the Holding Company and NC Entertainment (Private) Limited – Subsidiary Company is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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

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

Deferred

Deferred tax is accounted for using the balance sheet 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 profit and loss account, 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 statement of comprehensive income or directly in equity, respectively.

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

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

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

Accumulating compensated absences

The Holding Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences. Under the rules, head office employees are entitled to 15 days leave per year while factory staff and factory workers are entitled to 14 days leave per year respectively. Unutilized leaves can be accumulated up to 28 days in case of factory staff and factory workers. Any further un-utilized leaves will lapse. Any un-utilized leave balance can be encashed by them at any time during their employment. Unutilized leaves can be used at any time by all employees, subject to the Holding Company's approval. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to income.

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.

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 is charged to income on the reducing balance method, except in case of Nishat Chunian Power Limited - Subsidiary Company and Nishat Chunian USA Inc. – Subsidiary Company, where this accounting estimate is based on straight line method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 14.1. Depreciation on 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 profit and loss account in the year the asset is derecognized.

Intangible asset

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 is reviewed and adjusted, if appropriate, at each reporting date.

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's share of the identifiable net assets acquired. Goodwill is tested annually for the impairment and carried at cost less accumulated impairment losses. Any impairment is recognized immediately through the consolidated profit and loss account and is not subsequently reversed.

Negative goodwill is recognized directly in consolidated profit and loss account in the year of acquisition.

2.7 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for 'investment at fair value through profit or loss' which is measured initially at fair value.

The Group assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Group applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to its investments.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in consolidated profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in consolidated profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in consolidated statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in consolidated statement of comprehensive income is included in consolidated profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 'Financial Instruments: Recognition and Measurement'.

2.8 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.

2.9 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 balance sheet 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 profit and loss account.

2.10 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.

2.11 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sales is recognized on dispatch of goods to customers.
- Return on bank deposits is accrued on a time proportionate basis by reference to the principal outstanding and the applicable rate of return.
- Revenue on account of energy is recognized on transmission of electricity to National Transmission and Despatch Company Limited, whereas on account of capacity is recognized when due.

2.12 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, from the proceeds.

2.13 Financial instruments

Financial instruments carried on the balance sheet include deposits, trade debts, loans and advances, other receivables, short term investments, accrued interest, cash and bank balances, short term borrowings, long term financing, redeemable capital, accrued mark-up and trade and other payables. Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for 'financial instrument at fair value through profit or loss' which is measured initially at fair value.

Financial assets are de-recognized when the Group loses control of the contractual rights that comprise the financial asset. The Group loses such control if it realizes the rights to benefits specified in contract, the rights expire or the

Group surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item and in the accounting policy of investments.

2.14 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.15 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 profit and loss account over the period of the borrowings using the effective interest rate method.

2.16 Trade and other payables

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

2.17 Offsetting of financial assets and financial liabilities

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 management intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.18 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair value. For the purpose of consolidated cash flow statement, 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.

2.19 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cash flow hedges.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated profit and loss account.

Amounts accumulated in equity are recognized in consolidated profit and loss account in the periods when the hedged item will affect profit or loss.

2.20 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.

2.21 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in consolidated profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in consolidated profit and loss account.

2.22 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 five reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (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), Power Generation (Generating, transmitting and distributing power) and Entertainment (Operating cinemas).

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.

2.23 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.

2.24 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in consolidated profit and loss account 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.

3. AUTHORIZED SHARE CAPITAL

2015	2014		2015	2014
(Number of shares)			Rupees	Rupees
280,000,000	230,000,000	Ordinary shares of Rupees 10 each	2,800,000,000	2,300,000,000
20,000,000	20,000,000	Preference shares of Rupees 10 each	200,000,000	200,000,000
300,000,000	250,000,000		3,000,000,000	2,500,000,000

3.1 Increase in authorized share capital of the Holding Company was approved by the members of the Holding Company in their extra ordinary general meeting held on 14 May 2015.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015	2014		2015	2014
(Number of shares)			Rupees	Rupees
94,720,922	94,720,922	Ordinary shares of Rupees 10 each fully paid in cash	947,209,220	947,209,220
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
200,184,630	200,184,630		2,001,846,300	2,001,846,300

4.1 Ordinary shares of the Holding Company held by related companies:

	2015	2014
	(Number of shares)	
Nishat Mills Limited	27,241,116	27,241,116
D.G. Khan Cement Company Limited	6,062,169	6,062,169
	33,303,285	33,303,285

4.2 Movement during the year

2015	2014		2015	2014
(Number of shares)			Rupees	Rupees
200,184,630	181,986,028	At 01 July	2,001,846,300	1,819,860,280
-	18,198,602	Issue of fully paid bonus shares of Rupees 10 each at par	-	181,986,020
200,184,630	200,184,630	At 30 June	2,001,846,300	2,001,846,300

5. SHARE DEPOSIT MONEY

Board of Directors of the Holding Company in its meeting held on 20 April 2015 resolved to increase the issued, subscribed and paid-up share capital of the Holding Company from Rupees 2,001,846,300 to Rupees 2,402,215,560 divided into 240,221,556 shares of Rupees 10 each by issue of 40,036,926 ordinary right shares at Rupees 25 per share including a premium of Rupees 15 per share to the members of the Holding Company in the proportion of 20 right shares for every 100 ordinary shares. A separate bank account was opened for collection of share subscription money from right shares being issued to existing shareholders. The funds generated from right issue were made available to the Holding Company subsequent to the reporting period on 10 July 2015 after the requirement of stock exchanges relating to confirmation of receipt of the full amount of right issue was fulfilled. Return of allotment was duly filed on 30 July 2015.

	2015 Rupees	2014 Rupees
6. RESERVES		
Composition of reserves is as follows:		
Capital reserve		
Exchange translation reserve	(820,940)	(56,857)
Revenue reserves		
General reserve	1,629,221,278	1,629,221,278
Unappropriated profit	7,190,840,888	6,478,727,828
	8,820,062,166	8,107,949,106
	8,819,241,226	8,107,892,249

	2015 Rupees	2014 Rupees
7. LONG TERM FINANCING		
From banking companies / financial institutions - secured		
Long term loans (Note 7.1)	15,669,274,111	17,857,368,238
Long term musharaka (Note 7.2)	525,000,000	470,000,000
	16,194,274,111	18,327,368,238
Less: Current portion shown under current liabilities (Note 12)		
Long term loans	3,102,563,130	2,837,186,050
Long term musharaka	115,000,000	195,000,000
	3,217,563,130	3,032,186,050
	12,976,710,981	15,295,182,188

LENDER	2015	2014	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
	Rupees	Rupees				
7.1 Long term loans						
Nishat (Chunian) Limited - Holding Company (Note 7.3)						
Standard Chartered Bank (Pakistan) Limited	937,500,000	1,000,000,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 04 May 2015 and ending on 04 February 2019.	Quarterly	Quarterly
United Bank Limited-1	-	3,575,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 20 May 2011 and ended on 20 November 2014.	-	Quarterly
United Bank Limited-2	-	4,800,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 08 June 2011 and ended on 08 December 2014.	-	Quarterly
United Bank Limited-3	-	2,200,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 28 July 2011 and ended on 28 January 2015.	-	Quarterly
United Bank Limited-4	-	22,150,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 18 July 2011 and ended on 18 January 2015.	-	Quarterly
United Bank Limited-5	-	6,625,000	SBP rate for LTFF + 2.5%	Eight equal half yearly instalments commenced on 26 July 2011 and ended on 26 January 2015.	-	Quarterly
United Bank Limited-6	218,750,000	343,750,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 09 June 2013 and ending on 09 March 2017.	Quarterly	Quarterly
Allied Bank Limited-1	250,000,000	375,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 06 September 2013 and ending on 06 June 2017.	Quarterly	Quarterly
Allied Bank Limited-2	450,000,000	750,000,000	3-month KIBOR + 1.25%	Sixteen equal quarterly instalments commenced on 28 February 2013 and ending on 29 November 2016.	Quarterly	Quarterly
Pak Kuwait Investment Company (Private) Limited	27,777,792	83,333,344	6-month KIBOR + 2%	Eighteen equal quarterly instalments commenced on 21 September 2011 and ending on 21 December	Half Yearly	Quarterly
The Bank of Punjab-1	33,750,000	101,250,000	SBP rate for LTFF + 2.5%	Sixteen equal quarterly instalments commenced on 15 January 2012 and ending on 15 October 2015.	-	Quarterly
The Bank of Punjab-2	-	20,833,344	6-month KIBOR + 1.25%	Twelve equal quarterly instalments commenced on 01 October 2011 and ended on 01 July 2014.	Quarterly	Quarterly
The Bank of Punjab-3	250,000,000	350,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 17 June 2013 and ending on 17 December 2017.	Quarterly	Quarterly

LENDER	2015	2014	RATE OF MARK-UP PER ANNUM	NUMBER OF INSTALMENTS	MARK-UP REPRICING	MARK-UP PAYABLE
	Rupees	Rupees				
The Bank of Punjab-4	600,000,000	800,000,000	3-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 10 December 2013 and ending on 10 June 2018.	Quarterly	Quarterly
Samba Bank Limited	312,500,000	437,500,000	3-month KIBOR + 0.75%	Sixteen equal quarterly instalments commenced on 28 February 2014 and ending on 31 October 2017.	Quarterly	Quarterly
Saudi Pak Industrial and Agricultural Investment Company Limited	26,378,614	47,481,502	SBP rate for LTFF+ 3%	Eighteen equal quarterly instalments commenced on 31 May 2012 and ending on 31 August 2016.	-	Quarterly
Soneri Bank Limited	109,375,000	171,875,000	3-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 April 2013 and ending on 31 January 2017.	Quarterly	Quarterly
Syndicated term finance (Note 7.3)						
Allied Bank Limited	880,000,000	1,100,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Bank Limited	240,000,000	300,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
Habib Metropolitan Bank Limited	80,000,000	100,000,000	3-month KIBOR + 1%	Ten equal half yearly instalments commenced on 27 December 2014 and ending on 27 June 2019.	Quarterly	Quarterly
	1,200,000,000	1,500,000,000				
NC Electric Company Limited - Subsidiary Company						
NIB Bank Limited (Note 7.5 and 7.9)	649,091,997	-	6-months KIBOR + 1%	Ten equal semi annual instalments commencing on 30 September 2017 and ending on 31 March 2022.	Half yearly	Half yearly
Nishat Chunian Power Limited - Subsidiary Company (Note 7.6)						
Senior facility	8,547,497,996	9,542,103,996	3-month KIBOR + 3%	Twenty five quarterly instalments ending on 01 July 2020.	Quarterly	Quarterly
Term finance facility	2,056,652,712	2,294,891,052	3-month KIBOR + 3%	Twenty five quarterly instalments ending on 01 July 2020.	Quarterly	Quarterly
	10,604,150,708	11,836,995,048				
	15,669,274,111	17,857,368,238				

