

Nishat (Chunian) Limited



INTERIM FINANCIAL INFORMATION
Quarter Ended 30 September 2012
(Unaudited)



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Company Information

Board of Directors:	Mr. Shahzad Saleem Ms. Farhat Saleem Mr. Yahya Saleem Mr. Manzoor Ahmed Mr. Aftab Ahmad Khan Mr. Mushtaq Ahmad Mr. Manzar Mushtaq	Chief Executive/Chairman Nominee NIT
Audit Committee:	Mr. Aftab Ahmad Khan Mr. Shahzad Saleem Mr. Manzar Mushtaq	Chairman Member Member
HR&R Committee:	Mr. Mushtaq Ahmad Mr. Shahzad Saleem Mr. Manzar Mushtaq	Chairman Member Member
Company Secretary & CFO:	Mr. Ahmad Subhani	
Head of Internal Audit:	Mr. Saqib Riaz	
Bankers to the Company:	Allied Bank Limited Askari Bank Limited Al Baraka Bank (Pakistan) Limited Bank Alfalah Limited Barclays Bank plc, Pakistan Bank Islami Pakistan Limited Bank AlHabib Limited Burj Bank Limited Citibank N.A. Deutsche Bank AG Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited HSBC Bank Middle East Limited Habib Metropolitan Bank Limited JS Bank Limited KASB Bank Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Pak Brunei Investment Company Limited Pak Kuwait Investment Company (Private) Limited Standard Chartered Bank Pakistan Limited Saudi Pak Industrial and Agriculture Investment Company Limited SAMBA Bank Limited Summit Bank Limited Soneri Bank Limited The Bank of Punjab United Bank Limited	
Auditors:	Riaz Ahmad & Company Chartered Accountants	
Registered & Head Office:	31-Q, Gulberg-II, Lahore, Pakistan. Phone : 35761730-39 Fax : 35878696-97 Web : http://nishat.net & www.nishatchunian.com	
Share Registrar:	Hameed Majeed Associates (Pvt) Limited 1st Floor, H.M. House 7-Bank Square, Lahore Ph: 042 37235081-2 Fax: 042 37358817	
Mills:	Spinning 1, 4 & 5 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Chunian, District Kasur. Dyeing & Printing 4th Kilometre, Manga Road, Raiwind.	Spinning 2, 3 & Weaving 49th Kilometre, Multan Road, Kamogal, Tehsil Pattoki, District Kasur.



Directors' Report

We are pleased to present the un-audited financial information of Nishat (Chunian) Limited for the quarter ended 30 September 2012. Sales during the quarter of your Company were Rs. 4,726 million as compared to Rs. 4,135 million during the corresponding quarter. During the quarter your Company's gross profit margin has significantly increased from 8.72% in the corresponding quarter to 17.59% in the current quarter. Increase is mainly due to the better profitability of the Spinning division where gross profit margins have significantly increased from 6.07% in the corresponding quarter to 18.03% in the current quarter. Net profit for the current quarter is Rs. 375 million as compared to a net loss of Rs. 86 million in the corresponding quarter.

Due to the increasing volumes of export sales in Spinning through the growing Chinese market, and stable cotton prices, your Company's Directors have approved an investment in a new state of the art automated spinning unit with a capacity of 22,000 spindles, for which land has been purchased in the current quarter and construction of the plant will begin in due course. Your Company has also, during the current quarter, initiated acquisition of assets of Taj Textile Mills Limited related to spinning production. To combat the energy crisis and reduce reliance on expensive fossil fuels, your Company has invested in a grid station of 14MW, whose construction is under progress and is expected to be commissioned by December 2012. Your Company's subsidiary, Nishat Chunian Power Limited has announced a dividend of Rs 2 per share for the year ended 30 June 2012, is pending approval at the AGM and will result in income of Rs. 375 million in the next quarter. Due to the expected dividend income and the growing profitability specifically in spinning division, your Company expects improved profitability in the rest of the year as compared to the previous year.

