Notes to the Financial Statements
For the year ended June 30, 2017

1 THE COMPANY AND ITS OPERATIONS

Nishat Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics 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Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

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:

Financial instruments

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

Useful lives, patterns of economic benefits and impairments

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

Inventories

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

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.

Provision for doubtful debts

The Company reviews its receivable 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 subsidiaries and equity method accounted for associated companies

In making an estimate of recoverable amount of the Company's investments in subsidiaries and equity method accounted for associated companies, the management considers future cash flows.

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

The following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2016:

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.

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 which is based on revenue, generated by an activity by using 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.

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. However, the Company has not availed this option.

IAS 34 (Amendments) 'Interim Financial Reporting' (effective for annual periods beginning on or after 01 January 2016). This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.

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

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

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2016 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, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2017 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 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). 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 recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31' Revenue-Barter Transactions Involving Advertising Services. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have significant impact on Company's financial statements.

IAS 40 (Amendments), 'Investment Property' (effective for annual periods beginning on or after 01 January 2018). Amendments have been made to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list. The amendment is not likely to have a significant impact on the Company's financial statements.

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

On 8 December 2016, IASB issued Annual Improvements to IFRSs: 2014 – 2016 Cycle, incorporating amendments to three IFRSs more specifically in IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures'. These amendments are effective for annual periods beginning on or after 01 January 2017 and 01 January 2018 respectively. These amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

The Company operates an approved funded provident fund scheme covering all its permanent employees and permanent employees of a Group Company. Equal monthly contributions are made both by the Company, other Group Company and employees at the rate of 9.5 percent of the basic salary to the fund. The Company's contributions to the fund are charged to profit and loss account.

2.3 Taxation

Current

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

Deferred

Deferred tax is accounted for using the 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 recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 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 recorded in the profit and loss account.

2.5 Property, plant, equipment and depreciation

Owned

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land and capital work-in- progress are stated at cost less any recognized 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 the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Leased

Leases where the Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to profit and loss account.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying 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 12.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.6 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation on buildings is charged to profit and loss account applying the reducing balance method so as to write off the cost of buildings over their estimated useful lives at a rate of 10% per annum.

2.7 Operating leases

Assets leased out under operating leases are included in investment properties. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

2.8 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 initially measured at fair value.

The Company assesses 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 subsidiaries and equity method accounted for associates, 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

Investments 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) Investment in subsidiaries

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

d) Investment in associates - (with significant influence)

The Company is required to prepare separate financial statements, hence, in accordance with the requirements of IAS 27 'Separate Financial Statements', the investments in associated undertakings are accounted for in accordance with IAS 39 'Financial Instruments: Recognition and Measurement' and are classified as available for sale.

e) 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 other 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 other 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. Fair value of investments in open-end mutual funds is determined using redemption price.

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'.

2.9 Inventories

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

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving 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 material, work-in-process and finished goods is determined as follows:

i)	For raw materials:	Annual average basis.
ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are 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 a sale.

2.10 Trade 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.

2.11 Non–current assets (or disposal groups) held for sale

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

2.12 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 method.

2.13 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

2.14 Share capital

Ordinary shares are classified as share capital.

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 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sale of goods is recognized on dispatch of goods to customers.

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

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

- Operating lease rentals are recorded in profit and loss account on a time proportion basis over the term of the lease arrangements.

- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

2.17 Financial instruments

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

2.18 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.

2.19 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 with 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 non-financial 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.

2.20 Derivative financial instruments

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

2.21 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.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.23 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 officer 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 officer 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 can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments: Spinning at Faisalabad (I and II) and Feroze Wattwan (Producing different quality of yarn using natural and artificial fibres), Weaving at Bhikki and Lahore (Producing different quality of greige fabric using yarn), Dyeing (Producing dyed fabric using different qualities of greige fabric), Home Textile (Manufacturing of home textile articles using processed fabric produced from greige fabric), Garments (I and II) (Manufacturing of garments using processed fabric) and Power Generation (Generation and distribution of power using gas, oil, steam, coal and biomass).

Transaction among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

2.24 Government Grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

2.25 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the 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 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017	2016		2017	2016
(Number of Shares)			(Rupees in thousand)	
256,772,316	256,772,316	Ordinary shares of Rupees 10 each fully paid-up in cash	2,567,723	2,567,723
2,804,079	2,804,079	Ordinary shares of Rupees 10 each issued to shareholders of Nishat Apparel Limited under the Scheme of Amalgamation	28,041	28,041
37,252,280	37,252,280	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	372,523	372,523
54,771,173	54,771,173	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	547,712	547,712
351,599,848	351,599,848		3,515,999	3,515,999

3.1 Ordinary shares of the Company held by the associated companies:

	2017	2016
	(Number of shares)	
D.G. Khan Cement Company Limited	30,289,501	30,289,501
Adamjee Insurance Company Limited	1,402,950	2,788,150
MCB Bank Limited	227	227
	31,692,678	33,077,878

	Note	2017	2016
		(Rupees in thousand)	
4 RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Premium on issue of right shares		5,499,530	5,499,530
Fair value reserve - net of deferred income tax	4.1	39,631,520	35,528,222
		45,131,050	41,027,752
Revenue reserves			
General reserve		35,848,028	32,683,028
Unappropriated profit		4,267,719	4,928,376
		40,115,747	37,611,404
		85,246,797	78,639,156

4.1 This represents the unrealized gain on re-measurement of available for sale investments at fair value and is not available for distribution. This will be transferred to profit and loss account on realization. Reconciliation of fair value reserve - net of deferred tax is as under:

	Note	2017	2016
Balance as on 01 July		35,789,789	33,104,191
Fair value adjustment during the year		4,625,023	2,685,598
		40,414,812	35,789,789
Less: Deferred income tax liability on unquoted equity investments		783,292	261,567
Balance as on 30 June		39,631,520	35,528,222
5 LONG TERM FINANCING			
From banking companies - secured			
Long term loans	5.1	4,946,603	2,975,216
Long term musharika	5.2	2,392,050	3,635,008
		7,338,653	6,610,224
Less: Current portion shown under current liabilities	10	2,093,024	1,980,768
		5,245,629	4,629,456

Lender	2017	2016	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
5.1 Long term loans							
Allied Bank Limited	192,727	256,970	3 Month offer KIBOR + 0.50%	Twenty four equal quarterly installments commenced on 24 August 2014 and ending on 24 May 2020.	Quarterly	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Bank Alfalah Limited	250,002	500,001	3 Month offer KIBOR + 0.50%	Sixteen unequal installments commenced on 17 August 2014 and ending on 17 May 2018.	Quarterly	Quarterly	First pari passu charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of existing creditors).
The Bank of Punjab	55,555	166,667	3 Month offer KIBOR + 0.50%	Eighteen equal quarterly installments commenced on 18 September 2013 and ending on 18 December 2017.	Quarterly	Quarterly	First pari passu charge of Rupees 667 million over all present and future fixed assets of the Company excluding land and building.
Pak Brunei Investment Company Limited	-	255,003	SBP rate for LTFF + 0.85%	Seven unequal quarterly installments commenced on 24 October 2015 and ended on 24 April 2017.	-	Quarterly	First pari passu charge of Rupees 400 million over all the present and future plant and machinery of the Company with 25% margin excluding those assets (part of the plant and machinery) on which the Company has created exclusive charges in favour of existing creditors.
Pak Brunei Investment Company Limited	164,621	-	SBP rate for LTFF + 0.25%	Eighty unequal installments commencing on 30 August 2018 and ending on 22 June 2023.	-	Quarterly	
Faysal Bank Limited	-	180,000	SBP rate for LTFF + 0.75%	Eight unequal installments commenced on 13 February 2016 and ended on 16 March 2017.	-	Quarterly	First pari passu charge of Rupees 267 million on all present and future plant and machinery of the Company (excluding land and building).
Faysal Bank Limited	198,594	-	SBP rate for LTFF + 0.30%	Twenty unequal installments commencing on 22 November 2018 and ending on 25 May 2023.	-	Quarterly	

Lender	2017	2016	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Allied Bank Limited	-	241,039	SBP rate for LTFF + 0.50%	Thirty one unequal installments commenced on 26 September 2015 and ended on 25 April 2017.	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Company with 25% margin.
Bank Alfalah Limited	150,000	225,000	3 Month offer KIBOR + 0.50%	Sixteen equal quarterly installments commenced on 17 July 2015 and ending on 17 April 2019.	Quarterly	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Company with 25% margin.
Pakistan Kuwait Investment Company (Private) Limited	115,683	132,603	SBP rate for LTFF + 1.00%	One hundred and sixty unequal installments commenced on 11 June 2016 and ending on 15 May 2021.	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Company with 25% margin.
Pakistan Kuwait Investment Company (Private) Limited	34,991	6,774	SBP rate for LTFF + 0.75%	Two hundred and thirty six unequal installments commenced on 15 September 2016 and ending on 16 September 2022.	-	Quarterly	Ranking hypothecation charge of Rupees 267 million on plant and machinery of the company (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders/ creditors), to be upgraded to first pari passu charge within 180 days of first drawdown.
	150,674	139,377					
The Bank of Punjab	426,785	466,717	SBP rate for LTFF + 0.50%	One hundred and sixty unequal installments commenced on 30 January 2017 and ending on 07 April 2022.	-	Quarterly	First pari passu charge of Rupees 667 million on present and future fixed assets (plant and machinery) of the Company.
National Bank of Pakistan	104,285	108,763	SBP rate for LTFF + 0.50%	One hundred and twenty unequal installments commenced on 12 April 2017 and ending on 03 June 2022.	-	Quarterly	First pari passu hypothecation charge of Rupees 534 million on all present and future plant and machinery (excluding plant and machinery which is under exclusive charges of the Company's creditors).
Allied Bank Limited	998,884	-	SBP rate for LTFF + 0.25%	Two hundred and forty unequal installments commencing on 27 March 2018 and ending on 05 June 2023.	-	Quarterly	Initially ranking charge which is to be upgraded to first pari passu charge of Rupees 1,333 million (inclusive of 25% margin) on all present and future plant and machinery of the Company. Ranking charge to be upgraded to first pari passu charge within 90 days from date of first disbursement of loan.