LENDER	2015	2014	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALMENTS	PROFIT REPRICING	PROFIT PAYABLE
	Rupees	Rupees				
2 Long term musharaka						
Nishat (Chunian) Limited - Holding Company (Note 7.4)						
Burj Bank Limited	35,000,000	70,000,000	6-month KIBOR + 1%	Sixteen equal quarterly instalments commenced on 30 September 2012 and ending on 30 June 2016.	Half Yearly	Quarterly
Dubai Islamic Bank (Pakistan) Limited-1	-	80,000,000	6-month KIBOR + 1.15%	Ten equal half yearly instalments commenced on 01 October 2010 and ended on 01 April 2015.	Half Yearly	Half Yearly
Dubai Islamic Bank (Pakistan) Limited-2	240,000,000	320,000,000	6-month KIBOR + 0.75%	Ten equal half yearly instalments commenced on 29 September 2013 and ending on 29 March 2018.	Half Yearly	Half Yearly
NC Electric Company Limited - Subsidiary Company						
Dubai Islamic Bank (Pakistan) Limited (Note 7.8 and 7.9)	250,000,000	-	6-months KIBOR + 0.85%	Ten equal semi annual instalments commencing on 13 April 2017 and ending on 13 October 2021.	Half yearly	Half yearly
	525,000,000	470,000,000				

7.3 These 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 8,874.53 million (2014: Rupees 5,566.909 million) and ranking charge on all present and future fixed assets of the Holding Company to the extent of Rupees Nil (2014: Rupees 4,550 million).

7.4 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 756.667 million (2014: Rupees 610.833 million) and ranking charge on all present and future fixed assets of the Holding Company to the extent of Rupees Nil (2014: Rupees 480 million).

7.5 It is secured against first pari passu charge of Rupees 2 billion over all present and future land, building, plant and machinery of the NC Electric Company Limited - Subsidiary Company with 25% margin of the facility amount and cross corporate guarantee of the Holding Company amounting to Rupees 1.5 billion.

7.6 This represents long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited is on murabaha basis. The overall financing is secured against registered first joint parri passu charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of Nishat Chunian Power Limited - Subsidiary Company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the Holding Company in Nishat Chunian Power Limited - Subsidiary Company. It carries mark-up at the rate of three months Karachi Inter-Bank Offered Rate (KIBOR) plus three percent per annum, payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 10.99% to 13.18% (2014: 12.08% to 13.18%) per annum. As of 30 June 2015, the finance is repayable in twenty one quarterly instalments ending on 01 July 2020.

7.7 In accordance with the terms of agreement with the lenders of long term finances to Nishat Chunian Power Limited - Subsidiary Company, there are certain restrictions on the distribution of dividends by Nishat Chunian Power Limited - Subsidiary Company.

7.8 It is secured against first pari passu hypothecation charge of Rupees 1,333 million over all present and future fixed assets (including land and building) of NC Electric Company Limited - Subsidiary Company, inclusive of 25% margin and cross corporate guarantee of the Holding Company amounting to Rupees 1 billion.

7.9 Total facility amount of long term loan and long term musharaka of NC Electric Company Limited - Subsidiary Company amounts to Rupees 1.5 billion and Rupees 1 billion respectively. The effective mark-up rate charged during the year on the outstanding balance ranged from 7.88% to 9% (2014: Nil) per annum. Out of the aggregate facilities of Rupees 5,207.04 million (2014: Rupees Nil) for opening letters of credit, the amount utilised at 30 June 2015 was Rupees 2,584.278 million (2014: Rupees Nil). The aggregate facilities for opening letters of credit are secured by first hypothecation charge on the present and future fixed assets of NC Electric Company Limited - Subsidiary Company and cross corporate guarantee of the Holding Company amounting to Rupees 5.2 billion.

8. REDEEMABLE CAPITAL

	2015	2014	RATE OF PROFIT PER ANNUM	NUMBER OF INSTALMENTS	PROFIT REPRICING	PROFIT PAYABLE
	Rupees	Rupees				
Privately placed term finance certificates	31,250,000	156,250,000	3-month KIBOR + 2.25%	Sixteen equal quarterly instalments commenced on 30 December 2011 and ending on 30 September 2015.	Quarterly	Quarterly
Less: Current portion shown under current liabilities (Note 12)	31,250,000	125,000,000				
	-	31,250,000				

8.1 Privately placed term finance certificates 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 291.667 million (2014: Rupees 583.333 million).

		2015 Rupees	2014 Rupees
9.	**TRADE AND OTHER PAYABLES**		
	Creditors (Note 9.1)	726,301,842	2,414,118,224
	Accrued liabilities	780,285,567	476,111,193
	Advances from customers	28,252,171	42,660,691
	Securities from contractors - interest free and repayable on completion of contracts	3,658,533	4,396,033
	Retention money	7,121,026	34,572,274
	Income tax deducted at source	24,459,879	20,044,772
	Unclaimed dividend	40,347,711	29,024,585
	Workers' profit participation fund (Note 9.2)	214,859,978	194,001,650
	Workers' welfare fund	21,681,803	21,681,803
	Dividend payable	-	269,641,679
	Others	32,770,125	15,667,541
		1,879,738,635	3,521,920,445

9.1 It includes Rupees 2.406 million (2014: Rupees 1.440 million) due to a related party.

9.2 Workers' profit participation fund

Balance as at 01 July	194,001,650	269,224,793
Add: Interest for the year (Note 30)	3,174,627	2,782,893
Add: Allocation for the year	214,859,978	194,001,650
	412,036,255	466,009,336
Less: Payments during the year	197,176,277	272,007,686
Balance as at 30 June	214,859,978	194,001,650

9.2.1 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 Profit (Workers' Participation) Act, 1968 on funds utilized by the Holding Company till the date of allocation to workers.

10. ACCRUED MARK-UP

Long term financing	357,511,699	488,800,363
Redeemable capital	7,926	53,165
Short term borrowings	168,254,308	230,047,300
	525,773,933	718,900,828

11. SHORT TERM BORROWINGS

From banking companies - secured		
Nishat (Chunian) Limited - Holding Company		
Short term running finances (Notes 11.1 and 11.2)	1,009,619,118	261,564,193
Export finances - Preshipment / SBP refinance (Notes 11.1 and 11.3)	7,317,491,849	7,043,678,859
Other short term finances (Notes 11.1 and 11.4)	2,490,000,000	1,875,000,000
Nishat Chunian USA Inc. - Subsidiary Company		
Revolving credit line (Note 11.5)	142,581,403	-
Nishat Chunian Power Limited - Subsidiary Company		
Short term running finances (Note 11.6)	176,701,395	625,832,731
Money market loans (Note 11.7)	2,600,000,000	2,850,000,000
Murabaha facilities (Note 11.8)	2,565,018,338	2,223,005,081
	16,301,412,103	14,879,080,864

11.1 These finances are obtained from banking companies under mark-up arrangements and are secured by hypothecation of all present and future current assets of the Holding Company and lien on export bills to the extent of Rupees 23,864 million (2014: Rupees 23,864 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 2,600 million (2014: Rupees Nil). These form part of total credit facilities of Rupees 18,815 million (2014: Rupees 17,140 million).

11.2 The rates of mark-up range from 7.31% to 9.45% (2014: 9.52% to 12.94%) per annum on the balance outstanding.

11.3 The rates of mark-up on Pak Rupee finances and US Dollar finances range from 5.50% to 7.25% (2014: 8.90% to 11.03%) per annum and 1.90% to 3.33% (2014: 1.25% to 3.28%) per annum respectively on the balance outstanding.

11.4 The rates of mark-up range from 7.13% to 8.38% (2014: 9.32% to 10.84%) per annum on the balance outstanding.

11.5 Nishat Chunian USA Inc. - Subsidiary Company has a revolving credit pursuant to which it may borrow up to US Dollars 2,500,000 (Rupees 253.750 million) subject to borrowing base availability, bearing interest at prime plus 0.25% (3.5% at 30 June 2015). The borrowings base equals to 75% of the aggregate amount of all qualified accounts receivable, as defined. This note is collateralized by as first security interest in substantially all assets of the Nishat Chunian USA Inc. - Subsidiary Company and is guaranteed by the Holding Company.

11.6 Short term running finance facilities and money market loans available from commercial banks under mark-up arrangements amount to Rupees 6,250 million (2014: Rupees 6,150 million). Running finance facilities are available at mark-up rates ranging from one month to three months KIBOR plus 1% to 2% per annum, payable quarterly, on the balance outstanding. Running finance facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDCL. The mark-up rate charged during the year on the outstanding balance ranges from 7.73% to 12.21% (2014: 10.44% to 12.44%) per annum.

11.7 Money market loans are available to Nishat Chunian Power Limited - Subsidiary Company as a sub-facility to the running finance facility. Such facilities amount to Rupees 4,250 million (2014: Rupees 4,150 million) and are available at mark-up rates ranging from one month to six months KIBOR plus 0.15% to 0.65% per annum. Money market loans are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDCL. The mark-up rate charged during the year on the outstanding balance ranges from 7.06% to 10.85% (2014: 10.15% to 10.99%) per annum.

11.8 This represents murabaha facilities aggregating Rupees 4,184.92 million (2014: Rupees 3,034.92 million) under mark-up arrangements from commercial banks at mark-up rates ranging from one month to six months KIBOR plus 0.3% to 1.25% per annum. Mark-up is payable at the maturity of the respective murabaha transaction. Murabaha facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDCL. The mark-up rate charged during the year on the outstanding balance ranges from 7.08% to 11.42% (2014: 10.15% to 11.42% (2014: 10.15% to 11.47%) per annum.