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

On behalf of the Board

Shahzad Saleem
Chief Executive/Chairman

Lahore: 25 October 2012



Unconsolidated Condensed Interim Balance Sheet

	Note	Un-audited 30 September 2012 Rupees	Audited 30 June 2012 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	<u>1,950,000,000</u>	<u>1,950,000,000</u>
Issued, subscribed and paid up share capital	6	1,654,418,440	1,654,418,440
Reserves		<u>4,795,902,787</u>	<u>4,420,575,587</u>
Total equity		6,450,321,227	6,074,994,027
NON-CURRENT LIABILITIES			
Long term financing	7	3,609,687,844	3,985,589,955
CURRENT LIABILITIES			
Trade and other payables		1,278,176,488	1,105,047,161
Accrued mark-up		112,562,516	144,471,269
Short term borrowings	8	5,344,669,097	5,349,510,524
Current portion of non-current liabilities		<u>1,170,008,439</u>	<u>1,023,341,772</u>
		<u>7,905,416,540</u>	<u>7,622,370,726</u>
TOTAL LIABILITIES		11,515,104,384	11,607,960,681
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u><u>17,965,425,611</u></u>	<u><u>17,682,954,708</u></u>

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

Chief Executive



as at 30 September 2012

	Note	Un-audited 30 September 2012 Rupees	Audited 30 June 2012 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	6,443,078,357	6,076,549,160
Investment in subsidiary company		1,875,858,200	1,875,858,200
Long term loans to employees		3,058,486	3,365,003
Long term security deposits		2,286,909	2,286,909
		<u>8,324,281,952</u>	<u>7,958,059,272</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		585,003,247	523,273,790
Stock-in-trade		4,707,226,120	4,010,713,332
Trade debts		2,940,321,370	3,027,856,152
Loans and advances		219,527,644	172,732,886
Short term loan to subsidiary company		-	1,132,500,000
Short term prepayments		12,199,557	266,428
Accrued interest		3,225,126	5,965,255
Other receivables		854,112,055	771,096,062
Short term investments		238,690,648	32,494,520
Cash and bank balances		80,837,892	47,997,011
		<u>9,641,143,659</u>	<u>9,724,895,436</u>
TOTAL ASSETS		<u><u>17,965,425,611</u></u>	<u><u>17,682,954,708</u></u>

Director



Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the Quarter Ended 30 September 2012

	Note	Quarter Ended	
		30 September 2012	30 September 2011
		Rupees	Rupees
SALES		4,726,432,223	4,134,657,346
COST OF SALES	11	3,895,015,567	3,774,190,532
GROSS PROFIT		831,416,656	360,466,814
DISTRIBUTION COST		118,554,666	115,315,325
ADMINISTRATIVE EXPENSES		35,536,018	29,276,198
OTHER OPERATING EXPENSES		23,248,371	1,265,000
		177,339,055	145,856,523
		654,077,601	214,610,291
OTHER OPERATING INCOME		69,680,538	58,720,274
PROFIT FROM OPERATIONS		723,758,139	273,330,565
FINANCE COST		301,768,819	318,039,695
PROFIT / (LOSS) BEFORE TAXATION		421,989,320	(44,709,130)
PROVISION FOR TAXATION		46,662,120	41,179,944
PROFIT / (LOSS) AFTER TAXATION		375,327,200	(85,889,074)
EARNINGS / (LOSS) PER SHARE - BASIC		2.27	(0.53)
EARNINGS / (LOSS) PER SHARE - DILUTED		2.27	(0.52)

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

Chief Executive

Director



Unconsolidated Condensed Interim Statement Of Comprehensive Income (Un-audited)

For the Quarter Ended 30 September 2012

	Quarter Ended	
	30 September 2012	30 September 2011
	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	375,327,200	(85,889,074)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>375,327,200</u>	<u>(85,889,074)</u>

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

Chief Executive

Director



Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended 30 September 2012

	Note	Quarter Ended	
		30 September 2012	30 September 2011
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	195,554,925	1,621,059,433
Long term deposits - net		-	(914,467)
Long term loans to employees		306,517	881,553
Finance cost paid		(333,677,572)	(350,246,162)
Taxes paid		(44,393,480)	(102,384,948)
		(377,764,535)	(452,664,024)
Net cash (used in) / from operating activities		(182,209,610)	1,168,395,409
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(497,056,544)	(54,199,500)
Proceeds from sale of property, plant and equipment		1,333,094	4,604,175
Short term loan given to subsidiary company		(560,000,000)	(545,000,000)
Repayment of short term loan by subsidiary company		1,692,500,000	545,000,000
Short term investment made		(206,000,000)	-
Mark-up income received		18,350,811	176,868
Net cash from / (used in) investing activities		449,127,361	(49,418,457)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(229,235,443)	(363,732,203)
Short term borrowings - net		(4,841,427)	(745,150,575)
Net cash used in financing activities		(234,076,870)	(1,108,882,778)
NET INCREASE IN CASH AND CASH EQUIVALENTS		32,840,881	10,094,174
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		47,997,011	135,023,284
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		80,837,892	145,117,458