Lender	2017	2016	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Bank Alfalah Limited	998,269	-	SBP rate for LTFF + 0.35%	Four hundred and sixty unequal installments commencing on 02 February 2018 and ending on 25 May 2023.	-	Quarterly	First pari passu charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of existing creditors).
Bank Alfalah Limited	280,911	-	SBP rate for LTFF + 0.35%	Twenty equal quarterly installments commencing on 31 August 2018 and ending on 31 May 2023.	-	Quarterly	Ranking hypothecation charge of Rupees 400 million with 25% margin on present and future plant and machinery of the Company, which is to be upgraded to first pari passu level within 180 days of disbursement.
Habib Bank Limited	975,296	435,679	SBP rate for LTFF + 0.40%	One hundred and eighty unequal installments commencing on 17 September 2017 and ending on 25 November 2022.	-	Quarterly	Note 5.3
	4,946,603	2,975,216					

5.2 Long term musharika

Lender	2017	2016	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
Habib Bank Limited	468,630	754,341	3 Month offer KIBOR + 0.35%	Forty two unequal installments commenced on 28 August 2015 and ending on 04 May 2019.	Quarterly	Quarterly	Note 5.3
Habib Bank Limited	740,206	970,131	3 Month offer KIBOR + 0.35%	Fifty six unequal installments commenced on 19 May 2016 and ending on 01 June 2020.	Quarterly	Quarterly	Note 5.3
Meezan Bank Limited	-	37,500	3 Month offer KIBOR + 0.50%	Sixteen equal quarterly installments commenced on 14 March 2013 and ended on 14 December 2016.	Quarterly	Quarterly	First exclusive charge of Rupees 400 million over specific plant and machinery of the Company.
Dubai Islamic Bank Pakistan Limited	285,714	514,286	3 Month offer KIBOR + 0.40%	Fourteen equal quarterly installments commenced on 03 June 2015 and ending on 03 September 2018.	Quarterly	Quarterly	First pari passu hypothecation charge of Rupees 1,067 million on all present and future fixed assets (excluding land and building) of the Company including but not limited to plant and machinery, furniture and fixtures, accessories etc. (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of existing charge holders).

Lender	2017	2016	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Meezan Bank Limited	175,000	275,000	3 Month offer KIBOR + 0.50%	Sixteen equal quarterly installments commenced on 17 June 2015 and ending on 17 March 2019.	Quarterly	Quarterly	Exclusive hypothecation charge of Rupees 533 million over specific assets of the Company with 25% margin.
Meezan Bank Limited	222,500	333,750	3 Month offer KIBOR + 0.50%	Sixteen equal quarterly installments commenced on 17 July 2015 and ending on 17 April 2019.	Quarterly	Quarterly	Exclusive hypothecation charge of Rupees 594 million over specific assets of the Company with 25% margin.
Standard Chartered Bank (Pakistan) Limited	500,000	750,000	3 Month offer KIBOR + 0.20%	Sixteen equal quarterly installments commenced on 27 September 2015 and ending on 27 June 2019.	Quarterly	Quarterly	Specific charge of Rupees 1,334 million over fixed assets of the Company inclusive of 25% margin.
TOTAL	2,392,050	3,635,008					

5.3 Long term loans and long term musharika from Habib Bank Limited are secured against first pari passu hypothecation charge of Rupees 4,000 million on present and future fixed assets of the Company excluding specific and exclusive charges.

6 DEFERRED INCOME TAX LIABILITY

This represents deferred income tax liability on surplus on revaluation of unquoted equity investments available for sale. Provision for deferred income tax on other temporary differences was not considered necessary as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001.

	Note	2017	2016
		(Rupees in thousand)	
7 TRADE AND OTHER PAYABLES			
Creditors	7.1	4,185,082	3,853,639
Accrued liabilities		698,678	558,501
Advances from customers	7.1	545,479	560,082
Securities from contractors - Interest free, repayable on completion of contracts		11,613	11,199
Retention money payable		95,018	61,580
Income tax deducted at source		1,294	876
Dividend payable		75,271	66,817
Payable to employees' provident fund trust		4,685	7,585
Fair value of forward exchange contracts		27,536	827
Workers' profit participation fund	7.2	192,734	301,483
Workers' welfare fund		-	315,307
		5,837,390	5,737,896

	Note	2017	2016
		(Rupees in thousand)	
7.1 This includes amounts due to following related parties:			
Creditors			
Nishat Linen (Private) Limited - subsidiary company		15,815	27,870
Nishat USA Inc. - subsidiary company		296	2,950
Nishat Hospitality (Private) Limited - subsidiary company		-	270
Nishat International FZE - subsidiary company		1,264	1,261
D.G. Khan Cement Company Limited - associated company		10,205	2,656
Security General Insurance Company Limited - associated company		19,942	28,334
Adamjee Insurance Company Limited - associated company		17,836	37,218
Adamjee Life Assurance Company Limited - associated company		-	3,636
Nishat (Chunian) Limited - related party		42,350	32,822
		107,708	137,017
Advance from customer			
Nishat (Chunian) Limited - related party		155	-
		155	-

7.2 Workers' profit participation fund

	Note	2017	2016
Balance as on 01 July		301,483	241,876
Add: Provision for the year	30	192,734	301,483
Interest for the year	32	2,780	3,128
		496,997	546,487
Less: Payments during the year		304,263	245,004
Balance as on 30 June		192,734	301,483

7.2.1 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.

8 ACCRUED MARK-UP

	Note	2017	2016
Long term financing		43,834	50,450
Short term borrowings	8.1	66,917	62,870
		110,751	113,320

8.1 This includes mark-up of Rupees 1.267 million (2016: Rupees 0.580 million) payable to MCB Bank Limited - associated company.

		Note	2017	2016
			(Rupees in thousand)	
9	SHORT TERM BORROWINGS			
	From banking companies - secured			
	State Bank of Pakistan (SBP) refinance	9.1 and 9.3	12,009,969	9,993,000
	Other short term finances	9.1 and 9.4	1,525,000	-
	Temporary bank overdrafts	9.1, 9.2 and 9.5	1,162,424	482,657
			14,697,393	10,475,657

9.1 These finances are obtained from banking companies under mark-up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets, other instruments and ranking hypothecation charge on plant and machinery of the Company. These form part of total credit facility of Rupees 34,244 million (2016: Rupees 31,841 million).

9.2 These finances include Rupees 113.010 million (2016: Rupees 6.762 million) from MCB Bank Limited - associated company.

9.3 The rates of mark-up range from 2.15% to 2.85% (2016: 2.70% to 4.00%) per annum on the balance outstanding.

9.4 The rates of mark-up ranged from 0.87% to 5.92% (2016: 1.00% to 2.60%) per annum during the year on the balance outstanding.

9.5 The rates of mark-up range from 6.24% to 8.03% (2016: 6.55% to 9.01%) per annum on the balance outstanding.

		Note	2017	2016
10	CURRENT PORTION OF NON-CURRENT LIABILITIES			
	Current portion of long term financing	5	2,093,024	1,980,768

11 CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company is contingently liable for Rupees 0.631 million (2016: Rupees 0.631 million) on account of central excise duty not acknowledged as debt as the case is pending before Court.

ii) Guarantees of Rupees 1,519.832 million (2016: Rupees 973.358 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Government of Punjab against fulfillment of sales orders.

iii) Post dated cheques of Rupees 3,179.346 million (2016: Rupees 5,800.306 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

iv) The Company has challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials, electrical and gas appliances, pipes, fittings, wires, cables and ordinary electrical fittings and sanitary fittings have been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Company and has allowed the Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Company has claimed input sales tax amounting to Rupees 75.342 million (2016: Rupees 77.482 million) paid on such goods in its respective monthly sales tax returns.

v) The Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The Honourable Lahore High Court has issued stay order in favour of the Company. Consequently, the Company has claimed input sales tax amounting to Rupees 97.221 million (2016: Rupees Nil) paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

b) Commitments

i) Contracts for capital expenditure are approximately of Rupees 728.034 million (2016: Rupees 1,031.214 million).

ii) Letters of credit other than for capital expenditure are of Rupees 980.674 million (2016: Rupees 338.967 million).

iii) Outstanding foreign currency forward contracts of Rupees 444.689 million (2016: Rupees 3,345.460 million).

	Note	2017	2016
		(Rupees in thousand)	
12 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - owned	12.1	23,481,153	23,058,934
Capital work-in-progress	12.2	4,286,546	1,656,161
		27,767,699	24,715,095

12.1 Operating fixed assets

	Owned Assets										Leased Assets
	Freehold land	Buildings on freehold land	Plant and machinery	Stand-by equipment	Electric installations	Factory equipment	Furniture, fixtures and office equipment	Computer equipment	Vehicles	Total	Plant and machinery
	(Rupees in thousand)										
At 30 June 2015											
Cost	957,547	6,695,119	26,261,518	318,713	751,870	359,959	324,599	160,506	595,897	36,425,728	300,000
Accumulated depreciation	-	(2,971,181)	(10,551,458)	(229,849)	(492,213)	(164,710)	(186,624)	(133,048)	(243,423)	(14,972,506)	(118,809)
Net book value	957,547	3,723,938	15,710,060	88,864	259,657	195,249	137,975	27,458	352,474	21,453,222	181,191
Year ended 30 June 2016											
Opening net book value	957,547	3,723,938	15,710,060	88,864	259,657	195,249	137,975	27,458	352,474	21,453,222	181,191
Additions	10,909	1,419,610	2,004,393	-	73,895	11,493	32,620	36,409	72,603	3,661,932	-
Assets transferred from leased assets to owned assets:											
Cost	-	-	300,000	-	-	-	-	-	-	300,000	(300,000)
Accumulated depreciation	-	-	(118,809)	-	-	-	-	-	-	(118,809)	118,809
	-	-	181,191	-	-	-	-	-	-	181,191	(181,191)
Disposals / Adjustments:											
Cost	(17,989)	(9,450)	(129,086)	-	-	-	(570)	(864)	(67,879)	(225,838)	-
Accumulated depreciation	-	8,756	96,013	-	-	-	309	698	42,531	148,307	-
	(17,989)	(694)	(33,073)	-	-	-	(261)	(166)	(25,348)	(77,531)	-
Depreciation charge	-	(406,359)	(1,599,124)	(8,568)	(27,759)	(20,174)	(14,931)	(13,990)	(68,975)	(2,159,880)	-
Closing net book value	950,467	4,736,495	16,263,447	80,296	305,793	186,568	155,403	49,711	330,754	23,058,934	-
At 30 June 2016											
Cost	950,467	8,105,279	28,436,825	318,713	825,765	371,452	356,649	196,051	600,621	40,161,822	-
Accumulated depreciation	-	(3,368,784)	(12,173,378)	(238,417)	(519,972)	(184,884)	(201,246)	(146,340)	(269,867)	(17,102,888)	-
Net book value	950,467	4,736,495	16,263,447	80,296	305,793	186,568	155,403	49,711	330,754	23,058,934	-
Year ended 30 June 2017											
Opening net book value	950,467	4,736,495	16,263,447	80,296	305,793	186,568	155,403	49,711	330,754	23,058,934	-
Additions	179,306	390,466	2,168,063	-	24,310	21,845	32,773	12,983	40,009	2,869,755	-
Disposals:											
Cost	-	(11,159)	(360,424)	-	-	-	(90)	(1,098)	(54,013)	(426,784)	-
Accumulated depreciation	-	8,648	262,897	-	-	-	42	670	27,494	299,751	-
	-	(2,511)	(97,527)	-	-	-	(48)	(428)	(26,519)	(127,033)	-
Adjustment	-	-	-	-	(26,198)	-	-	-	-	(26,198)	-
Depreciation charge	-	(480,104)	(1,661,438)	(7,711)	(28,581)	(19,766)	(17,051)	(16,816)	(62,838)	(2,294,305)	-
Closing net book value	1,129,773	4,644,346	16,672,545	72,585	275,324	188,647	171,077	45,450	281,406	23,481,153	-
At 30 June 2017											
Cost	1,129,773	8,484,586	30,244,464	318,713	823,877	393,297	389,332	207,936	586,617	42,578,595	-
Accumulated depreciation	-	(3,840,240)	(13,571,919)	(246,128)	(548,553)	(204,650)	(218,255)	(162,486)	(305,211)	(19,097,442)	-
Net book value	1,129,773	4,644,346	16,672,545	72,585	275,324	188,647	171,077	45,450	281,406	23,481,153	-
Annual rate of depreciation (%)	-	10	10	10	10	10	10	30	20		10