11.9 Of the aggregate facilities of Rupees 1,347.03 million (2014: Rupees 2,135.08 million) for opening letters of credit and guarantees, the amount utilized at 30 June 2015 was Rupees 138.99 million (2014: Rupees 1,159.12 million). The aggregate facilities for opening letters of credit and guarantees are secured by ranking charge on the present and future current assets of Nishat Chunian Power Limited - Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from NTDCL, counter guarantee, cash margin and lien over import documents.

	2015 Rupees	2014 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 7)	3,217,563,130	3,032,186,050
Redeemable capital (Note 8)	31,250,000	125,000,000
	3,248,813,130	3,157,186,050

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Holding Company filed the sales tax refund claim amounting to Rupees 43.507 million for the tax period December 2011 through Expeditious Refund System (ERS) / Risk Management System (RMS) of Federal Board of Revenue (FBR). However, the said claim did not qualify the RMS criteria due to information technology issues and was forwarded for normal processing to Large Taxpayer Unit (LTU). Subsequently, the request for roll back of the subject claim was submitted by the Holding Company to FBR. The subject claim was rolled back by FBR. However, when the Holding Company tried to re-file its claim through RMS, the claim had become time barred. In the meanwhile, the Tax Department had also initiated pre-refund audit of the Holding Company for the tax period December 2011 and duly completed it. After completion of pre-refund audit, LTU, Lahore, tried to allow condonation so that the Holding Company can file the above said claim, but filing of refund claim could not be processed as it has exceeded time limit of one year. Now, the Chief Commissioner has requested FBR to condone the time limit for re-filing of above referred refund claim, as the Holding Company has filed complaint before Federal Tax Ombudsman in this regard. No provision against this sales tax refund has been made in these consolidated financial statements as the Holding Company is confident to get the sales tax refund.

13.1.2 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 45.401 million (2014: Rupees 36.881 million) is payable on this account but the management of the Holding Company is confident that payment of electricity duty will not be required.

13.1.3 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 now filed appeal before the Honourable High Court of Sindh against the order of ATIR, where the case is pending.

13.1.4 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) creating a tax demand of Rupees 6.773 million. The Holding Company has filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR which is pending adjudication. No provision against this demand has been in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.5 As a result of withholding tax audit of the Holding Company for the tax year 2006, the Deputy Commissioner Inland Revenue (DCIR) has raised a demand of Rupees 32.156 million under sections 161 and 205 of the Income Tax Ordinance, 2001. The Holding Company is in appeal before ATIR as its appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] was unsuccessful. The Holding Company expects a favourable outcome of the appeal based on advice of the tax counsel. The Holding Company also challenged the initiation of proceedings, under section 161 and 205 of the Income Tax Ordinance, 2001 pertaining to tax years 2007, 2008, 2009, 2010, 2011 and 2012 in the Honourable Lahore High Court, Lahore through a writ petition. The Honourable Lahore High Court, Lahore has directed the Tax Department to issue notice for reconciliation and in case default is established only then action under section 205 of the Income Tax Ordinance, 2001 can be taken. The Holding Company also filed intra court appeals to the Honourable Lahore High Court, Lahore, which were dismissed. The management of the Holding Company believes that the expected favourable outcome of its appeal before ATIR, in respect of tax year 2006 on same issues, will dispose of the initiation of these proceedings.

13.1.6 The Holding Company is in appeal before ATIR as its appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR) was unsuccessful. ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2011 whereby a demand of Rupees 6.822 million has been raised. No provision against the demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on opinion of the tax advisor.

13.1.7 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 Appellate Tribunal Inland Revenue (ATIR) was successful and input tax claim of the Holding Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification no provision for inadmissible input tax has been recognized in these consolidated financial statements.

13.1.8 The Holding Company is in appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR). The ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 million has been raised. No provision against this demand has been in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.9 The Holding Company is in appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR). ACIR has 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. No provision against this demand has been in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

13.1.10 The Holding Company has impugned selection of its tax affairs for audit in terms of section 214C of the Income Tax Ordinance, 2001 for tax year 2013. The matter has been raised before the Member Inland Revenue- Taxpayers Audit for exclusion of the Holding Company's name from list of cases selected for audit.

13.1.11 Guarantees of Rupees 322.130 million (2014: Rupees 296.059 million) have been issued by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil and Lahore Electric Supply Company Limited against electricity connection.

13.1.12 Guarantees of Rupees 116 million (2014: Rupees 106 million) have been issued by the banks of the Holding Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

13.1.13 Post dated cheques have been issued by the Holding Company to custom authorities in respect of duties amounting to Rupees 584.887 million (2014: Rupees 292.511 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.

13.1.14 The Holding Company has issued cross corporate guarantees of Rupees 7.7 billion (2014: Rupees Nil) on behalf of NC Electric Company Limited - Subsidiary Company to secure the obligations of Subsidiary Company towards its lenders.

13.1.15 National Electric Power Regulatory Authority (NEPRA) issued an order dated 08 February 2013 through which it raised a demand of Rupees 243.702 million payable by Nishat Chunian Power Limited - Subsidiary Company to NTDCL for the period upto 30 June 2011 in respect of Calorific Value (CV) adjustment on fuel consumed for power generation as per the terms of the PPA and various CV adjustment mechanisms prescribed by NEPRA. The first such CV adjustment mechanism was announced by NEPRA in March 2009 and as per this mechanism, Nishat Chunian Power Limited - Subsidiary Company has already made a provision of Rupees 81.211 million in its financial statements for the above CV adjustment. In July 2011, NEPRA revised its CV adjustment mechanism and directed all Independent Power Producers (IPPs) to maintain consignment-wise CV record of the fuel received and consumed for power generation. Consequently, Nishat Chunian Power Limited - Subsidiary Company started maintaining such CV record after such direction was received from NEPRA.

NEPRA directed Nishat Chunian Power Limited - Subsidiary Company to submit consignment-wise record of CV for the period upto 30 June 2011. The Nishat Chunian Power Limited - Subsidiary Company disputed such direction as it was not required to maintain consignment-wise record prior to July 2011. However, NEPRA computed retrospectively and determined Rupees 243.702 million payable by Nishat Chunian Power Limited - Subsidiary Company to NTDCL for the period upto 30 June 2011 in respect of CV adjustment on the basis of the mechanism directed by it in July 2011. The Nishat Chunian Power Limited - Subsidiary Company filed a Motion for Leave for Review before NEPRA requesting it to reconsider its decision, which was decided against Nishat Chunian Power Limited - Subsidiary Company. Consequently, Nishat Chunian Power Limited - Subsidiary Company filed a writ petition before the Islamabad High Court against NEPRA's decision on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and credible information is also not available from any source upon which CV adjustment computations can be made. The case is pending adjudication before Islamabad High Court. Based on the advice of Nishat Chunian Power Limited - Subsidiary Company's legal counsel, management feels that there are meritorious grounds to support Nishat Chunian Power Limited - Subsidiary Company's stance and the aforesaid NEPRA's decision is likely to be revoked. Under these circumstances, no provision of the balance amount of Rupees 162.491 million has been made in these

13.1.16 A sales tax demand of Rupees 1,161.548 million was raised against Nishat Chunian Power Limited - Subsidiary Company through order dated 28 November 2013 by the Assistant Commissioner Inland Revenue (ACIR) by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by Nishat Chunian Power Limited - Subsidiary Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to Nishat Chunian Power Limited - Subsidiary Company. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before the Commissioner Inland Revenue (Appeals) (CIR(A)) who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon Nishat Chunian Power Limited - Subsidiary Company's other grounds of appeal. Consequently, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication. Furthermore, during the current year, the Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated 11 November 2014, whereby intentions have been shown to raise a sales tax demand of Rupees 1,093.262 million by disallowing input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company for the tax periods from July 2010 to June 2012 on the abovementioned grounds of the ACIR. Aggrieved by this show cause notice, Nishat Chunian Power Limited - Subsidiary Company filed a writ petition before the Lahore High Court (LHC), whereby the LHC through its latest order dated 23 July 2015 has provided interim relief to Nishat Chunian Power Limited - Subsidiary Company to the extent that no final order shall be passed by the DCIR until the next hearing. Based on the advice of Nishat Chunian Power Limited - Subsidiary Company's legal counsel, management believes that there are meritorious grounds to defend the company's stance in respect of the abovementioned input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company. Consequently, no provision has been made in these consolidated financial statements.

13.1.17 Guarantees of Rupees 3.5 million (2014: Rupees Nil) have been issued by Dubai Islamic Bank Pakistan Limited on behalf of NC Electric Company Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi against disputed amounts of infrastructure cess.

13.1.18 The followings have been issued by the banks on behalf of Nishat Chunian Power Limited - Subsidiary Company.

(a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rupees 45.000 million (2014: Rupees 45.000 million) as required under the terms of the Operation and Maintenance Agreement. The said standby letter of credit was cancelled on 01 July 2015 as the Operation and Maintenance Agreement had expired during the year.

(b) Letter of guarantee of Rupees 7.032 million (2014: Rupees 5.032 million) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

(c) Standby letter of credit in favour of Industrial and Commercial Bank of China Limited, Karachi Branch for Rupees Nil (2014: Rupees 781.358 million) in order to secure payment against liability of Nishat Chunian Power Limited - Subsidiary Company towards Hascol Petroleum Limited in respect of import of furnace oil.

(d) Letter of guarantee of Rupees 65.076 million (2014: Rupees 65.076 million) in favour of Punjab Power Development Board, Energy Department, Government of the Punjab, Lahore, in respect of issuance of Letter of Interest to Nishat Chunian Power Limited - Subsidiary Company to set up a 660 MW Imported Coal Fired Power Plant in Jhang, Punjab.

13.2 Commitments

13.2.1 Contracts for capital expenditure amounting to Rupees 4,156.082 million (2014: Rupees 128.530 million).

13.2.2 Letters of credit other than for capital expenditure amounting to Rupees 469.054 million (2014: Rupees 532.047 million).

13.2.3 Outstanding foreign currency forward contracts of Rupees 3,689.586 million (2014: Rupees 2,874.933 million).

13.2.4 During the year, the Holding Company has obtained a singeing machine alongwith complete accessories under Ijarah arrangement from Meezan Bank Limited for a period of four years. Quarterly rentals amounting to Rupees 1.669 million are payable in arrears. On completion of Ijarah, ownership of the asset will be transferred to the Holding Company.

Amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	2015 Rupees	2014 Rupees
Less than one year	6,674,268	-
Between one and five years	16,685,670	-
	23,359,938	-

	2015 Rupees	2014 Rupees
14. FIXED ASSETS		
Property, plant and equipment:		
Operating fixed assets (Note 14.1)	22,406,261,150	22,705,108,348
Capital work-in-progress (Note 14.2)	1,961,221,228	868,861,357
	24,367,482,378	23,573,969,705
Intangible asset:		
Computer software (Note 14.1)	6,230,445	9,583,034
	24,373,712,823	23,583,552,739

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

Description	Operating fixed assets										Intangible asset
	Freehold land	Buildings on freehold land	Plant and machinery	Standby equipment	Electric installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Motor vehicles	Total	Computer software
	----------	----------	----------	----------	----------	Rupees	----------	----------	----------	----------	----------
At 30 June 2013											
Cost	650,670,112	1,928,951,677	26,681,896,558	30,352,951	216,544,281	160,453,961	61,572,832	73,545,781	148,417,413	29,952,405,566	8,049,316
Accumulated depreciation / amortization	-	(853,549,663)	(7,997,709,143)	(18,082,277)	(123,295,123)	(88,265,903)	(32,899,312)	(28,946,512)	(70,943,759)	(9,213,691,692)	(6,528,885)
Net book value	650,670,112	1,075,402,014	18,684,187,415	12,270,674	93,249,158	72,188,058	28,673,520	44,599,269	77,473,654	20,738,713,874	1,520,431
Year ended 30 June 2014											
Opening net book value	650,670,112	1,075,402,014	18,684,187,415	12,270,674	93,249,158	72,188,058	28,673,520	44,599,269	77,473,654	20,738,713,874	1,520,431
Additions	110,830,071	661,983,667	2,618,448,472	2,845,255	227,233,720	48,812,684	12,595,334	11,605,814	62,264,433	3,756,619,450	9,585,298
Disposals:											
Cost	-	-	(451,876,687)	-	(3,876,413)	-	-	(374,142)	(8,576,652)	(464,703,894)	-
Accumulated depreciation	-	-	440,892,321	-	2,762,181	-	-	115,604	5,211,646	448,981,752	-
	-	-	(10,984,366)		(1,114,232)	-	-	(258,538)	(3,365,006)	(15,722,142)	-
Depreciation / amortization charge	-	(66,091,635)	(1,646,114,458)	(1,466,394)	(19,768,531)	(9,049,136)	(3,897,383)	(7,365,237)	(20,750,060)	(1,774,502,834)	(1,522,695)
Closing net book value	761,500,183	1,671,294,046	19,645,537,063	13,649,535	299,600,115	111,951,606	37,371,471	48,581,308	115,623,021	22,705,108,348	9,583,034
At 30 June 2014											
Cost	761,500,183	2,590,935,344	28,848,468,343	33,198,206	439,901,588	209,266,645	74,168,166	84,777,453	202,105,194	33,244,321,122	17,634,614
Accumulated depreciation / amortization	-	(919,641,298)	(9,202,931,280)	(19,548,671)	(140,301,473)	(97,315,039)	(36,796,695)	(36,196,145)	(86,482,173)	(10,539,212,774)	(8,051,580)
Net book value	761,500,183	1,671,294,046	19,645,537,063	13,649,535	299,600,115	111,951,606	37,371,471	48,581,308	115,623,021	22,705,108,348	9,583,034
Year ended 30 June 2015											
Opening net book value	761,500,183	1,671,294,046	19,645,537,063	13,649,535	299,600,115	111,951,606	37,371,471	48,581,308	115,623,021	22,705,108,348	9,583,034
Additions	126,473,066	519,227,172	760,041,431	-	128,964,682	31,162,332	14,186,549	11,337,164	41,840,330	1,633,232,726	-
Disposals:											
Cost	-	-	(168,590,081)	-	-	-	(201,036)	(6,312,193)	(39,024,386)	(214,127,696)	-
Accumulated depreciation	-	-	158,421,171	-	-	-	108,848	2,914,276	24,248,665	185,692,960	-
	-	-	(10,168,910)	-	-	-	(92,188)	(3,397,917)	(14,775,721)	(28,434,736)	-
Depreciation / amortization charge	-	(97,752,302)	(1,710,376,465)	(1,319,755)	(40,174,522)	(13,342,971)	(6,414,179)	(7,892,320)	(26,372,674)	(1,903,645,188)	(3,352,589)
Closing net book value	887,973,249	2,092,768,916	18,685,033,119	12,329,780	388,390,275	129,770,967	45,051,653	48,628,235	116,314,956	22,406,261,150	6,230,445
At 30 June 2015											
Cost	887,973,249	3,110,162,516	29,439,919,693	33,198,206	568,866,270	240,428,977	88,153,679	89,802,424	204,921,138	34,663,426,152	17,634,614
Accumulated depreciation / amortization	-	(1,017,393,600)	(10,754,886,574)	(20,868,426)	(180,475,995)	(110,658,010)	(43,102,026)	(41,174,189)	(88,606,182)	(12,257,165,002)	(11,404,169)
Net book value	887,973,249	2,092,768,916	18,685,033,119	12,329,780	388,390,275	129,770,967	45,051,653	48,628,235	116,314,956	22,406,261,150	6,230,445
Annual rate of depreciation / amortization (%)		4 - 10	4 - 31.06	10	10	10	10	10 - 30	20		20 - 30

14.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 50,000, disposed of during the year is as follows:

Description	Qty	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		-----------	-----------	Rupees	-----------	-----------		
Plant and machinery								
Auto cone machine	1	2,353,298	(190,225)	2,163,073	2,400,000	236,927	Negotiation	Imperial Textile Mills Limited, Faisalabad
Auto cone machine	1	2,039,526	(164,862)	1,874,664	1,951,695	77,031	Negotiation	Mr. Muhammad Irfan, Vehari
Major parts of engines		164,197,257	(158,066,084)	6,131,173	-	(6,131,173)	Assets written off	
Office equipment								
IPhone 5s	1	109,928	(15,901)	94,027	33,000	(61,027)	Negotiation	Mobile Centre, Al-Hafeez Centre, Lahore
Laptop-Sony Core i5	1	82,500	(82,500)	-	26,500	26,500	Subsidiary Company's policy	Mr. Farrukh Ifzal (Employee), Lahore
Laptop- Sony Vaio and iPhone 5	1	158,594	(28,359)	130,235	119,900	(10,335)	Insurance claim	Adamjee Insurance Company Limited - associated company
Furniture, fixture and equipment								
Plasma TV	1	201,036	(108,848)	92,188	61,600	(30,588)	Insurance claim	
Motor vehicles								
Suzuki Swift LEB-14-6299	1	1,221,000	(131,461)	1,089,539	1,221,000	131,461	Company's policy	Mr. Muhammad Usman (Ex-Employee), Lahore
Audi A81 FS-820	1	8,916,884	(5,968,973)	2,947,911	6,500,000	3,552,089	Negotiation	Mrs. Bia Babar Agha, Lahore
Suzuki Bolan LEA-12-2328	1	392,094	(284,472)	107,622	470,000	362,378	Negotiation	Mr. Noor Zaman, Sargodha
Toyota Corolla NS-467	1	1,934,135	(1,419,478)	514,657	1,000,000	485,343	Negotiation	Mr. Asim Mumtaz, Lahore
Suzuki Cultus LEC-09-1479	1	809,170	(558,172)	250,998	590,000	339,002	Negotiation	Mr. Muhammad Shakeel, District Ghotki
Suzuki Cultus LEC-10-7435	1	875,264	(518,922)	356,342	700,000	343,658	Negotiation	Mr. Muhammad Mushtaq, Lahore
Suzuki Cultus LEC-10-7436	1	880,314	(521,916)	358,398	701,000	342,602	Negotiation	Mr. Muhammad Mushtaq, Lahore
Mercedes Benz SF-467	1	11,878,784	(6,946,650)	4,932,134	7,000,000	2,067,866	Negotiation	Mr. Anees Khawaja, Lahore
Toyota Corolla LEA-6579	1	1,782,272	(1,210,008)	572,264	1,210,000	637,736	Negotiation	Mr. Ishtiaq Khan, District Kotli
Hyundai LES-6375	1	686,977	(486,695)	200,282	820,000	619,718	Negotiation	Mr. Noor Zaman, Sargodha
Suzuki Cultus LED-10-2430	1	888,880	(525,937)	362,943	750,000	387,057	Insurance claim	Adamjee Insurance Company Limited -
Honda Civic LEA-13-2831	1	2,015,660	(650,955)	1,364,705	1,700,000	335,295	Insurance claim	associated company
Toyota Corolla LED-10-5869	1	1,794,875	(986,339)	808,536	1,350,000	541,464	Negotiation	Mr. Tajammal Javed, Faisalabad
Toyota Corolla LED-09-1769	1	1,692,507	(1,104,793)	587,714	1,130,000	542,286	Negotiation	Mr. Asim Mumtaz, Lahore
Honda City LEA-4329	1	924,515	(924,515)	-	250,000	250,000	Subsidiary Company's policy	Mr. Farrukh Ifzal (Employee), Lahore
Suzuki cultus LEC-08-5486	1	646,566	(646,566)	-	350,000	350,000	Negotiation	Mr. Athar Naqvi, Lahore
Suzuki Bolan LES-12-9538	1	600,744	(310,384)	290,360	575,000	284,640	Negotiation	Mr. Noor Zaman, Sargodha
Suzuki cultus LEB-7062	1	843,665	(843,665)	-	675,000	675,000	Negotiation	Mr. Muhammad Mushtaq, Lahore
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	181	6,201,251	(2,996,280)	3,204,971	182,000	(3,022,971)		
		214,127,696	(185,692,960)	28,434,736	31,766,695	3,331,959		

	2015 Rupees	2014 Rupees
14.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 25)	1,880,873,203	1,758,775,069
Administrative expenses (Note 27)	22,552,621	15,727,765
Capital work-in-progress	219,364	-
	1,903,645,188	1,774,502,834

14.1.3 Amortization on intangible assets amounting to Rupees 3.353 million (2014: Rupees 1.523 million) has been allocated to administrative expenses.