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

Chief Executive

Director



Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the Quarter Ended 30 September 2012

	Share Capital		Total	Reserves		Total Equity	
	Ordinary Shares	Preference Shares		General Reserve	Unappropriated profit		Total
Balance as at 30 June 2011 - (audited)	1,620,903,490	33,514,950	1,654,418,440	1,629,221,278	2,420,801,253	4,050,022,531	5,704,440,971
Total comprehensive loss for the quarter ended 30 September 2011	-	-	-	-	(85,889,074)	(85,889,074)	(85,889,074)
Balance as at 30 September 2011 - (un-audited)	1,620,903,490	33,514,950	1,654,418,440	1,629,221,278	2,334,912,179	3,964,133,457	5,618,551,897
Preference shares converted into ordinary shares	33,514,950	(33,514,950)	-	-	-	-	-
Final dividend for the year ended 30 Jun 2011 @ Rupees 2 per ordinary share	-	-	-	-	(324,180,698)	(324,180,698)	(324,180,698)
Preference dividend for the year ended 30 June 2012	-	-	-	-	(4,596,975)	(4,596,975)	(4,596,975)
Total comprehensive income for the nine months ended 30 June 2012	-	-	-	-	785,219,803	785,219,803	785,219,803
Balance as at 30 June 2012 - (audited)	1,654,418,440	-	1,654,418,440	1,629,221,278	2,791,354,309	4,420,575,587	6,074,994,027
Total comprehensive income for the quarter ended 30 September 2012	-	-	-	-	375,327,200	375,327,200	375,327,200
Balance as at 30 September 2012 - (un-audited)	1,654,418,440	-	1,654,418,440	1,629,221,278	3,166,681,509	4,795,902,787	6,450,321,227

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

Chief Executive

Director



Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the Quarter Ended 30 September 2012

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

This unconsolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information of the Company for the quarter ended 30 September 2012 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2012.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2012.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2012.



5. AUTHORIZED SHARE CAPITAL

Un-audited 30 September 2012	Audited 30 June 2012		Un-audited 30 September 2012	Audited 30 June 2012
(Number of shares)			Rupees	
175,000,000	175,000,000	Ordinary shares of Rupees 10 each	1,750,000,000	1,750,000,000
20,000,000	20,000,000	15 % non-voting cumulative convertible preference shares of Rupees 10 each	200,000,000	200,000,000
<u>195,000,000</u>	<u>195,000,000</u>		<u>1,950,000,000</u>	<u>1,950,000,000</u>

6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 30 September 2012	Audited 30 June 2012		Un-audited 30 September 2012	Audited 30 June 2012
(Number of shares)			Rupees	
94,720,922	94,720,922	Ordinary shares of Rupees 10 each fully paid in cash	947,209,220	947,209,220
69,496,657	69,496,657	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	694,966,570	694,966,570
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
<u>165,441,844</u>	<u>165,441,844</u>		<u>1,654,418,440</u>	<u>1,654,418,440</u>