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

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
		---------- (Rupees in thousand) ----------						
Building								
Building - demolished	1	11,000	8,557	2,443	2,500	57	Negotiation	Al-Hasnan Construction Company, Lahore
		11,000	8,557	2,443	2,500	57		
Plant and Machinery								
Ring Spinning Frames	2	8,257	5,755	2,502	3,000	498	Negotiation	Sapphire Textile Mills Limited, Karachi
Ring Spinning Frames	3	12,385	8,638	3,747	4,500	753	Negotiation	Sapphire Textile Mills Limited, Karachi
Ring Spinning Frames	2	8,257	5,765	2,492	3,000	508	Negotiation	Sapphire Textile Mills Limited, Karachi
Ring Spinning Frames	1	4,128	2,883	1,245	1,500	255	Negotiation	Sapphire Textile Mills Limited, Karachi
Ring Spinning Frames	4	19,530	13,261	6,269	5,880	(389)	Negotiation	Sapphire Textile Mills Limited, Karachi
Slub Device	2	4,717	3,374	1,343	392	(951)	Negotiation	Sapphire Textile Mills Limited, Karachi
Ring Spinning Frames	2	8,256	5,773	2,483	3,000	517	Negotiation	Sapphire Textile Mills Limited, Karachi
Ring Spinning Frames	2	3,680	2,761	919	2,068	1,149	Negotiation	Crescent Cotton Mills Limited, Faisalabad
Ring Spinning Frames	2	3,680	2,761	919	2,068	1,149	Negotiation	Crescent Cotton Mills Limited, Faisalabad
Ring Spinning Frames	2	3,680	2,758	922	2,068	1,146	Negotiation	Crescent Cotton Mills Limited, Faisalabad
Ring Spinning Frames	2	6,039	4,441	1,598	2,356	758	Negotiation	Crescent Cotton Mills Limited, Faisalabad
Ring Spinning Frames	2	6,039	4,453	1,586	2,352	766	Negotiation	Crescent Cotton Mills Limited, Faisalabad
Ring Spinning Frames	2	3,680	2,762	918	2,395	1,477	Negotiation	Crescent Cotton Mills Limited, Faisalabad
Airjet Weaving Looms	4	10,784	8,162	2,622	2,223	(399)	Negotiation	Al-Karam Textile Mills Limited, Karachi
Airjet Weaving Looms	4	14,475	12,227	2,248	2,223	(25)	Negotiation	Al-Karam Textile Mills Limited, Karachi
Airjet Weaving Looms	36	85,628	65,441	20,187	14,380	(5,807)	Negotiation	Tithi Textile Mills (Private) Limited, Bangladesh
Airjet Weaving Looms	32	71,297	54,102	17,195	12,735	(4,460)	Negotiation	Tithi Textile Mills (Private) Limited, Bangladesh
Quilting Machine	1	806	725	81	231	150	Negotiation	Sang Joon Quilting, Lahore
Switch Track System	1	2,175	1,664	511	605	94	Negotiation	Mr. Muahmmad Riaz, Faisalabad
Dyeing and Washing Range (Pad Steam)	1	52,796	38,683	14,113	8,991	(5,122)	Negotiation	Yasir Afzal Textile (Private) Limited, Sargodha
Wascator Machine	1	2,800	1,846	954	984	30	Insurance Claim	Adamjee Insurance Company Limited, Security General Insurance Company Limited and IGI Insurance Company Limited
Steam Fired Absorption Chiller	1	10,212	7,349	2,863	4,850	1,987	Negotiation	Global Pharmaceuticals (Private) Limited, Islamabad
Rice Husk Boiler	1	17,123	7,313	9,810	3,500	(6,310)	Negotiation	Industrial Boilers (Private) Limited, Gujranwala
		360,424	262,897	97,527	85,301	(12,226)		
Vehicles								
Toyota Corolla LED-11-8758	1	1,457	884	573	783	210	Company Policy	Mr. Abdul Rehman, Company's employee, Sargodha
Honda City LEC-12-3430	1	1,444	852	592	843	251	Company Policy	Mr. Muhammad Ashfaq, Company's employee, Faisalabad
Honda Civic LEA-11-500	1	2,042	1,346	696	1,542	846	Negotiation	M/s Argosy Enterprises, Lahore
Honda Civic LEE-11-7770	1	1,918	1,214	704	1,024	320	Company Policy	Miss Zunnaria Aslam, Company's employee, Lahore
Honda Civic LE-11-5887	1	1,812	1,267	545	1,072	527	Company Policy	Mr. Muhammad Azam, Company's employee, Lahore
Audi A6 LEA-16-800	1	7,890	1,619	6,271	5,544	(727)	Negotiation	Mr. Shahzad Hussain Shah, Lahore
Suzuki Swift LE-17-2381	1	1,361	95	1,266	1,288	22	Negotiation	Mr. Amir Saleem, Lahore
Suzuki Swift LEB-13-7286	1	1,198	692	506	539	33	Company Policy	Mr. Munir-ud-Din Pasha, Company's ex-employee, Faisalabad
Suzuki Cultus LEB-13-8715	1	826	472	354	478	124	Company Policy	Mr. Khurram Jabbar, Company's employee, Lahore
Honda City LEC-12-1106	1	1,424	841	583	785	202	Company Policy	Mr. Zia-ur-Rehman, Company's employee, Swabi
Toyota Corolla LED-11-5273	1	1,416	900	516	788	272	Company Policy	Mr. Malik Muhammad Hussain Azeem, Company's employee, Lahore

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
		(Rupees in thousand)						
Toyota Corolla LEA-12-2824	1	1,495	935	560	798	238	Company Policy	Mr. Arshad Khan, Company's employee, Sheikhupura
Honda City LED-15-3618	1	1,691	466	1,225	1,629	404	Negotiation	Mr. Muhammad Usman, Lahore
Toyota Corolla LEB-15-9692	1	1,281	419	862	1,227	365	Negotiation	Mr. Sheikh Wasif Samad, Lahore
Honda Civic LEA-12-7690	1	1,913	1,181	732	1,218	486	Negotiation	Mr. Muhammad Naeem, Lahore
Toyota Corolla LEB-11-2318	1	1,449	962	487	772	285	Company Policy	Mr. Sohail Ahmad, Company's employee, Lahore
Honda City LED-10-5692	1	1,337	932	405	712	307	Company Policy	Mr. Jawwad Khalid, Company's ex-employee, Lahore
Toyota Corolla LEC-11-3318	1	1,406	896	510	749	239	Company Policy	Mr. Shoaib Alam, Company's employee, Faisalabad
Toyota Corolla LED-11-8835	1	1,426	870	556	769	213	Company Policy	Mr. Abrar Ahmed Sayal, Company's employee, Lahore
Toyota Corolla LEC-13-2842	1	1,206	643	563	805	242	Negotiation	Mr. Asif Afzal, Lahore
Suzuki Cultus LEB-14-3609	1	1,072	486	586	896	310	Negotiation	Mrs. Sabin Ahmed, Lahore
Honda City LEE-13-4056	1	1,219	624	595	853	258	Negotiation	Miss Rahela Rasheed, Lahore
Honda Civic LEA-12-7691	1	1,913	1,150	763	1,311	548	Negotiation	Mr. Haji Gul Khan, Lahore
Toyota Corolla LEA-16A-6480	1	1,355	81	1,274	1,355	81	Negotiation	Mr. Ali Akbar, Lahore
Honda Civic LED-13-2488	1	2,374	1,293	1,081	1,112	31	Company Policy	Mr. Faisal Naseem Kari, Company's employee, Lahore
Toyota Corolla LEF-15-2875	1	1,695	515	1,180	1,639	459	Negotiation	Mr. Rehan Khan, Lahore
Suzuki Cultus LED-13-1589	1	1,033	579	454	630	176	Negotiation	Mr. Syed Hashim Raza, Lahore
Toyota Corolla LEC-12-2994	1	1,660	1,008	652	971	319	Company Policy	Mr. Abdul Qadir Khan, Company's employee, Karachi
Suzuki Bolan LEB-11-3093	1	605	413	192	518	326	Negotiation	Mr. Adnan Rafique Qureshi, Lahore
Suzuki Cultus LZS-3250	1	631	556	75	365	290	Negotiation	Mr. Jahanzeb Khan, Lahore
Honda Civic LWA-8802	1	1,024	891	133	864	731	Negotiation	Mr. Khurram Imtiaz, Lahore
		50,573	25,082	25,491	33,879	8,388		
Computer Equipment								
Dell Inspiron Laptop	1	85	11	74	74	-	Insurance claim	Security General Insurance Company Limited
MacBook	1	173	26	147	173	26	Company Policy	Mr. Faisal Naseem Kari, Company's employee, Lahore
		258	37	221	247	26		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000		4,529	3,178	1,351	2,882	1,531		
		426,784	299,751	127,033	124,809	(2,224)		

	Note	2017	2016
		(Rupees in thousand)	
12.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	27	2,201,908	2,065,498
Distribution cost	28	6,362	6,098
Administrative expenses	29	83,586	86,860
Capital work in progress		2,449	1,424
		2,294,305	2,159,880

12.1.3 Operating fixed assets having cost of Rupees 13.397 million (2016: Rupees 8.484 million) have been fully depreciated and are still in use of the Company.