14.2 Capital work-in-progress

	2015 Rupees	2014 Rupees
Civil works on freehold land	344,628,838	174,871,108
Plant and machinery	1,379,719,823	258,722,704
Mobilization advance	9,774,749	8,030,572
Letters of credit	19,664,691	16,384,824
Stores held for capital expenditure	1,615,670	-
Advances for capital expenditure	149,235,836	35,763,993
Unallocated expenditures (Note 14.3 and Note 14.4)	56,581,621	375,088,156
	1,961,221,228	868,861,357

14.3 NC Electric Company Limited - Subsidiary Company has capitalized borrowings cost amounting to Rupees 10.219 million (2014: Rupees Nil) using the capitalization rate ranged from 7.88% to 9.00% per annum during the year.

14.4 This includes provident fund contribution of Rupees 274,951 (2014: Rupees Nil) by the NC Electric Company Limited - Subsidiary Company.

15. LONG TERM LOANS TO EMPLOYEES

Considered good:

	2015 Rupees	2014 Rupees
Executives (Notes 15.1 and 15.2)	18,513,103	5,690,187
Other employees (Note 15.2)	350,432	387,914
	18,863,535	6,078,101
Less: Current portion shown under current assets (Note 19)		
Executives	2,058,782	2,566,898
Other employees	344,980	37,482
	2,403,762	2,604,380
	16,459,773	3,473,721

15.1 Reconciliation of carrying amount of loans to executives:

	2015 Rupees	2014 Rupees
Balance as at 01 July	5,690,187	3,432,664
Add: Disbursements	17,140,498	3,312,035
Add: Transferred from other employees	-	573,936
Less: Repayments	4,317,582	1,628,448
Balance as at 30 June	18,513,103	5,690,187

15.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 19.038 million (2014: Rupees 6.094 million).

15.2 These represent motor vehicle loans, house building loan and personal loans to executives and employees, payable in 30 to 48, 96 and 16 monthly instalments respectively. Interest on long term loans ranged from 4.63% to 14.50% per annum (2014: 10.45% to 14.50% per annum) while some loans are interest free. Motor vehicle loans are secured against registration of motor vehicles in the name of the respective Group Company, whereas personal loan is secured against balance standing to the credit of employee in the provident fund trust account.

15.3 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

	2015 Rupees	2014 Rupees
16. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 16.1)	1,288,053,965	1,405,099,147
Spare parts	235,773,966	233,768,022
Loose tools	36,243,864	42,667,375
	1,560,071,795	1,681,534,544

16.1 Most of the items of stores and spares of Nishat Chunian Power Limited - Subsidiary Company are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

17. STOCK-IN-TRADE

	2015 Rupees	2014 Rupees
Raw materials	5,639,691,907	6,202,089,950
Work-in-process	440,237,780	507,370,103
Finished goods	1,287,068,930	1,189,376,622
Waste	33,960,725	39,999,009
	7,400,959,342	7,938,835,684

17.1 Stock-in-trade of Rupees 129.844 million (2014: Rupees 5,533.388 million) is being carried at net realizable value.

17.2 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 7.088 million (2014: Rupees 470.283 million)

18. TRADE DEBTS

	2015 Rupees	2014 Rupees
Considered good:		
Secured (Notes 18.3 and 18.4)		
- Others	11,843,749,571	13,755,343,474
Unsecured		
- Nishat Mills Limited - related party	31,438,565	32,500,266
- Others	627,234,702	394,565,196
	658,673,267	427,065,462
	12,502,422,838	14,182,408,936

18.1 As at 30 June 2015, trade debts of Rupees 6,001.430 million (2014: Rupees 5,409.136 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:

	2015 Rupees	2014 Rupees
Upto 1 month	2,017,266,721	2,124,775,657
1 to 6 months	1,743,823,756	2,192,451,423
More than 6 months	2,240,339,728	1,091,908,828
	6,001,430,205	5,409,135,908

18.2 As at 30 June 2015, trade debts due from related party amounting to Rupees 12.707 million (2014: Rupees 12.318 million) were past due but not impaired. The age analysis of these trade debts is as follows:

	2015 Rupees	2014 Rupees
Upto 1 month	12,707,050	12,318,035

18.3 These includes trade receivables from NTDCL. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 11.24% to 14.71% (2014 :13.49% to 14.68%) per annum.

18.4 Included in trade debts is an amount of Rupees 957.872 million relating to capacity purchase price not acknowledged by NTDCL as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDCL. Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDCL, therefore, management believes that Nishat Chunian Power Limited - Subsidiary Company cannot be penalized in the form of payment deductions due to NTDCL's default of making timely payments under the PPA. Hence, the company had taken up this issue at appropriate forums. On 28 June 2013, Nishat Chunian Power Limited - Subsidiary Company entered into a Memorandum of Understanding (MoU) for cooperation on extension of credit terms with NTDCL whereby it was agreed that the constitutional petition filed by Nishat Chunian Power Limited - Subsidiary Company before the Supreme Court of Pakistan on the abovementioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, Nishat Chunian Power Limited - Subsidiary Company applied for withdrawal of the aforesaid petition which is pending adjudication before Supreme Court of Pakistan. During the previous year, Nishat Chunian Power Limited - Subsidiary Company in consultation with NTDCL, appointed an Expert for dispute resolution under the PPA. Subsequent to the year end, in August 2015, the Expert has given his determination whereby the aforesaid amount has been determined to be payable to Nishat Chunian Power Limited - Subsidiary Company by NTDCL. Pursuant to the Expert's determination, Nishat Chunian Power Limited - Subsidiary Company has demanded the payment of the aforesaid amount of Rupees 957.872 million from NTDCL. Based on the advice of Nishat Chunian Power Limited - Subsidiary Company's legal counsel and Expert's determination, management feels that the above amount is likely to be recovered by Nishat Chunian Power Limited - Subsidiary Company. Consequently, no provision for the above mentioned amount has been made in these consolidated financial statements.

	2015 Rupees	2014 Rupees

19. LOANS AND ADVANCES

Considered good:

	2015 Rupees	2014 Rupees
Employees - interest free:		
- Executives	4,657,687	4,271,950
- Other employees	915,607	1,307,642
	5,573,294	5,579,592
Current portion of long term loans to employees (Note 15)	2,403,762	2,604,380
Advances to suppliers (Note 19.1)	482,155,904	721,330,741
Advances to contractors	1,351,999	558,612
Letters of credit	535,189,482	51,026,230
	1,026,674,441	781,099,555

19.1 It includes advances amounting to Rupees 1.531 million (2014: Rupees 3.178 million) to D.G. Khan Cement Company Limited - related party.

20. SHORT TERM DEPOSITS AND PREPAYMENTS

	2015 Rupees	2014 Rupees
Deposits	7,031,988	5,031,988
Prepayments	13,484,758	3,231,823
	20,516,746	8,263,811

21. OTHER RECEIVABLES

Considered good:

	2015 Rupees	2014 Rupees
Sales tax recoverable	936,993,521	816,175,592
Advance income tax - net	696,016,833	521,236,160
Export rebate and claims	112,101,331	126,002,461
Receivable from employees' provident fund trust	12,411,958	3,179,649
Claim recoverable from NTDCL for pass through item - Workers' profit participation fund (Note 21.1)	537,005,460	382,489,804
Fair value of forward exchange contracts	33,770,944	8,552,927
Miscellaneous	25,767,694	8,480,795
	2,354,067,741	1,866,117,388

21.1 Workers' profit participation fund

	2015 Rupees	2014 Rupees
Balance as at 01 July	382,489,804	237,451,859
Add: Provision for the year	154,515,656	145,037,945
Balance as at 30 June	537,005,460	382,489,804

21.1.1 Under section 9.3(a) of the Power Purchase Agreement (PPA) with NTDCL, payments to Workers' Profit Participation Fund by Nishat Chunian Power Limited - Subsidiary Company are recoverable from NTDCL as pass through item.

	2015 Rupees	2014 Rupees

22. SHORT TERM INVESTMENTS

Held-to-maturity

Term deposit receipts (Note 22.1)	20,660,225	20,660,226
Add: Accrued interest	1,231,259	1,998,586
	21,891,484	22,658,812

22.1 These represent deposits under lien with the bank of the Holding Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections. Interest on term deposit receipts range from 7.20% to 8.71% (2014: 4.98% to 9.01%) per annum. The maturity period of these term deposit receipts is one year.

23. CASH AND BANK BALANCES

Cash with banks:

On saving accounts (Note 23.1) Including US$ 21,802 (2014: US$ 18,516)	40,061,799	1,044,509,425
On current accounts (Note 23.2 and 23.3) Including US$ 45,204 (2014: US$ 89,179)	973,308,307	21,663,166
	1,013,370,106	1,066,172,591
Cash in hand	1,155,354	1,177,810
	1,014,525,460	1,067,350,401

23.1 Rate of profit on saving accounts ranges from 4.5% to 7.27% (2014: 6% to 7.29%) per annum.

23.2 Included in cash with banks on current accounts are Rupees 3.766 million (2014: Rupees 6.115 million) with MCB Bank Limited - associated company.

23.3 These include Rupees 951.795 million (2014: Rupees Nil) in a separate bank account opened for collection of share subscription money from right shares being issued to the existing shareholders of the Holding Company. The funds were made available to the Holding Company subsequent to the reporting period on 10 July 2015 after the requirement of stock exchanges relating to confirmation of receipt of the full amount of right issue was fulfilled.