	Un-audited 30 September 2012	Audited 30 June 2012
	Rupees	Rupees
7. LONG TERM FINANCING		
From Banking Companies / Financial Institutions		
-Secured		
Long Term Loans	4,026,571,283	4,160,181,727
Long Term Musharaka	378,125,000	442,500,000
Privately placed term finance certificates	375,000,000	406,250,000
	<u>4,779,696,283</u>	<u>5,008,931,727</u>
Less: Current portion shown under current liabilities	1,170,008,439	1,023,341,772
Non-current portion	<u>3,609,687,844</u>	<u>3,985,589,955</u>
8. SHORT TERM BORROWINGS		
Short term running finances	1,227,111,146	1,027,745,981
Export finances-preshipment/SBP refinance	2,331,499,770	2,378,764,543
Other short term finances	1,786,058,181	1,943,000,000
	<u>5,344,669,097</u>	<u>5,349,510,524</u>
9. CONTINGENCIES AND COMMITMENTS		
Contingencies		
There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2012 except for the following:		
i) Guarantees of Rupees 66.000 million (30 June 2012: Rupees 58.000 million) are given by banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess		
ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 56.942 million (30 June 2012: Rupees 58.709 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.		
iii) The Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 21.843 million (30 June 2012: Rupees 18.792 million) is payable on this account but the management of the Company is confident that payment of electricity duty will not be required.		
Commitments		
i) Commitments in respect of capital expenditure are Rupees 563.100 million (30 June 2012: Rupees 282.462 million).		
ii) Letters of credit other than for capital expenditure are Rupees 126.154 million (30 June 2012: Rupees 29.113 million).		
iii) Outstanding foreign currency forward contracts of Rupees 2,799.911 million (30 June 2012: Rupees 2,892.672 million).		



	Un-audited 30 September 2012	Audited 30 June 2012
	Rupees	Rupees
10. OPERATING FIXED ASSETS		
Property, plant and equipment		
Operating assets (10.1)	5,867,705,505	5,972,783,496
Capital work in progress	573,531,949	101,499,938
	<u>6,441,237,454</u>	<u>6,074,283,434</u>
Intangible asset:		
Computer software	1,840,903	2,265,726
	<u>6,443,078,357</u>	<u>6,076,549,160</u>
10.1 Operating Assets		
Opening book value	5,972,783,496	6,152,148,025
Additions during the period / year (10.1.1)	25,024,531	384,198,432
	<u>5,997,808,027</u>	6,536,346,457
Book value of deletions during the period / year (10.1.2)	865,832	14,504,320
Less: Depreciation charged during the period / year	129,236,690	549,058,641
Closing book value	<u>5,867,705,505</u>	<u>5,972,783,496</u>
10.1.1 Cost of additions during the period / year		
Land	-	20,833,541
Building on freehold land	2,571,425	35,857,024
Plant and machinery	14,947,220	252,310,076
Electric installations	2,907,641	21,556,542
Factory equipment	16,000	20,343,941
Furniture and fixtures	221,700	2,731,495
Office equipment	1,471,605	5,470,590
Motor vehicles	2,888,940	25,095,223
	<u>25,024,531</u>	<u>384,198,432</u>
10.1.2 Book Value of deletions during the period / year		
Plant and machinery	-	22,796,425
Office equipment	431,129	359,122
Motor vehicles	1,999,779	14,130,173
Total Cost of Deletions	2,430,908	37,285,720
Less Accumulated Depreciation	(1,565,076)	(22,781,400)
	<u>865,832</u>	<u>14,504,320</u>



	Un-audited Quarter ended 30 September 2012	Un-audited Quarter ended 30 September 2011
	Rupees	Rupees
11. COST OF GOODS SOLD		
Raw material consumed	2,896,402,810	2,507,979,351
Packing materials consumed	136,733,424	112,592,354
Stores, spare parts and loose tools	238,984,912	183,909,249
Salaries, wages and other benefits	275,612,639	233,852,104
Fuel and power	499,389,627	371,723,615
Insurance	7,694,765	7,555,365
Postage and telephone	119,485	135,621
Travelling and conveyance	3,737,311	3,662,947
Vehicle running	4,733,971	4,710,317
Entertainment	1,688,889	1,032,624
Depreciation	128,176,451	134,006,905
Repair and maintenance	6,430,632	9,648,941
Other factory overheads	14,829,644	8,891,718
	<u>4,214,534,560</u>	<u>3,579,701,111</u>
Work-in-process		
Opening stock	380,749,192	629,297,302
Closing stock	(519,314,303)	(538,082,298)
	<u>(138,565,111)</u>	<u>91,215,004</u>
Cost of goods manufactured	4,075,969,449	3,670,916,115
Finished goods and waste-opening stocks		
Finished goods	412,367,556	770,989,077
Waste	32,878,314	40,151,201
	<u>445,245,870</u>	<u>811,140,278</u>
	4,521,215,319	4,482,056,393
Finished goods and waste-closing stocks		
Finished goods	(587,928,375)	(662,581,413)
Waste	(38,271,377)	(45,284,448)
	<u>(626,199,752)</u>	<u>(707,865,861)</u>
Cost of goods sold	<u><u>3,895,015,567</u></u>	<u><u>3,774,190,532</u></u>