12.2 Capital work in progress

	2017	2016
Buildings on freehold land	1,549,595	352,217
Plant and machinery	2,283,890	962,867
Factory equipment	-	1,380
Unallocated expenses	20,046	12,284
Letters of credit against machinery	534	1,883
Advances against purchase of land	391,941	314,988
Advances against furniture, fixtures and office equipment	17,560	-
Advances against vehicles	22,980	10,542
	4,286,546	1,656,161

13 INVESTMENT PROPERTIES

	Note	Land	Buildings	Total
		---------- (Rupees in thousand)----------		
At 30 June 2015				
Cost		414,463	153,673	568,136
Accumulated depreciation		-	(88,894)	(88,894)
Net book value		414,463	64,779	479,242
Year ended 30 June 2016				
Opening net book value		414,463	64,779	479,242
Depreciation charge	30	-	(6,477)	(6,477)
Closing net book value		414,463	58,302	472,765
At 30 June 2016				
Cost		414,463	153,673	568,136
Accumulated depreciation		-	(95,371)	(95,371)
Net book value		414,463	58,302	472,765
Year ended 30 June 2017				
Opening net book value		414,463	58,302	472,765
Depreciation charge	30	-	(5,830)	(5,830)
Closing net book value		414,463	52,472	466,935
At 30 June 2017				
Cost		414,463	153,673	568,136
Accumulated depreciation		-	(101,201)	(101,201)
Net book value		414,463	52,472	466,935

13.1 Depreciation at the rate of 10 percent per annum on buildings amounting to Rupees 5.830 million (2016: Rupees 6.477 million) charged during the year is allocated to other expenses. No expenses directly related to investment properties were incurred during the year. The market value of land and buildings is estimated at Rupees 1,688.261 million (2016: Rupees 1,543.346 million). The valuation has been carried out by an independent valuer.

13.2 Land and building having book value of Rupees 239.383 million (2016: Rupees 239.383 million) and Rupees 17.799 million (2016: Rupees 19.777 million) respectively have been given on operating lease to Nishat Hospitality (Private) Limited - subsidiary company.

13.3 Land and building having book value of Rupees 165.433 million (2016: Rupees 165.433 million) and Rupees 25.130 million (2016: Rupees 27.923 million) respectively have been given on operating lease to Nishat Linen (Private) Limited - subsidiary company.

	Note	2017	2016
		(Rupees in thousand)	
14 LONG TERM INVESTMENTS			
Subsidiary companies			
Nishat Power Limited - quoted 180,632,955 (2016: 180,632,955) fully paid ordinary shares of Rupees 10 each. Equity held 51.01% (2016: 51.01%)	14.1	1,806,329	1,806,329
Nishat USA Inc. - unquoted 200 (2016: 200) fully paid shares with no par value per share		3,547	3,547
Nishat Linen (Private) Limited - unquoted 1,067,913 (2016: 1,067,913) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2016: 100%)	14.2	261,603	261,603
Nishat Linen Trading LLC - unquoted 4,900 (2016: 4,900) fully paid shares of UAE Dirhams 1,000 each	14.3	259,403	259,403
Nishat Hospitality (Private) Limited - unquoted 119,999,901 (2016: 119,999,901) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2016: 100%)		1,199,999	1,199,999
Nishat International FZE - unquoted 18 (2016: 18) fully paid shares of UAE Dirhams 1,000,000 each		492,042	492,042
Advance for purchase of shares		9,070	9,070
		501,112	501,112

	Note	2017	2016
		(Rupees in thousand)	
Nishat Commodities (Private) Limited 1,000 (2016: 1,000) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2016: 100%)	14.4	10	10
Hyundai Nishat Motor (Private) Limited 6,000,000 (2016: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2016: Nil)	14.5	60,000	-
Available for sale			
Associated companies (with significant influence)			
D.G. Khan Cement Company Limited - quoted 137,574,201 (2016: 137,574,201) fully paid ordinary shares of Rupees 10 each. Equity held 31.40% (2016: 31.40%)		3,418,145	3,418,145
Nishat Paper Products Company Limited - unquoted 11,634,199 (2016: 11,634,199) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2016: 25%)	14.6	116,342	116,342
Lalpir Power Limited - quoted 109,393,555 (2016: 109,393,555) fully paid ordinary shares of Rupees 10 each. Equity held 28.80% (2016: 28.80%)	14.7	1,640,306	1,640,306
Pakgen Power Limited - quoted 102,524,728 (2016: 102,524,728) fully paid ordinary shares of Rupees 10 each. Equity held 27.55% (2016: 27.55%)	14.7	1,272,194	1,272,194
Nishat Dairy (Private) Limited - unquoted 60,000,000 (2016: 60,000,000) fully paid ordinary shares of Rupees 10 each. Equity held 12.24% (2016: 12.24%)	14.8	600,000	600,000
Nishat Energy Limited - unquoted 250,000 (2016: 250,000) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2016: 25%)		2,500	2,500
Nishat Hotels and Properties Limited - unquoted 71,062,000 (2016: 71,062,000) fully paid ordinary shares of Rupees 10 each. Equity held 7.40% (2016: 7.40%)	14.9	710,620	710,620

	Note	2017	2016
		(Rupees in thousand)	
Associated companies (others)			
MCB Bank Limited - quoted 86,681,691 (2016: 84,913,391) fully paid ordinary shares of Rupees 10 each. Equity held 7.79% (2016: 7.63%)		9,933,520	9,534,351
Adamjee Insurance Company Limited - quoted 102,809 (2016: 102,809) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2016: 0.03%)		2,774	2,774
		21,788,404	21,329,235
Less: Impairment loss recognized	14.10	(116,498)	(113,998)
Add: Fair value adjustment		38,336,416	34,183,843
		60,008,322	55,399,080

14.1 The Company has pledged its 180,585,155 (2016: 180,585,155) shares to lenders of NPL for the purpose of securing finance.

14.2 Investment in Nishat Linen (Private) Limited includes 2 shares held in the name of nominee directors of the Company.

14.3 The Company is also the beneficial owner of remaining 5,100 (2016: 5,100) shares of UAE Dirham 1,000 each of Nishat Linen Trading LLC held under Nominee Agreement dated 30 December 2010, whereby the Company has right over all dividends, interests, benefits and other distributions on liquidation. The Company through the powers given to it under Article 11 of the Memorandum of Association of the investee company, exercises full control on the management of Nishat Linen Trading LLC.

14.4 Investment in Nishat Commodities (Private) Limited includes 2 shares held in the name of nominee directors of the Company.

14.5 Investment in Hyundai Nishat Motor (Private) Limited includes 4 shares held in the name of nominee directors of the Company.

14.6 Fair value per ordinary share of Nishat Paper Products Company Limited is determined at Rupees 27.50 by an independent valuer using present value technique.

14.7 Investments in Lalpir Power Limited and Pakgen Power Limited include 550 and 500 shares respectively, held in the name of nominee director of the Company.

14.8 Fair value per ordinary share of Nishat Dairy (Private) Limited is determined at Rupees 8.455 by an independent valuer using present value technique.

14.9 Fair value per ordinary share of Nishat Hotels and Properties Limited is determined at Rupees 45.01 by an independent valuer using present value technique.

	Note	2017	2016
		(Rupees in thousand)	
14.10 Impairment loss recognized			
Balance as on 01 July		113,998	113,998
Add: Impairment loss recognized during the year	30	2,500	-
Balance as on 30 June		116,498	113,998

15 LONG TERM LOANS

	Note	2017	2016
Considered good:			
Executives - secured	15.1 & 15.2	190,814	133,518
Other employees - secured	15.2	36,988	8,348
		227,802	141,866
Less: Current portion shown under current assets	20		
Executives		50,314	40,721
Other employees		9,962	3,383
		60,276	44,104
		167,526	97,762

15.1 Reconciliation of carrying amount of loans to executives:

	2017	2016
Balance as on 01 July	133,518	120,698
Add: Disbursements	112,956	70,085
Transferred from other employees during the year	3,553	693
	250,027	191,476
Less: Repayments	59,213	57,958
Balance as on 30 June	190,814	133,518

15.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 190.814 million (2016: Rupees 133.518 million).

15.2 These represent house construction loans given to executives and other employees and are secured against balance to the credit of employees in the provident fund trust. These are recoverable in equal monthly instalments.

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.

16 LONG TERM DEPOSITS

	2017	2016
Security deposits	121,646	63,687

	Note	2017	2016
		(Rupees in thousand)	
17 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	17.1	1,723,258	928,269
Spare parts		384,241	343,474
Loose tools		3,816	2,822
		2,111,315	1,274,565
Less: Provision for slow moving, obsolete and damaged store items	17.2	4,437	5,056
		2,106,878	1,269,509

17.1 These include stores in transit of Rupees 905.454 million (2016: Rupees 96.569 million).

17.2 Provision for slow moving, obsolete and damaged store items

	Note	2017	2016
Balance as on 01 July		5,056	5,915
Less: Provision reversed during the year	31	619	859
Balance as on 30 June		4,437	5,056

	Note	2017	2016
18 STOCK IN TRADE			
Raw materials		7,433,874	5,312,509
Work-in-process	18.2	1,992,931	1,746,041
Finished goods	18.3	3,295,907	2,875,186
		12,722,712	9,933,736

18.1 Stock in trade of Rupees 526.776 million (2016: Rupees 476.569 million) is being carried at net realizable value.

18.2 This includes stock of Rupees 57.678 million (2016: Rupees 9.511 million) sent to outside parties for processing.

18.3 Finished goods include stock in transit of Rupees 558.410 million (2016: Rupees 523.636 million).

18.4 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 13.320 million (2016: Rupees 8.608 million).