24. SALES

Export	14,712,459,345	13,973,563,636
Local (Note 24.1 Note 24.2)	31,753,822,610	36,287,084,802
Export rebate and duty draw back	42,971,932	64,467,578
	46,509,253,887	50,325,116,016

24.1 Local sales

Sales	34,714,044,743	40,132,146,892
Processing income	425,520,829	409,815,969
	35,139,565,572	40,541,962,861
Less: Sales tax	3,097,102,059	3,956,490,293
Less: Discount	288,640,903	298,387,766
	31,753,822,610	36,287,084,802

24.2 Local sales includes waste sales of Rupees 493.522 million (2014: Rupees 544.910 million).

	2015 Rupees	2014 Rupees
25. COST OF SALES		
Raw materials consumed	29,945,905,992	35,356,188,992
Packing materials consumed	703,305,158	668,286,707
Operations and maintenance	231,311,976	377,909,140
Stores, spare parts and loose tools consumed	1,060,874,421	1,013,933,038
Processing charges	40,959,518	21,048,220
Salaries, wages and other benefits (Note 25.1)	2,004,399,027	1,551,989,454
Fuel and power	2,796,098,852	3,022,799,220
Fee and subscription	3,882,342	5,674,062
Insurance	214,172,670	237,083,972
Postage and telephone	6,475,076	6,278,867
Travelling and conveyance	30,823,337	25,734,006
Vehicles' running and maintenance	22,122,109	25,024,795
Ijarah rentals	9,116,975	-
Entertainment	7,275,569	9,876,773
Depreciation on operating fixed assets (Note 14.1.2)	1,880,873,203	1,758,775,069
Repair and maintenance	304,575,830	305,523,370
Other factory overheads	64,003,945	54,290,755
	39,326,176,000	44,440,416,440
Work-in-process		
Opening stock	507,370,103	376,405,750
Closing stock	(440,237,780)	(507,370,103)
	67,132,323	(130,964,353)
Cost of goods manufactured	39,393,308,323	44,309,452,087
Finished goods and waste - opening stocks		
Finished goods	1,189,376,622	753,057,885
Waste	39,999,009	54,134,534
	1,229,375,631	807,192,419
	40,622,683,954	45,116,644,506
Finished goods and waste - closing stocks		
Finished goods	(1,287,068,930)	(1,189,376,622)
Waste	(33,960,725)	(39,999,009)
	(1,321,029,655)	(1,229,375,631)
	39,301,654,299	43,887,268,875

25.1 Salaries, wages and other benefits include Rupees 13.919 million (2014: Rupees 10.412 million) and Rupees 36.197 million (2014: Rupees 27.685 million) in respect of accumulating compensated absences and provident funds contribution by the Holding Company and Nishat Chunian Power Limited - Subsidiary Company respectively.

26. DISTRIBUTION COST

	2015 Rupees	2014 Rupees
Salaries and other benefits (Note 26.1)	58,923,567	46,012,905
Ocean freight	152,052,727	135,990,247
Freight and octroi	78,626,969	75,465,227
Forwarding and other expenses	286,782,244	286,023,470
Export marketing expenses	148,481,663	122,489,664
Commission to selling agents	90,324,863	118,013,076
	815,192,033	783,994,589

26.1 Salaries and other benefits include Rupees 2.623 million (2014: Rupees 0.718 million) and Rupees 2.238 million (2014: Rupees 2.263 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company respectively.

	2015 Rupees	2014 Rupees
27. ADMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 27.1)	161,018,009	128,560,505
Printing and stationery	4,687,603	4,608,057
Vehicles' running and maintenance	6,168,773	8,264,561
Travelling and conveyance	52,290,414	47,450,210
Postage and telephone	10,514,390	6,559,149
Fee and subscription	10,824,851	11,336,655
Legal and professional (Note 27.2)	14,765,082	25,975,741
Electricity and sui gas	9,857,475	10,088,043
Insurance	6,780,115	5,882,015
Repair and maintenance	3,940,855	4,133,589
Entertainment	9,455,750	6,858,478
Depreciation on operating fixed assets (Note 14.1.2)	22,552,621	15,727,765
Amortization on intangible assets (Note 14.1.3)	3,352,589	1,522,695
Miscellaneous	15,294,941	5,237,919
	331,503,468	282,205,382

27.1 Salaries and other benefits include Rupees 3.667 million (2014: Rupees 2.454 million) and Rupees 5.857 million (2014: Rupees 3.789 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company and Nishat Chunian Power Limited - Subsidiary Company respectively.

27.2 Legal and professional charges includes the following in respect of auditors' remuneration for:

Riaz Ahmad & Company		
Audit fee	1,535,000	1,360,000
Half yearly review	336,000	280,000
Certification fees	100,000	100,000
Reimbursable expenses	157,000	138,000
	2,128,000	1,878,000
A. F. Ferguson & Co.		
Audit fee	1,300,000	1,200,000
Half yearly review	770,000	715,000
Tax services	1,509,000	472,200
Other assurance services	125,000	107,500
Reimbursable expenses	163,760	184,411
	3,867,760	2,679,111
Riaz Ahmad, Saqib, Gohar & Company		
Audit fee	40,000	-
	6,035,760	4,557,111

	2015 Rupees	2014 Rupees
28. OTHER EXPENSES		
Workers' profit participation fund	60,344,322	48,963,705
Donations (Note 28.1)	38,130,000	74,618,183
Trade debts written off	405,087	-
Advances to suppliers written off	730,592	-
Loss on derivative financial instruments	15,509,683	7,215,356
Interest on delayed payment (Note 28.2)	-	24,600,429
Exchange loss	19,873,885	-
Impairment of goodwill	8,563,080	-
	143,556,649	155,397,673

28.1 Donations

Following is the interest of the directors of the Group in the donees:

Donee	Directors of the Group Companies	Interest in donee	2015 Rupees	2014 Rupees
Mian Muhammad Yahya Trust	Mr. Shahzad Saleem	Trustee		
31-Q, Gulberg II, Lahore	Mrs. Farhat Saleem	Trustee		
	Mr. Aftab Ahmad Khan	Trustee		
	Mr. Yahya Saleem	Trustee	6,160,000	7,392,000
Saleem Memorial Trust Hospital	Mr. Shahzad Saleem	Director		
31-Q, Gulberg II, Lahore	Mrs. Farhat Saleem	Director		
	Mr. Yahya Saleem	Director	26,700,000	62,160,000
			32,860,000	69,552,000

28.2 This represents delayed payment charges by Wartsila Pakistan (Private) Limited as per the terms of the Operations and Maintenance Agreement with Nishat Chunian Power Limited - Subsidiary Company.

29. OTHER INCOME

	2015 Rupees	2014 Rupees
Income from financial assets		
Return on bank deposits	3,876,699	6,979,358
Net exchange gain	-	166,060,595
Mark up on loans to executives	364,667	93,148
Credit balances written back	15,571,124	3,123,402
Income from non-financial assets		
Compensation for loss of revenue	-	36,489,360
Gain on sale of operating fixed assets	3,331,959	3,834,964
Sale of scrap	73,745,625	89,064,424
Miscellaneous	1,665,730	1,433,308
	98,555,804	307,078,559

		2015 Rupees	2014 Rupees
30.	**FINANCE COST**		
	Mark-up on:		
	- long term loans	1,950,568,973	2,115,005,550
	- long term musharaka	39,935,287	60,101,084
	- redeemable capital	13,277,741	28,002,801
	- short term running finances	613,082,122	461,104,806
	- export finances - Preshipment / SBP refinances	292,809,241	275,105,699
	- short term finances	257,433,567	339,185,997
	Interest on workers' profit participation fund (Note 9.2)	3,174,627	2,782,893
	Bank charges and commission	78,132,675	16,325,416
		3,248,414,233	3,297,614,246
31.	**TAXATION**		
	Current (Notes 31.1 and 31.3)	366,905,825	166,306,073
	Prior year adjustment	(23,958,344)	-
		342,947,481	166,306,073

31.1 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 2015 has also been presented in these financial statements in view of the aforesaid explanation. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate has not been presented, being impracticable.

31.2 Deferred income tax asset

The asset for deferred income tax of the Holding Company originated due to timing differences relating to:

Taxable temporary difference	
Accelerated tax depreciation	(98,454,328)
Deductible temporary differences	
Available tax losses	669,114,613
Amortization on intangible asset	265,986
	669,380,599
Deferred income tax asset	570,926,271
Deferred income tax asset not recognized	(570,926,271)
Deferred income tax asset recognized	-

Deferred income tax asset of Rupees 570.926 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.

The Holding Company has carry forwardable tax losses of Rupees 2,229 million.

31.3 For the purposes of current taxation Nishat Chunian Power Limited - Subsidiary Company, the tax credit available for carry forward is estimated at Rupees 76.826 million (2014: Rupees 49.237 million). Management believes that the tax credit available for carry forward may not be utilized in the foreseeable future. Consequently, based on the prudence principle, deferred tax asset has not been recognized in these consolidated financial statements.

	2015	2014
32. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to shareholders of the Holding Company (Rupees)	912,297,690	640,420,905
Weighted average number of ordinary shares outstanding during the year (Number)	200,184,630	200,184,630
Basic earnings per share (Rupees)	4.56	3.20

32.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2015 and 30 June 2014 as no potential ordinary shares were in issue as on 30 June 2015 and 30 June 2014.

	2015 Rupees	2014 Rupees
33. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,767,489,009	2,225,713,810
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	1,903,425,824	1,774,502,834
Amortization on intangible asset	3,352,589	1,522,695
Gain on sale of property, plant and equipment	(3,331,959)	(3,834,964)
Finance cost	3,248,414,233	3,297,614,246
Return on bank deposits	(3,876,699)	(6,979,358)
Trade debts written off	405,087	-
Advances to suppliers written off	730,592	-
Impairment of goodwill	8,563,080	-
Credit balances written back	(15,571,124)	(3,123,402)
Working capital changes (Note 33.1)	118,037,110	(6,648,345,987)
	8,027,637,742	637,069,874
33.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	121,462,749	(437,229,139)
Stock-in-trade	537,876,342	(1,606,862,615)
Trade debts	1,679,581,011	(4,729,718,519)
Loans and advances	(257,750,580)	215,241,959
Short term deposits and prepayments	(12,252,935)	(5,331,312)
Derivative financial instruments	-	2,362,939
Other receivables	(313,169,680)	45,885,068
	1,755,746,907	(6,515,651,619)
Decrease in trade and other payables	(1,637,709,797)	(132,694,368)
	118,037,110	(6,648,345,987)

34. 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	
	2015	2014	2015	2014	2015	2014
	---------- Rupees ----------					
Managerial remuneration	4,600,000	4,600,000	-	-	73,664,373	52,022,000
Contribution to provident fund	-	-	-	-	6,136,242	4,333,433
House rent	1,840,000	1,840,000	-	-	29,465,749	20,808,800
Utilities	460,000	460,000	-	-	7,366,437	5,202,200
Others	1,992,864	844,669	-	-	7,088,591	6,178,219
	8,892,864	7,744,669	-	-	123,721,392	88,544,652
Number of persons	**1**	**1**	**-**	**-**	**74**	**47**

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

34.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2014: seven) directors of the Holding Company was Rupees 600,000 (2014: Rupees 400,000).

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

35. TRANSACTIONS WITH RELATED PARTIES

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

	2015 Rupees	2014 Rupees
Associated undertakings		
Insurance premium paid	75,874,875	78,299,654
Insurance claims received	26,064,985	7,765,714
Purchase of operating fixed asset	-	925,000
Other related parties		
Purchase of goods	29,238,182	52,371,455
Sales of goods	872,819,358	417,799,933
Dividend paid	33,303,285	60,551,432

36. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on audited financial statements of the provident fund of the Holding Company for the years ended 30 June 2015 and 30 June 2014 and un-audited financial statements of the provident fund of Nishat Chunian Power Limited - Subsidiary Company for the year ended 30 June 2015 and audited financial statements for the year ended 30 June 2014:

	Nishat (Chunian) Limited		Nishat Chunian Power Limited	
	2015	2014	2015	2014
	Rupees	Rupees	Rupees	Rupees
Size of the fund - Total assets	322,160,285	256,700,262	29,521,706	21,125,486
Cost of investments	289,715,208	228,951,219	25,740,843	19,101,539
Fair value of investments	299,945,346	238,320,167	26,151,909	19,408,778
Percentage of investments made	93.10%	92.84%	88.59%	91.87%

36.1 The break-up of fair value of investments is as follows:

Deposits with banks	37,558,646	1,997,499	80,465	38,289
Treasury bills	235,731,493	213,261,143	26,071,444	19,370,489
Mutual funds - open end	18,189,902	14,444,594	-	-
Listed securities	8,465,305	8,616,931	-	-
	299,945,346	238,320,167	26,151,909	19,408,778

	Nishat (Chunian) Limited		Nishat Chunian Power Limited	
	2015	2014	2015	2014
Deposits with banks	12.52%	0.85%	0.31%	0.20%
Treasury bills	78.59%	89.36%	99.69%	99.80%
Mutual funds - open end	6.06%	6.13%	0.00%	0.00%
Listed securities	2.83%	3.66%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%

36.2 Investments, out of provident funds, have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

37. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on 30 June	6,673	6,930
Average number of employees during the year	6,478	6,785

38. SEGMENT INFORMATION

	Spinning					
	Zone - 1 (1)		Zone - 2 (4,5,7,8)*		Zone - 3 (2,3,6)	
	2015	2014	2015	2014	2015	2014
	Rupees					
Sales						
External						
- Export	2,483,615,629	2,728,320,003	2,777,714,479	3,377,255,589	3,045,075,942	1,344,876,341
- Local	275,574,285	477,407,284	2,765,150,206	1,234,903,775	3,036,483,808	3,332,537,695
	2,759,189,914	3,205,727,287	5,542,864,685	4,612,159,364	6,081,559,750	4,677,414,036
Inter-segment	18,983,854	326,122,990	204,599,579	1,533,330,403	1,626,490,947	7,018,400
	2,778,173,768	3,531,850,277	5,747,464,264	6,145,489,767	7,708,050,697	4,684,432,436
Cost of sales	(2,641,728,404)	(3,407,032,214)	(5,465,187,158)	(5,928,303,853)	(7,329,482,664)	(4,518,881,312)
Gross profit / (loss)	136,445,363	124,818,061	282,277,106	217,185,914	378,568,033	165,551,124
Distribution cost	(49,179,465)	(67,198,826)	(101,742,095)	(116,927,294)	(136,448,561)	(89,128,455)
Administrative expenses	(5,350,937)	(12,274,167)	(11,069,977)	(21,357,296)	(14,846,189)	(16,279,713)
	(54,530,402)	(79,472,993)	(112,812,072)	(138,284,589)	(151,294,750)	(105,408,168)
Profit / (loss) before taxation and unallocated income and expenses	81,914,960	45,345,068	169,465,034	78,901,325	227,273,283	60,142,957

	Weaving				Processing and Home Textile	
	Unit-1 (1,2)		Unit-2 (3,4,5)			
	2015	2014	2015	2014	2015	2014
Sales						
External						
- Export	-	-	2,050,088,693	1,858,982,065	4,398,936,534	4,728,597,216
- Local	853,392,017	1,223,961,693	94,939,492	107,475,849	2,153,720,613	2,281,156,507
	853,392,017	1,223,961,693	2,145,028,185	1,966,457,914	6,552,657,147	7,009,753,723
Inter-segment	3,089,700,405	3,593,916,009	-	-	1,449,817,802	1,749,534,470
	3,943,092,422	4,817,877,702	2,145,028,185	1,966,457,914	8,002,474,949	8,759,288,193
Cost of sales	(3,786,925,134)	(4,557,427,494)	(2,060,073,739)	(1,860,152,938)	(7,343,044,000)	(8,208,028,065)
Gross profit / (loss)	156,167,288	260,450,208	84,954,446	106,304,976	659,430,949	551,260,128
Distribution cost	(59,741,090)	(50,581,611)	(32,498,940)	(20,645,316)	(435,581,881)	(439,513,088)
Administrative expenses	(23,197,841)	(22,930,395)	(12,619,542)	(9,359,237)	(124,185,695)	(78,311,782)
	(82,938,931)	(73,512,006)	(45,118,482)	(30,004,553)	(559,767,576)	(517,824,870)
Profit / (loss) before taxation and unallocated income and expenses	73,228,357	186,938,202	39,835,964	76,300,423	99,663,373	33,435,258

	Power Generation		Entertainment		Elimination of inter-segment transactions		Total - Group	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales								
External								
- Export	-	-	-	-	-	-	14,755,431,277	14,038,031,214
- Local	22,574,562,189	27,629,641,999	-	-	-	-	31,753,822,610	36,287,084,802
	22,574,562,189	27,629,641,999	-	-	-	-	46,509,253,887	50,325,116,016
Inter-segment	2,924,616,301	2,477,159,080	-	-	(9,314,208,888)	(9,687,081,352)	-	-
	25,499,178,490	30,106,801,079	-	-	(9,314,208,888)	(9,687,081,352)	46,509,253,887	50,325,116,016
Cost of sales	(19,989,422,088)	(25,094,524,352)	-	-	9,314,208,888	9,687,081,352	(39,301,654,299)	(43,887,268,875)
Gross profit / (loss)	5,509,756,402	5,012,276,727	-	-	-	-	7,207,599,588	6,437,847,141
Distribution cost	-	-	-	-	-	-	(815,192,033)	(783,994,589)
Administrative expenses	(135,003,929)	(121,692,792)	(5,229,358)	-	-	-	(331,503,468)	(282,205,382)
	(135,003,929)	(121,692,792)	(5,229,358)	-	-	-	(1,146,695,501)	(1,066,199,971)
Profit / (loss) before taxation and unallocated income and expenses	5,374,752,473	4,890,583,935	(5,229,358)	-	-	-	6,060,904,087	5,371,647,170
Unallocated income and expenses								
Other expenses							(143,556,649)	(155,397,673)
Other income							98,555,804	307,078,559
Finance cost							(3,248,414,233)	(3,297,614,246)
Taxation							(342,947,481)	(166,306,073)
Profit after taxation							2,424,541,528	2,059,407,737

* This relates to 2015 only.

38.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Power Generation		Entertainment		Total - Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees											
Total assets for reportable segments	12,933,437,972	12,756,045,200	1,988,592,913	2,785,896,015	4,777,829,054	4,072,963,604	27,875,747,059	28,997,594,496	34,227,002	-	47,575,606,998	48,612,499,315
Unallocated assets:												
Other receivables											1,530,672,435	1,374,465,400
Short term investments											21,891,484	22,658,812
Cash and bank balances											969,467,798	18,238,675
Other corporate assets											215,015,880	1,128,684,840
Total assets as per consolidated balance sheet											50,312,654,595	51,156,547,042
Total liabilities for reportable segments	59,154,235	710,393,170	61,912,662	72,227,540	438,684,365	267,122,160	17,931,070,568	20,407,012,719	81,210	-	18,490,821,830	21,456,755,589
Unallocated liabilities:												
Long term financing											4,691,031,406	6,490,373,190
Redeemable capital											31,250,000	156,250,000
Accrued mark-up											171,942,000	210,934,620
Short term borrowings											10,817,110,967	9,180,243,052
Other corporate liabilities											730,292,579	108,963,924
Total liabilities as per consolidated balance sheet											34,932,448,782	37,603,520,375

38.2 Geographical information

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

	2015 Rupees	2014 Rupees
Europe	2,952,755,518	2,763,173,122
Asia, Africa and Australia	8,839,507,209	7,798,926,494
United States of America, Canada and South America	4,524,251,322	5,056,714,364
Pakistan	30,192,739,838	34,706,302,036
	46,509,253,887	50,325,116,016

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

38.4 Revenue from major customers

Nishat Chunian Power Limited - Subsidiary Company sells electricity only to NTDCL. The Holding Company earn revenue from a large mix of customers.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

Nishat (Chunian) Limited - Holding Company

	2015	2014
Spinning		
Number of spindles installed	209,412	171,836
Number of spindles worked	188,124	156,856
Number of shifts per day	3	3
Capacity after conversion into 20/1 count (Kgs.)	64,661,278	52,888,973
Actual production of yarn after conversion into 20/1 count (Kgs.)	63,705,692	52,034,299

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

	2015	2014
Weaving		
Number of looms installed	293	293
Number of looms worked	293	293
Number of shifts per day	3	3
Capacity after conversion into 50 picks - square yards	215,512,868	215,512,868
Actual production after conversion into 50 picks - square yards	184,549,618	185,426,474

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

	2015	2014
Power plant		
Number of engines installed	19	19
Number of engines worked	19	19
Number of shifts per day	3	3
Generation capacity (KWh)	346,896,000	346,896,000
Actual generation (KWh)	89,705,629	99,979,762

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

	2015	2014
Dyeing		
Number of thermosol dyeing machines	1	1
Number of stenters machines	3	3
Number of shifts per day	3	3
Capacity in meters	30,800,000	30,800,000
Actual processing of fabrics - meters	24,490,564	28,386,575

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

	2015	2014
Printing		
Number of printing machines	1	1
Number of shifts per day	2	2
Capacity in meters	6,200,000	6,200,000
Actual processing of fabrics - meters	5,963,426	7,517,225

Processing was limited due to orders in hand and normal maintenance of machines.

Stitching

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

Nishat Chunian Power Limited - Subsidiary Company

	2015	2014
Installed capacity [based on (2014: 8,760) hours] - MWH	1,714,525	1,714,525
Actual energy delivered - MWH	1,415,307	1,471,445

Output produced by Plant is dependent on the load demanded by NTDCL and Plant availability.