	Note	2017	2016
		(Rupees in thousand)	
19 TRADE DEBTS			
Considered good:			
Secured (against letters of credit)		483,147	594,580
Unsecured:			
- Related parties	19.1 &19.3	167,860	261,957
- Others	19.2	1,594,613	1,396,832
		2,245,620	2,253,369
Considered doubtful:			
Others - unsecured	19.4	131,758	131,758
Less: Provision for doubtful debts		131,758	131,758
		-	-

19.1 This represents amounts due from following related parties:

	2017	2016
Nishat Linen (Private) Limited - subsidiary company	104,668	148,971
Nishat Hospitality (Private) Limited - subsidiary company	-	206
Nishat International FZE - subsidiary company	63,172	112,780
Nishat Developers (Private) Limited - associated company	20	-
	167,860	261,957

19.2 As at 30 June 2017, trade debts due from other than related parties of Rupees 39.925 million (2016: Rupees 106.242 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 ageing analysis of these trade debts is as follows:

	2017	2016
Upto 1 month	26,898	104,478
1 to 6 months	8,723	-
More than 6 months	4,304	1,764
	39,925	106,242

19.3 As at 30 June 2017, trade debts due from related parties amounting to Rupees 104.688 million (2016: Rupees 149.177 million) were past due but not impaired. The ageing analysis of these trade debts is as follows:

	2017	2016
Upto 1 month	104,675	149,151
1 to 6 months	13	26
More than 6 months	-	-
	104,688	149,177

19.4 As at 30 June 2017, trade debts of Rupees 131.758 million (2016: Rupees 131.758 million) were impaired and provided for. The ageing of these trade debts was more than 5 years. These trade debts do not include amounts due from related parties.

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
20 LOANS AND ADVANCES			
Considered good:			
Employees - interest free:			
– Executives		542	11
– Other employees		4,726	4,868
		5,268	4,879
Current portion of long term loans	15	60,276	44,104
Advances to suppliers		198,912	86,174
Letters of credit		1,473	716
Income tax		1,981,917	2,232,390
Other advances	20.1	5,390,153	3,743,381
		7,637,999	6,111,644
Considered doubtful:			
Others		108	108
Less: Provision for doubtful debts		108	108
		-	-
		7,637,999	6,111,644

20.1 These include amounts due from following subsidiary companies:

	2017	2016
Nishat Linen (Private) Limited	5,098,299	3,324,507
Nishat Hospitality (Private) Limited	150,000	292,000
Nishat Commodities (Private) Limited	94,783	107,784
	5,343,082	3,724,291

	2017	2016
21 SHORT TERM DEPOSITS AND PREPAYMENTS		
Deposits	1,117	1,117
Prepayments - including current portion	59,337	64,316
	60,454	65,433

	2017	2016
22 OTHER RECEIVABLES		
Considered good:		
Export rebate and claims	257,174	241,194
Duty draw back	798,376	50,403
Sales tax refundable	1,736,092	1,673,414
Fair value of forward exchange contracts	-	22,494
Miscellaneous receivables	36,643	35,587
	2,828,285	2,023,092

	Note	2017	2016
		(Rupees in thousand)	
23 ACCRUED INTEREST			
On short term loans and advances to:			
Nishat Linen (Private) Limited - subsidiary company		11,225	7,250
Nishat Hospitality (Private) Limited - subsidiary company		351	718
Nishat Commodities (Private) Limited - subsidiary company		341	523
On deposits with MCB Bank Limited - associated company		-	1,758
On term deposit receipts		-	3,413
		11,917	13,662
24 SHORT TERM INVESTMENTS			
Available for sale			
Associated company (Other)			
Security General Insurance Company Limited - unquoted 10,226,244 (2016: 10,226,244) fully paid ordinary shares of Rupees 10 each. Equity held 15.02% (2016: 15.02%)	24.1	11,188	11,188
Related party (Other)			
Nishat (Chunian) Limited - quoted 32,689,338 (2016: 32,689,338) fully paid ordinary shares of Rupees 10 each. Equity held 13.61% (2016: 13.61 %)		378,955	378,955
Others			
Alhamra Islamic Stock Fund - quoted (Formerly MCB Pakistan Islamic Stock Fund) 1,108,714 (2016: 997,990) units.		3,025	1,715
Pakistan Petroleum Limited - quoted 434,782 (2016: 434,782) fully paid ordinary shares of Rupees 10 each.		95,217	95,217
		488,385	487,075
Less: Impairment loss recognized	24.2	(30,808)	(27,804)
Add: Fair value adjustment		2,078,396	1,605,946
		2,535,973	2,065,217

24.1 Fair value per ordinary share of Security General Insurance Company Limited is determined at Rupees 76.31 by an independent valuer using present value technique.

24.2 Impairment loss recognized

	Note	2017	2016
Balance as on 01 July		27,804	23,800
Add: Impairment loss recognized during the year	30	3,004	4,004
Balance as on 30 June		30,808	27,804

		Note	2017	2016
			(Rupees in thousand)	
25	CASH AND BANK BALANCES			
	With banks:			
	On current accounts	25.1 & 25.2		
	Including US$ 87,659 (2016: US$ 329,889)		20,418	62,583
	Term deposit receipts	25.3	-	1,981,000
	On PLS saving accounts	25.4		
	Including US$ 894 (2016: US$ 896)		94	94
			20,512	2,043,677
	Cash in hand		23,433	71,491
			43,945	2,115,168

25.1 Cash at banks includes balance of Rupees 1.113 million (2016: Rupees 3.284 million) with MCB Bank Limited - associated company.

25.2 Cash at banks includes balance of Rupees 0.778 million (2016: Rupees 0.010 million) with MCB Islamic Bank Limited - related party.

25.3 These deposits of one month with banking companies have been matured and carried rate of profit ranged from 6.08% to 6.90% (2016: 6.10% to 7.10%) per annum.

25.4 Rate of profit on Pak Rupees bank deposits and US Dollar bank deposit ranges from 3.75% to 3.90% (2016: 4.25% to 5.80%) and Nil (2016: 0.01% to 0.10%) per annum respectively.

		Note	2017	2016
26	REVENUE			
	Export sales		36,712,413	35,931,078
	Local sales	26.1	7,333,545	8,470,038
	Processing income		4,187,169	3,439,346
	Export rebate		173,000	158,717
	Duty draw back		841,530	-
			49,247,657	47,999,179
	26.1 Local sales			
	Sales	26.1.1	7,441,430	8,857,958
	Less: Sales tax		107,885	387,920
			7,333,545	8,470,038

26.1.1 This includes sale of Rupees 1,988.253 million (2016: Rupees 2,600.012 million) made to direct exporters against standard purchase orders (SPOs). Further, local sales includes waste sales of Rupees 1,063.409 million (2016: Rupees 1,169.215 million).

		Note	2017	2016
			(Rupees in thousand)	
27	COST OF SALES			
	Raw materials consumed	27.1	24,885,631	24,639,552
	Processing charges		321,876	277,302
	Salaries, wages and other benefits	27.2	5,283,799	4,466,527
	Stores, spare parts and loose tools consumed		4,886,261	4,523,950
	Packing materials consumed		1,147,088	996,473
	Repair and maintenance		331,861	304,105
	Fuel and power		4,921,472	4,214,043
	Insurance		44,315	39,217
	Other factory overheads		511,219	440,740
	Depreciation	12.1.2	2,201,908	2,065,498
			44,535,430	41,967,407
	Work-in-process			
	Opening stock		1,746,041	1,530,684
	Closing stock		(1,992,931)	(1,746,041)
			(246,890)	(215,357)
	Cost of goods manufactured		44,288,540	41,752,050
	Finished goods			
	Opening stock		2,875,186	2,882,924
	Closing stock		(3,295,907)	(2,875,186)
			(420,721)	7,738
			43,867,819	41,759,788

27.1 Raw materials consumed

Opening stock	5,312,509	5,936,585
Add: Purchased during the year	27,006,996	24,015,476
	32,319,505	29,952,061
Less: Closing stock	7,433,874	5,312,509
	24,885,631	24,639,552

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 153.868 million (2016: Rupees 133.462 million) by the Company.

		Note	2017	2016
			(Rupees in thousand)	
28	DISTRIBUTION COST			
	Salaries and other benefits	28.1	373,511	349,113
	Outward freight and handling		1,123,357	926,083
	Commission to selling agents		491,017	495,921
	Fuel cost		133,833	117,456
	Travelling and conveyance		103,337	104,838
	Rent, rates and taxes		14,193	17,499
	Postage and telephone		77,809	72,149
	Insurance		20,112	20,092
	Vehicles' running		9,459	12,977
	Entertainment		7,728	7,065
	Advertisement		13	1,220
	Electricity and gas		784	553
	Printing and stationery		1,461	3,170
	Repair and maintenance		3,671	3,218
	Fee and subscription		1,215	442
	Depreciation	12.1.2	6,362	6,098
			2,367,862	2,137,894

28.1 Salaries and other benefits include provident fund contribution of Rupees 19.088 million (2016: Rupees 18.422 million) by the Company.

		Note	2017	2016
29	ADMINISTRATIVE EXPENSES			
	Salaries and other benefits	29.1	809,856	767,824
	Vehicles' running		41,259	41,857
	Travelling and conveyance		35,142	29,934
	Rent, rates and taxes		989	1,609
	Insurance		7,881	7,062
	Entertainment		22,836	24,807
	Legal and professional		27,421	22,024
	Auditors' remuneration	29.2	4,467	4,061
	Advertisement		388	717
	Postage and telephone		5,948	7,487
	Electricity and gas		3,821	4,346
	Printing and stationery		21,141	20,606
	Repair and maintenance		16,393	21,561
	Fee and subscription		3,553	4,242
	Depreciation	12.1.2	83,586	86,860
	Miscellaneous		44,040	47,409
			1,128,721	1,092,406

29.1 Salaries and other benefits include provident fund contribution of Rupees 32.733 million (2016: Rupees 32.596 million) by the Company.