40. FINANCIAL RISK MANAGEMENT

40.1 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) and Euro. Currently, the Group's foreign exchange risk exposure is restricted to bank balances, borrowings and the amounts receivable / payable from / to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2015	2014
Cash at banks - USD	67,006	55,309
Trade debts - USD	38,345,122	34,564,248
Trade debts - EURO	2,074,595	599,684
Trade and other payables - USD	(986,438)	(502,759)
Trade and other payables - EURO	(15,455)	(26,377)
Short term borrowings - USD	(33,180,926)	(41,094,691)
Accrued mark-up - USD	(274,008)	(239,838)
Net exposure - USD	3,970,756	(7,217,731)
Net exposure - EURO	2,059,140	573,307

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.31	102.80
Reporting date rate	101.50	98.65
Rupees per EURO		
Average rate	120.86	139.79
Reporting date rate	113.57	134.60

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 20.269 million higher / lower (2014: Rupees 31.901 million lower / higher) respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

(iii) Interest rate risk

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

The Group has no significant interest-bearing assets except long term loans to employees, overdue trade debts of Nishat Chunian Power Limited - Subsidiary Company and bank balances in saving and deposit accounts. The Group's interest rate risk 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:

	2015 Rupees	2014 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	26,378,614	188,081,502
Short term borrowings	5,915,367,414	4,821,312,745
	5,941,746,028	5,009,394,247
Financial assets		
Long term loans to employees	16,860,720	2,994,606
Net exposure	(5,924,885,308)	(5,006,399,641)
Floating rate instruments		
Financial assets		
Trade debts - over due	2,823,461,270	3,594,697,911
Bank balances - saving accounts	40,061,799	1,044,509,425
Short term investments	20,660,225	20,660,226
	2,884,183,294	4,659,867,562
Financial liabilities		
Long term financing	16,167,895,497	18,139,286,736
Redeemable capital	31,250,000	156,250,000
Short term borrowings	10,386,044,689	10,057,768,119
	26,585,190,186	28,353,304,855
Net exposure	(23,701,006,892)	(23,693,437,293)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 150.857 million (2014: Rupees 101.591 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:

	2015 Rupees	2014 Rupees
Deposits	27,906,428	25,881,428
Trade debts	12,502,422,838	14,182,408,936
Loans and advances	24,436,829	11,657,963
Short term investments	21,891,484	22,658,812
Other receivables	596,544,098	399,523,526
Accrued interest	477,712	402,011
Bank balances	1,013,370,106	1,066,172,591
	14,187,049,495	15,708,705,267

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			2015	2014
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Askari Bank Limited	A-1+	AA	JCR-VIS	16,660	93,543
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	203,545	208,371
Allied Bank Limited	A1+	AA+	PACRA	951,794,725	-
Bank Alfalah Limited	A1+	AA	PACRA	2,469,657	1,925,419
Bank Al-Habib Limited	A1+	AA+	PACRA	594,052	58,646
BankIslami Pakistan Limited	A1	A+	PACRA	122,863	137,089
Barclays Bank Plc	A-1	A	Standard & Poor's	410	21,994
Burj Bank Limited	A-2	A-	JCR-VIS	20,578	23,146
Citibank N.A.	P-1	A2	Moody’s	2,624	5,764
Deutsche Bank AG	P-2	A3	Moody’s	-	105,108
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS	566,990	468,740
Faysal Bank Limited	A1+	AA	PACRA	4,424,926	186,181
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,387,271	1,505,256
HSBC Bank Middle East Limited	A1+	AA+	PACRA	-	793,960
MCB Bank Limited	P-2	A3	Moody’s	3,766,494	6,114,991
Meezan Bank Limited	A1+	AAA	PACRA	951,060	682,617
National Bank of Pakistan	A-1+	AA	JCR-VIS	64,597	157,886
NIB Bank Limited	A-1+	AAA	PACRA	29,937,993	152,647
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	149,333	539,863
Soneri Bank Limited	A1+	AA -	PACRA	6,861,292	-
Summit Bank Limited	A-1	A-	JCR-VIS	463	463
The Bank of Punjab	A1+	AA -	PACRA	5,688,211	4,084,716
United Bank Limited	A-1+	AA+	JCR-VIS	1,772,693	1,043,738,287
JPMorgan Chase Bank, N.A.	P-2	A3	Moody’s	40,827	5,167,904
Habib American Bank		Not available		1,532,842	-
				1,013,370,106	1,066,172,591
Short term investments					
BankIslami Pakistan Limited	A1	A	PACRA	21,891,484	22,658,812
Trade debts - NTDCL		Not available		2,748,895,106	5,269,122,883
				3,784,156,696	6,357,954,286

The Group's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 18.

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.

(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 2015, the Group had Rupees 17,452 million available borrowing limits from financial institutions and Rupees 1,014.525 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 2015:

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----------	----------	----------	Rupees	----------	----------
Non-derivative financial liabilities:						
Long term financing	16,194,274,111	25,333,564,726	2,145,484,669	2,072,891,317	4,165,774,716	16,949,414,024
Redeemable capital	31,250,000	32,060,908	32,060,908	-	-	-
Short term borrowings	16,301,412,103	16,508,665,970	15,408,520,984	1,100,144,986	-	-
Trade and other payables	1,590,484,804	1,590,484,804	1,590,484,804	-	-	-
Accrued mark-up	525,773,933	525,773,933	525,773,933	-	-	-
	34,643,194,951	43,990,550,341	19,702,325,298	3,173,036,303	4,165,774,716	16,949,414,024

Contractual maturities of financial liabilities as at 30 June 2014:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	18,327,368,238	24,406,883,256	2,857,722,976	2,901,126,251	5,354,217,940	13,293,816,089
Redeemable capital	156,250,000	170,817,980	71,262,055	67,327,637	32,228,288	-
Short term borrowings	14,879,080,864	15,637,968,681	14,389,495,271	1,248,473,410	-	-
Trade and other payables	3,243,531,529	3,243,531,529	3,243,531,529	-	-	-
Accrued mark-up	718,900,828	718,900,828	718,900,828	-	-	-
	37,325,131,459	44,178,102,274	21,280,912,659	4,216,927,298	5,386,446,228	13,293,816,089

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 7, note 8 and note 11 to these consolidated financial statements.

40.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

40.3 Financial instruments by categories

Assets as per balance sheet

	2015			2014		
	Loans and receivables	At amortized cost	Total	Loans and receivables	At amortized cost	Total
	Rupees					
Deposits	27,906,428	-	27,906,428	25,881,428	-	25,881,428
Trade debts	12,502,422,838	-	12,502,422,838	14,182,408,936	-	14,182,408,936
Loans and advances	24,436,829	-	24,436,829	11,657,693	-	11,657,693
Short term investments	-	21,891,484	21,891,484	-	22,658,812	22,658,812
Other receivables	596,544,098	-	596,544,098	399,523,526	-	399,523,526
Accrued interest	477,712	-	477,712	402,011	-	402,011
Cash and bank balances	1,014,525,460	-	1,014,525,460	1,067,350,401	-	1,067,350,401
	14,166,313,365	21,891,484	14,188,204,849	15,687,223,995	22,658,812	15,709,882,807

	Liabilities at amortized cost	
	2015	2014
Liabilities as per balance sheet	Rupees	Rupees
Long term financing	16,194,274,111	18,327,368,238
Redeemable capital	31,250,000	156,250,000
Accrued mark-up	525,773,933	718,900,828
Short term borrowings	16,301,412,103	14,879,080,864
Trade and other payables	1,590,484,804	3,243,531,529
	34,643,194,951	37,325,131,459

41. 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, redeemable capital and short term borrowings obtained by the Group as referred to in note 6, note 7 and note 9 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Group's strategy, which was unchanged from last year, was to maintain a gearing ratio of 75% debt and 25% equity.

		2015	2014
Borrowings	Rupees	32,526,936,214	33,362,699,102
Total equity	Rupees	15,380,205,813	13,553,026,667
Total capital employed	Rupees	47,907,142,027	46,915,725,769
Gearing ratio	Percentage	67.90	71.11

42. UNUTILIZED CREDIT FACILITIES

The Group has total credit facilities amounting to Rupees 33,754 million (2014: Rupees 30,475 million) out of which Rupees 17,452 million (2014: Rupees 15,596 million) remained unutilized at the end of the year.

43. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on October 5, 2015 has proposed cash dividend of Rupees 1.5 per ordinary share (2014: Rupee 1 per ordinary share) in respect of the year ended 30 June 2015. The board of dirctors of Nishat Chunian Power Limited ("the Subsidiary company") at their meeting held on October 5, 2015 had declared final cash dividend of Rupees 2 per ordinary share (2014: Rupees 2). However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these consolidated financial statements.

Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Holding Company is required to pay tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes profits equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, by due date for filing of income tax return for the tax year 2015. The requisite cash dividend has been proposed by the Board of Directors of the Holding Company in their meeting held on October 5, 2015and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

44. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on October 5, 2015 by the Board of Directors of the Holding Company.

45. 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.

46. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE DIRECTOR

Proxy Form

The Company Secretary,
Nishat (Chunian) Limited
31-Q, Gulberg-II,
Lahore.

I / We ______________________ Of _____________________________ being a member(s) of Nishat (Chunian) Limited, and a holder of ____________ Ordinary shares as per Share Register Folio No. ____________ (in case of Central Depository System Account Holder A/c No. ________ Participant I.D. No. _____) hereby appoint _____________________ of ___________________ another member of the Company as per Register Folio No. _______________ or (failing him / her ______________________________ of _______________________ another member of the Company) as my / our Proxy to attend and vote for me / us and on my / our behalf at 26th Annual General Meeting of the Company, will be held on October 30, 2015 (Friday) at 9:45 a.m at the Head Office of the Company 31-Q, Gulberg II, Lahore and at any adjournment thereof.

As witness my hand this ___________ day of ______________ 2015 signed by the said ____ in presence of ____

Witness

Signature

Signature

Affix Rs. 5/-
Revenue
Stamp

Notes:

1. Proxies, in order to be effective, must be received at the company's Registered Office / Head Office not less than 48 hours before the meeting duly stamped, singed and witnessed.

2. Signature must agree with the specimen signature registered with the Company.

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