	Note	2017	2016
		(Rupees in thousand)	
29.2 Auditors' remuneration			
Audit fee		3,549	3,226
Half yearly review		781	710
Reimbursable expenses		137	125
		4,467	4,061

30 OTHER EXPENSES

	Note	2017	2016
Workers' profit participation fund	7.2	192,734	301,483
Impairment loss on equity investments	14.10 & 24.2	5,504	4,004
Loss on sale of property, plant and equipment		2,224	-
Depreciation on investment properties	13	5,830	6,477
Net exchange loss		-	4,753
Donations	30.1	1,215	169
		207,507	316,886

30.1 There is no interest of any director or his spouse in donees' fund.

31 OTHER INCOME

	Note	2017	2016
Income from financial assets			
Dividend income	31.1	3,403,733	3,700,227
Profit on deposits with banks		29,531	27,609
Net exchange gain		143,040	-
Interest income on loans and advances to subsidiary companies		134,790	118,324
		3,711,094	3,846,160
Income from non-financial assets			
Gain on sale of property, plant and equipment		-	26,808
Scrap sales		114,052	124,461
Rental income		80,319	73,150
Reversal of provision for slow moving, obsolete and damaged store items	17.2	619	859
Reversal of provision for workers' welfare fund	31.2	346,655	-
Others		6,927	7,616
		548,572	232,894
		4,259,666	4,079,054

	Note	2017	2016
		(Rupees in thousand)	
31.1 Dividend income			
From related party / associated companies / subsidiary company			
Nishat (Chunian) Limited - related party		81,723	49,034
D.G. Khan Cement Company Limited - associated company		825,445	687,871
MCB Bank Limited - associated company		1,367,196	1,344,739
Adamjee Insurance Company Limited - associated company		411	309
Security General Insurance Company Limited - associated company		51,131	51,131
Nishat Paper Products Company Limited - associated company		17,451	11,634
Pakgen Power Limited - associated company		205,050	205,049
Lalpir Power Limited - associated company		218,788	218,787
Nishat Power Limited - subsidiary company		632,215	1,128,956
		3,399,410	3,697,510
Others			
Pakistan Petroleum Limited		2,826	2,717
Alhamra Islamic Stock Fund (Formerly MCB Pakistan Islamic Stock Fund)		1,497	-
		4,323	2,717
		3,403,733	3,700,227

31.2 Provisions for workers' welfare fund recognized in prior years have been reversed during the year in view of judgement of Honourable Supreme Court of Pakistan announced on 10 November 2016 declaring amendments made in Worker Welfare Ordinance, 1971 through Finance Acts 2006 and 2008 to be unlawful and ultra vires the Constitution of the Islamic Republic of Pakistan, 1973.

32 FINANCE COST

	Note	2017	2016
Mark-up on:			
Long term financing		346,821	462,445
Short term borrowings		323,605	329,014
Interest on payable to employees' provident fund trust		-	251
Interest on workers' profit participation fund	7.2	2,780	3,128
Bank charges and commission		241,866	251,383
		915,072	1,046,221

		Note	2017	2016
			(Rupees in thousand)	
33	TAXATION			
	Current	33.1	758,000	802,000

33.1 The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

33.2 Provision for deferred income tax is not required as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future except for deferred tax liability as explained in note 6.

33.3 Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of presumptive taxation.

34 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2017	2016
Profit attributable to ordinary shareholders	(Rupees in thousand)	4,262,342	4,923,038
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	12.12	14.00

		Note	2017	2016
			(Rupees in thousand)	
35	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		5,020,342	5,725,038
	Adjustments for non-cash charges and other items:			
	Depreciation		2,300,135	2,166,357
	Loss / (gain) on sale of property, plant and equipment		2,224	(26,808)
	Dividend income		(3,403,733)	(3,700,227)
	Impairment loss on equity investments		5,504	4,004
	Net exchange (gain) / loss		(143,040)	4,753
	Interest income on loans and advances to subsidiary companies		(134,790)	(118,324)
	Finance cost		915,072	1,046,221
	Reversal of provision for slow moving, obsolete and damaged store items		(619)	(859)
	Reversal of provision for workers' welfare fund	31.2	(346,655)	-
	Working capital changes	35.1	(4,129,076)	1,695,503
			85,364	6,795,658

	2017	2016
	(Rupees in thousand)	
35.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(836,750)	67,113
- Stock in trade	(2,788,976)	416,457
- Trade debts	76,434	807,669
- Loans and advances	(141,885)	(558)
- Short term deposits and prepayments	4,979	(20,584)
- Other receivables	(822,516)	(450,850)
	(4,508,714)	819,247
Increase in trade and other payables	379,638	876,256
	(4,129,076)	1,695,503

36 EVENTS AFTER THE REPORTING PERIOD

36.1 The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2017 of Rupees 5.00 per share (2016: Rupees 5.00 per share) at their meeting held on 25 September 2017.The Board of Directors also proposed to transfer Rupees 2,504 million (2016: Rupees 3,165 million) from un-appropriated profit to general reserve. 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 financial statements.

36.2 Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 7.5% of accounting profit before tax of the Company if it does not distribute at least 40% of its after tax profit for the year within six months of the end of the year ended 30 June 2017 through cash or bonus shares. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on 25 September 2017 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, Director and Executives of the Company is as follows:

	Chief Executive Officer		Director		Executives	
	2017	2016	2017	2016	2017	2016
	--------------------(Rupees in thousand)------------------					
Managerial remuneration	24,486	20,071	10,228	7,714	645,505	537,945
Allowances						
Cost of living allowance	-	-	1	1	1,923	1,674
House rent	8,791	8,028	288	288	168,859	148,842
Conveyance	-	-	-	-	766	785
Medical	2,197	2,007	848	768	52,229	44,033
Utilities	-	-	3,063	2,747	74,938	65,406
Special allowance	-	-	2	2	1,092	891
Contribution to provident fund trust	-	-	810	733	53,696	42,420
Leave encashment	-	-	-	-	20,799	15,968
	35,474	30,106	15,240	12,253	1,019,807	857,964
Number of persons	1	1	1	1	495	419

37.1 Chief Executive Officer, one Director and certain executives of the Company are provided with Company maintained vehicles and certain executives are also provided with free housing facility alongwith utilities.

37.2 Aggregate amount charged in the financial statements for meeting fee to four Directors (2016: one Director) was Rupees 0.682 million (2016: Rupees 0.375 million).

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

38 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2017	2016
	(Rupees in thousand)	
Subsidiary companies		
Investment made	60,000	10
Dividend income	632,215	1,128,956
Purchase of goods and services	453,982	851,491
Sale of goods and services	4,979,733	4,130,009
Interest income	134,790	118,324
Rental income	46,719	42,091
Short term loans made	21,792,896	15,509,708
Repayment of short term loans made	20,174,125	15,556,374
Associated companies		
Investment made	399,169	632,379
Purchase of goods and services	124,508	58,449
Sale of goods	336	315
Rental income	650	605
Sale of operating fixed assets	79	-
Dividend income	2,685,472	2,519,520
Dividend paid	158,463	141,968
Insurance premium paid	147,693	109,221
Insurance claims received	32,539	21,060
Profit on term deposit receipt	11,059	1,758
Finance cost	4,929	2,388
Other related parties		
Dividend income	81,723	49,034
Purchase of goods and services	1,454,116	808,647
Sale of goods and services	43,143	28,486
Sale of operating fixed assets	-	9,750
Company's contribution to provident fund trust	205,689	184,772

39 PROVIDENT FUND RELATED DISCLOSURES

The Company operates defined contribution provident fund maintained for its permanent employees and the employees of a Group company. The following information is based on audited financial statements of the provident fund:

	2017	2016
	(Rupees in thousand)	
Size of fund - total assets	4,642,647	4,145,105
Cost of investments out of provident fund trust	3,460,986	2,837,307
Fair value of investments out of provident fund trust	4,253,661	3,797,964
Percentage of investments out of provident fund trust	91.62%	91.63%

39.1 The break-up of cost of investments is as follows:

	2017	2016	2017	2016
	(Percentage)		(Rupees in thousand)	
Investment in listed debt securities	0.00%	0.00%	-	-
Investment in listed equity securities	25.61%	31.24%	886,478	886,478
Investment in listed debt collective investment schemes	74.38%	51.47%	2,574,342	1,460,236
Investment in listed equity collective investment schemes	0.00%	1.70%	-	48,364
Investment in Government securities	0.00%	1.74%	-	49,343
Bank balances	0.01%	13.85%	166	392,886
	100%	100%	3,460,986	2,837,307

39.2 As at the reporting date, the Nishat Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the rules formulated for this purpose in terms of SRO 770(1)/2016 issued by Securities and Exchange Commission of Pakistan on 17 August 2016 which allows transition period of two years for bringing the Employees Provident Fund Trust in conformity with the requirements of rules.

40 NUMBER OF EMPLOYEES

	2017	2016
Number of employees as on June 30	19,005	18,747
Average number of employees during the year	19,104	17,882

41 SEGMENT INFORMATION

	Spinning						Weaving				Dyeing		Home Textile		Garments				Power Generation		Elimination of Inter-segment transactions		Total Company	
	Faisalabad I		Faisalabad II		Feroze Wattwan		Bhikki		Lahore						I		II							
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)																							
Revenue																								
External	7,260,539	7,812,714	-	-	3,294,947	3,434,222	8,453,904	8,247,514	2,986,586	3,205,304	12,662,698	13,824,325	9,197,823	7,355,298	4,379,132	4,032,632	993,872	69,982	18,156	17,188	-	-	49,247,657	47,999,179
Intersegment	2,398,399	2,478,790	-	-	931,617	1,059,204	5,900,393	5,509,029	2,788,462	2,198,991	1,141,771	804,847	735,056	826,789	52,972	10,437	57,777	115,507	5,383,838	4,587,257	(19,390,285)	(17,590,851)	-	-
	9,658,938	10,291,504	-	-	4,226,564	4,493,426	14,354,297	13,756,543	5,775,048	5,404,295	13,804,469	14,629,172	9,932,879	8,182,087	4,432,104	4,043,069	1,051,649	185,489	5,401,994	4,604,445	(19,390,285)	(17,590,851)	49,247,657	47,999,179
Cost of sales	(9,199,049)	(9,845,980)	-	-	(4,009,284)	(4,193,195)	(13,087,192)	(12,541,307)	(5,397,024)	(5,056,317)	(12,176,215)	(12,321,739)	(8,571,009)	(6,989,815)	(4,094,491)	(3,619,696)	(1,324,907)	(181,435)	(5,398,933)	(4,601,155)	19,390,285	17,590,851	(43,867,819)	(41,759,788)
Gross profit / (loss)	459,889	445,524	-	-	217,280	300,231	1,267,105	1,215,236	378,024	347,978	1,628,254	2,307,433	1,361,870	1,192,272	337,613	423,373	(273,258)	4,054	3,061	3,290	-	-	5,379,838	6,239,391
Distribution cost	(228,630)	(218,284)	-	-	(88,294)	(99,036)	(402,901)	(379,662)	(127,503)	(129,422)	(636,866)	(624,011)	(468,645)	(403,628)	(363,659)	(282,557)	(51,335)	(1,292)	(29)	(2)	-	-	(2,367,862)	(2,137,894)
Administrative expenses	(202,194)	(209,312)	-	-	(67,894)	(64,135)	(171,851)	(168,040)	(89,812)	(89,905)	(204,932)	(208,168)	(209,158)	(181,834)	(95,358)	(102,192)	(31,858)	(4,762)	(55,664)	(64,058)	-	-	(1,128,721)	(1,092,406)
	(430,824)	(427,596)	-	-	(156,188)	(163,171)	(574,752)	(547,702)	(217,315)	(219,327)	(841,798)	(832,179)	(677,803)	(585,462)	(459,017)	(384,749)	(83,193)	(6,054)	(55,693)	(64,060)	-	-	(3,496,583)	(3,230,300)
Profit / (loss) before taxation and unallocated income and expenses	29,065	17,928	-	-	61,092	137,060	692,353	667,534	160,709	128,651	786,456	1,475,254	684,067	606,810	(121,404)	38,624	(356,451)	(2,000)	(52,632)	(60,770)	-	-	1,883,255	3,009,091
Unallocated income and expenses																								
Other expenses																							(207,507)	(316,886)
Other income																							4,259,666	4,079,054
Finance cost																							(915,072)	(1,046,221)
Taxation																							(758,000)	(802,000)
Profit after taxation																							4,262,342	4,923,038

41.1 Reconciliation of reportable segment assets and liabilities

	Spinning						Weaving				Dyeing		Home Textile		Garments				Power Generation		Total Company	
	Faisalabad I		Faisalabad II		Feroze Wattwan		Bhikki		Lahore						I		II					
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)																					
Total assets for reportable segments	5,246,925	5,101,420	2,226,310	-	6,573,091	6,131,241	5,388,974	5,158,631	1,001,029	1,043,317	6,052,518	5,577,425	7,483,326	5,396,834	2,059,565	1,816,734	2,590,105	1,943,239	7,513,802	6,646,771	46,135,645	38,815,612
Unallocated assets:																						
Long term investments																					60,008,322	55,399,080
Short term investments																					2,535,973	2,065,217
Other receivables																					2,828,285	2,023,092
Cash and bank balances																					43,945	2,115,168
Other corporate assets																					7,173,741	6,181,050
Total assets as per balance sheet																					118,725,911	106,599,219
Total liabilities for reportable segments	658,522	576,547	32,220	-	67,385	101,081	467,615	477,581	124,158	157,231	468,085	531,458	765,205	802,069	309,785	293,277	250,650	123,833	2,084,308	1,662,330	5,227,933	4,725,407
Unallocated liabilities:																						
Deferred income tax liability																					783,292	261,567
Provision for taxation																					1,195,636	1,245,400
Other corporate liabilities																					22,756,254	18,211,690
Total liabilities as per balance sheet																					29,963,115	24,444,064

41.2 Geographical information

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

	2017	2016
	(Rupees In thousand)	
Europe	13,799,308	12,504,096
Asia, Africa and Australia	18,331,288	19,587,109
United States of America and Canada	5,596,347	3,998,590
Pakistan	11,520,714	11,909,384
	49,247,657	47,999,179

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

41.4 Revenue from major customers

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

		2017	2016
		(Figures in thousand)	
42 PLANT CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100 % plant capacity converted to 20s count based on 3 shifts per day for 1,095 shifts (2016: 1,098 shifts)	(Kgs.)	77,455	78,568
Actual production converted to 20s count based on 3 shifts per day for 1,095 shifts (2016: 1,098 shifts)	(Kgs.)	67,633	68,406
Weaving			
100 % plant capacity at 50 picks based on 3 shifts per day for 1,095 shifts (2016: 1,098 shifts)	(Sq.Mtr.)	298,257	300,060
Actual production converted to 50 picks based on 3 shifts per day for 1,095 shifts (2016: 1,098 shifts)	(Sq.Mtr.)	283,004	287,850
Dyeing and Finishing			
Production capacity for 3 shifts per day for 1,095 shifts (2016: 1,098 shifts)	(Mtr.)	54,000	54,000
Actual production on 3 shifts per day for 1,095 shifts (2016: 1,098 shifts)	(Mtr.)	48,364	50,986
Power Plant			
Generation capacity	(MWH)	799	775
Actual generation	(MWH)	396	383

Processing, Stitching and Apparel

The plant capacity of these divisions are indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

42.1 Reason for low production

Under utilization of available capacity for spinning, weaving, dyeing and finishing is mainly due to normal maintenance. Actual power generation in comparison to installed is low due to periodical, scheduled and unscheduled maintenance and low demand.

43 FINANCIAL RISK MANAGEMENT

43.1 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), Arab Emirates Dirham (AED) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2017	2016
Cash at banks - USD	88,553	330,785
Trade debts - USD	13,060,978	11,248,718
Trade debts - Euro	987,388	1,021,991
Trade debts - AED	2,418,810	3,964,146
Trade and other payables - USD	(1,286,749)	(1,059,090)
Trade and other payables - Euro	(222,468)	(182,684)
Trade and other payables - AED	(44,319)	-
Net exposure - USD	11,862,782	10,520,413
Net exposure - Euro	764,920	839,307
Net exposure - AED	2,374,491	3,964,146

The following significant exchange rates were applied during the year:

	2017	2016
Rupees per US Dollar		
Average rate	104.55	104.29
Reporting date rate	104.80	104.50
Rupees per Euro		
Average rate	114.17	115.31
Reporting date rate	119.91	116.08
Rupees per AED		
Average rate	28.47	28.40
Reporting date rate	28.53	28.45

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and AED with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 58.369 million higher / lower (2016: Rupees 51.080 million higher / lower), Rupees 4.298 million (2016:Rupees 4.462 million) higher / lower and Rupees 3.183 million (2016: Rupees 5.301 million) higher / lower 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 instruments traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

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

Index	Impact on profit after taxation		Impact on statement of other comprehensive income (fair value reserve)	
	2017	2016	2017	2016
	---- (Rupees in thousand) ----			
PSX 100 (5% increase)	3,220	3,371	2,678,410	2,544,586
PSX 100 (5% decrease)	(3,220)	(3,371)	(2,678,410)	(2,544,586)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as available for sale.

iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, short term borrowings, term deposit receipts, bank balances in saving accounts and loans and advances to subsidiary companies. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2017	2016
	(Rupees in thousand)	
Fixed rate instruments		
Financial liabilities		
Long term financing	4,298,318	1,826,578
Short term borrowings	12,009,969	9,993,000
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	94	94
Term deposit receipts	-	1,981,000
Loans and advances to subsidiary companies	5,343,082	3,724,291
Financial liabilities		
Long term financing	3,040,335	4,783,646
Short term borrowings	2,687,424	482,657

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 balance sheet 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 3.654 million (2016: Rupees 4.171 million higher / lower) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet 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:

Investments	58,452,293	53,432,293
Loans and advances	5,623,223	3,890,126
Deposits	122,763	64,804
Trade debts	2,245,620	2,253,369
Other receivables	36,643	58,081
Accrued interest	11,917	13,662
Bank balances	20,512	2,043,677
	66,512,971	61,756,012

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			2017	2016
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	2,453	6,960
Allied Bank Limited	A1+	AA+	PACRA	1,874	13,920
Askari Bank Limited	A1+	AA+	PACRA	40	55
Bank Alfalah Limited	A1+	AA+	PACRA	71	9,339
Faysal Bank Limited	A1+	AA	PACRA	5	255
Habib Bank Limited	A-1+	AAA	JCR-VIS	371	880,369
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,296	14,288
JS Bank Limited	A1+	AA-	PACRA	-	400,043
MCB Bank Limited	A1+	AAA	PACRA	1,113	3,284
NIB Bank Limited	A1+	AA -	PACRA	204	190
Samba Bank Limited	A-1	AA	JCR-VIS	150	98
Silkbank Limited	A-2	A -	JCR-VIS	2,194	167
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	160	7,749
United Bank Limited	A-1+	AAA	JCR-VIS	141	141
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	271	293
Deutsche Bank AG	P-2	A3	Moody’s	-	134
Bank Islami Pakistan Limited	A1	A+	PACRA	89	348
Meezan Bank Limited	A-1+	AA	JCR-VIS	7,405	4,071
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	328	443
The Bank of Punjab	A1+	AA	PACRA	220	96
Soneri Bank Limited	A1+	AA-	PACRA	74	138
Summit Bank Limited	A-1	A-	JCR-VIS	269	280
Industrial and Commercial Bank of China	P-1	A1	Moody’s	6	6
PAIR Investment Company Limited	A1+	AA	PACRA	-	200,000
MCB Islamic Bank Limited	A1	A	PACRA	778	501,010
				20,512	2,043,677
Investments					
Adamjee Insurance Company Limited		AA+	PACRA	7,028	5,157
Security General Insurance Company Limited		AA-	JCR-VIS	780,365	829,348
Alhamra Islamic Stock Fund (Formerly MCB Pakistan Islamic Stock Fund)	3 Star	4 Star	PACRA	13,582	10,599
Nishat (Chunian) Limited	A-2	A-	JCR-VIS	1,677,617	1,157,856
MCB Bank Limited	A1+	AAA	PACRA	18,240,428	18,682,644
Pakistan Petroleum Limited		Unknown	-	64,409	67,413
D.G. Khan Cement Company Limited		Unknown	-	29,325,317	26,206,509
Pakgen Power Limited	A1+	AA	PACRA	2,073,050	2,465,720
Lalpir Power Limited	A1+	AA	PACRA	2,244,756	2,373,840
Nishat Paper Products Company Limited		Unknown	-	319,940	410,687
Nishat Energy Limited		Unknown	-	-	2,500
Nishat Hotels and Properties Limited	A2	A-	PACRA	3,198,501	710,620
Nishat Dairy (Private) Limited		Unknown	-	507,300	509,400
				58,452,293	53,432,293
				58,472,805	55,475,970

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, the management does not expect non-performance by these counterparties 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 2017, the Company had Rupees 19,546.607 million (2016: Rupees 21,365.343 million) available borrowing limits from financial institutions and Rupees 43.945 million (2016: Rupees 2,115.168 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 2017

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	------------------------------------ (Rupees in thousand)					-----------------------------------
Non-derivative financial liabilities:						
Long term financing	7,338,653	7,849,390	1,155,841	1,180,744	2,104,254	3,408,551
Trade and other payables	5,093,198	5,093,198	5,093,198	-	-	-
Short term borrowings	14,697,393	14,953,191	13,752,607	1,200,584	-	-
Accrued mark-up	110,751	110,751	110,751	-	-	-
	27,239,995	28,006,530	20,112,397	2,381,328	2,104,254	3,408,551

Contractual maturities of financial liabilities as at 30 June 2016

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 Years
	------------------------------------ (Rupees in thousand)					-----------------------------------
Non-derivative financial liabilities:						
Long term financing	6,610,224	7,257,737	1,138,403	1,171,488	2,309,769	2,638,077
Trade and other payables	4,552,563	4,552,563	4,552,563	-	-	-
Short term borrowings	10,475,657	10,790,100	10,633,979	156,121	-	-
Accrued mark-up	113,320	113,320	113,320	-	-	-
	21,751,764	22,713,720	16,438,265	1,327,609	2,309,769	2,638,077

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 30 June. The rates of interest / mark up have been disclosed in note 5 and note 9 to these financial statements.

43.2 Financial instruments by categories

	Loans and receivables	Available for sale	Total
	(Rupees in thousand)		
As at 30 June 2017			
Assets as per balance sheet			
Investments	-	58,452,293	58,452,293
Loans and advances	5,623,223	-	5,623,223
Deposits	122,763	-	122,763
Trade debts	2,245,620	-	2,245,620
Other receivables	36,643	-	36,643
Accrued interest	11,917	-	11,917
Cash and bank balances	43,945	-	43,945
	8,084,111	58,452,293	66,536,404

	Financial liabilities at amortized cost
	(Rupees in thousand)
Liabilities as per balance sheet	
Long term financing	7,338,653
Accrued mark-up	110,751
Short term borrowings	14,697,393
Trade and other payables	5,093,198
	27,239,995

	Loans and receivables	Available for sale	Total
	(Rupees in thousand)		
As at 30 June 2016			
Assets as per balance sheet			
Investments	-	53,432,293	53,432,293
Loans and advances	3,890,126	-	3,890,126
Deposits	64,804	-	64,804
Trade debts	2,253,369	-	2,253,369
Other receivables	58,081	-	58,081
Accrued interest	13,662	-	13,662
Cash and bank balances	2,115,168	-	2,115,168
	8,395,210	53,432,293	61,827,503

	Financial liabilities at amortized cost
	(Rupees in thousand)
Liabilities as per balance sheet	
Long term financing	6,610,224
Accrued mark-up	113,320
Short term borrowings	10,475,657
Trade and other payables	4,552,563
	21,751,764

43.3 Offsetting financial assets and financial liabilities

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

43.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, and short term borrowings obtained by the Company as referred to in note 5 and note 9 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The Company's Strategy, which was unchanged from last year.

		2017	2016
Borrowings	Rupees in thousand	22,036,046	17,085,881
Total equity	Rupees in thousand	88,762,796	82,155,155
Total capital employed	Rupees in thousand	110,798,842	99,241,036
Gearing ratio	Percentage	19.89	17.22

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

44 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2017	Level 1	Level 2	Level 3	Total
	-------------------- (Rupees in thousand) --------------------			
Financial assets				
Available for sale financial assets	53,632,605	13,582	4,806,106	58,452,293
Total financial assets	53,632,605	13,582	4,806,106	58,452,293
Financial liabilities				
Derivative financial liabilities	-	27,536	-	27,536
	-	27,536	-	27,536

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	-------------------- (Rupees in thousand) --------------------			
Financial assets				
Available for sale financial assets	50,959,140	10,599	2,460,056	53,429,795
Derivative financial assets	-	22,494	-	22,494
Total financial assets	50,959,140	33,093	2,460,056	53,452,289
Financial liabilities				
Derivative financial liabilities	-	827	-	827
	-	827	-	827

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

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

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

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

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

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

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 30 June 2017 and 30 June 2016:

	Unlisted equity securities (Rupees in thousand)
Balance as on 01 July 2015	2,150,001
Add: Investment made during the year	210,620
Add : Surplus recognized in other comprehensive income	99,435
Balance as on 30 June 2016	2,460,056
Add : Surplus recognized in other comprehensive income	2,346,050
Balance as on 30 June 2017	4,806,106

iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2017	Fair value at 30 June 2016	Unobservable inputs	Range of inputs (probability-weighted average) 30 June 2017	Relationship of unobservable inputs to fair value
	(Rupees in thousand)				
Available for sale financial assets:					
Nishat Paper Products Company Limited	319,940	410,687	Revenue growth factor Risk adjusted discount rate	12.50% 16.38%	Increase / decrease in revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 44.792 million / - 39.324 million.
Nishat Dairy (Private) Limited	507,300	509,400	Terminal growth factor Risk adjusted discount rate	4% 15.46%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 81.780 million / - 58.260 million.
Security General Insurance Company Limited	780,365	829,348	Net premium revenue growth factor Risk adjusted discount rate	8% 17.49%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +49.393 million / - 43.973 million.
Nishat Hotels and Properties Limited	3,198,501	710,620	Terminal growth factor Risk adjusted discount rate	4% 8.60%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 2,981 million / - 1,190 million.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuers perform the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuers report directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the valuation team at least once every six month, in line with the Company's half yearly reporting periods.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each half yearly reporting period during the valuation discussion between the Chief Financial Officer and the independent valuers. As part of this discussion the independent valuers present a report that explains the reason for the fair value movements.

45 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2017	Level 1	Level 2	Level 3	Total
	-------------------- (Rupees in thousand) --------------------			
Investment properties	-	1,688,261	-	1,688,261
Total non-financial assets	-	1,688,261	-	1,688,261

At 30 June 2016	Level 1	Level 2	Level 3	Total
	-------------------- (Rupees in thousand) --------------------			
Investment properties	-	1,543,346	-	1,543,346
Total non-financial assets	-	1,543,346	-	1,543,346

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

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

ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's investment properties at the end of every financial year. As at 30 June 2017, the fair values of the investment properties have been determined by Al-Hadi Financial & Legal Consultants.

Changes in fair values are analysed at the end of each year during the valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

46 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

46.1

Description	Note	2017 Carried under Non-Shariah arrangements	2017 Carried under Shariah arrangements	2016 Carried under Non-Shariah arrangements	2016 Carried under Shariah arrangements
		(Rupees in thousand)			
Assets					
Loans and advances					
Loans to employees	15	97,753	130,049	26,255	115,611
Other advances					
Loans to subsidiary companies	20.1	5,343,082	-	3,724,291	-
Deposits					
Deposits	16 and 21	-	122,763	-	64,804
Bank balances	25	9,664	10,848	1,537,504	506,173
Liabilities					
Loan and advances					
Long term financing	5	4,946,603	2,392,050	2,975,216	3,635,008
Short term borrowings	9	10,942,393	3,755,000	9,225,657	1,250,000
Income					
Profit on deposits with banks	31	15,889	13,642	25,851	1,758
Other comprehensive income					
Unrealized gain / (loss) on investments	4.1	5,146,777	(521,754)	(2,305,732)	4,991,330

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
46.2 Dividend income earned from	31.1		
D.G. Khan Cement Company Limited		825,445	687,871
MCB Bank Limited		1,367,196	1,344,739
Nishat (Chunian) Limited		81,723	49,034
Security General Insurance Company Limited		51,131	51,131
Adamjee Insurance Company Limited		411	309
Pakgen Power Limited		205,050	205,049
Lalpir Power Limited		218,788	218,787
Nishat Power Limited		632,215	1,128,956
Pakistan Petroleum Limited		2,826	2,717
Nishat Paper Products Company Limited		17,451	11,634
Alhamra Islamic Stock Fund (Formerly MCB Pakistan Islamic Stock Fund)		1,497	-
		3,403,733	3,700,227

	Note	2017	2016
		(Rupees in thousand)	
46.3 Sources of other income	31		
Dividend income		3,403,733	3,700,227
Profit on deposits with banks		29,531	27,609
Gain on sale of property, plant and equipment		-	26,808
Net exchange gain		143,040	-
Interest income on loans and advances to subsidiary companies		134,790	118,324
Scrap sales		114,052	124,461
Rental income		80,319	73,150
Reversal of provision for slow moving, obsolete and damaged store items		619	859
Reversal of provision for workers' welfare fund		346,655	-
Others:			
Service fee		-	3,630
Licence fee		4,041	3,673
Interest income		2,886	313
		4,259,666	4,079,054
46.4 Exchange gain / (loss)			
Earned from actual currency		170,576	(26,419)
Earned from derivative financial instruments		(27,536)	21,666
46.5 Revenue (external) from different business segments	41		
Spinning:			
- Faisalabad - I		7,260,539	7,812,714
- Feroze Wattwan		3,294,947	3,434,222
Weaving:			
- Bhikki		8,453,904	8,247,514
- Lahore		2,986,586	3,205,304
Dyeing		12,662,698	13,824,325
Home Textile		9,197,823	7,355,298
Garments:			
- I		4,379,132	4,032,632
- II		993,872	69,982
Power Generation		18,156	17,188
		49,247,657	47,999,179

46.6 Relationship with banks

Name	Relationship	
	Non Islamic window operations	Islamic window operations
National Bank of Pakistan	✔	–
Allied Bank Limited	✔	–
Askari Bank Limited	✔	–
Bank Alfalah Limited	✔	–
Faysal Bank Limited	✔	–
Habib Bank Limited	✔	✔
Habib Metropolitan Bank Limited	✔	–
JS Bank Limited	✔	–
MCB Bank Limited	✔	–
NIB Bank Limited	✔	–
Samba Bank Limited	✔	–
Silk Bank Limited	✔	–
Standard Chartered Bank (Pakistan) Limited	✔	✔
United Bank Limited	✔	–
Al-Baraka Bank (Pakistan) Limited	–	✔
Citibank N.A.	✔	–
Bank Islami Pakistan Limited	–	✔
Meezan Bank Limited	–	✔
Dubai Islamic Bank Pakistan Limited	–	✔
The Bank of Punjab	✔	–
Soneri Bank Limited	✔	–
Summit Bank Limited	✔	–
Industrial and Commercial Bank of China	✔	–
MCB Islamic Bank Limited	–	✔
Saudi Pak Commercial Bank Limited	✔	–
Pak Brunei Investment Company Limited	✔	–
Pakistan Kuwait Investment Company (Private) Limited	✔	–

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 September 2017 by the Board of Directors of the Company.

48 CORRESPONDING FIGURES

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

49 GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER　　DIRECTOR