	Un-audited Quarter ended 30 September 2012	Un-audited Quarter ended 30 September 2011
	Rupees	Rupees
12. CASH GENERATED FROM OPERATIONS		
Profit / (loss) before taxation	421,989,320	(44,709,130)
Adjustment for non cash charges and other items:		
Depreciation on operating assets	129,236,690	134,917,296
Amortization on intangible assets	424,824	424,824
Gain on sale of operating fixed assets	(467,262)	(495,983)
Interest income on loan to subsidiary company	(15,018,169)	(766,677)
Interest on bank deposits	(788,641)	-
Finance costs	301,768,819	318,039,695
Cash flows from operating activities before working capital changes	837,145,581	407,410,025
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(61,729,457)	(56,855,381)
- Stock in trade	(696,512,788)	883,943,402
- Trade debts	87,534,782	214,626,056
- Loans and advances	(46,794,758)	1,121,058
- Short term deposits and prepayments	(11,933,129)	(10,619,878)
- Other receivables	(85,284,633)	63,484,709
Increase in current liabilities		
- Trade and other payables	173,129,327	117,949,442
Cash generated from operations	195,554,925	1,621,059,433

13. SEGMENT INFORMATION

	Spinning (Un-audited)		Weaving (Un-audited)		Processing and Home Textile (Un-audited)		Power Generation (Un-audited)		Elimination of inter-segment transactions (Un-audited)		Total - Company (Un-audited)	
	Quarter ended	30 Sep 2011	Quarter ended	30 Sep 2011	Quarter ended	30 Sep 2011	Quarter ended	30 Sep 2011	Quarter ended	30 Sep 2011	Quarter ended	30 Sep 2011
Sales	3,209,722,651	2,766,012,514	1,459,302,523	1,527,646,887	1,442,193,116	1,306,615,375	387,992,262	272,596,327	(1,772,778,329)	(1,768,215,757)	4,796,432,223	4,134,657,346
Cost of Sales	(2,631,017,032)	(2,398,183,618)	(1,350,855,879)	(1,405,187,509)	(1,284,337,521)	(1,221,785,099)	(401,583,464)	(317,250,063)	1,772,778,329	1,768,215,757	(3,895,015,567)	(3,774,190,532)
Gross profit / (loss)	578,705,619	167,828,896	108,446,644	122,459,378	157,855,595	114,830,276	(13,591,202)	(44,651,736)	-	-	831,416,656	360,466,814
Distribution Cost	(64,541,295)	(51,159,961)	(21,530,778)	(29,104,745)	(32,482,593)	(35,050,619)	-	-	-	-	(118,554,666)	(115,315,325)
Admin Cost	(13,779,633)	(12,098,010)	(6,924,561)	(7,670,208)	(13,683,723)	(8,113,876)	(1,148,099)	(1,394,104)	-	-	(35,536,018)	(29,276,198)
Profit / (loss) before taxation and un-allocated income and expenses	(78,320,930)	(63,257,971)	(28,455,339)	(36,774,953)	(46,166,316)	(43,164,495)	(1,148,099)	(1,394,104)	-	-	(154,090,684)	(144,591,523)
Un-allocated income and expenses	500,384,689	104,570,925	79,991,305	85,684,425	111,689,279	71,665,781	(14,739,301)	(46,045,840)	-	-	677,325,972	215,875,291
Other operating expenses											(23,248,371)	(1,265,000)
Other operating income											69,680,538	58,720,274
Finance cost											(301,768,819)	(318,039,695)
Provision for taxation											(46,662,120)	(41,179,944)
Profit after taxation											375,327,200	(65,883,074)





13.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Power Generation		Total - Company	
	(Un-audited) Quarter ended 30 Sep 2012	(Audited) Year ended 30 June 2012	(Un-audited) Quarter ended 30 Sep 2012	(Audited) Year ended 30 June 2012	(Un-audited) Quarter ended 30 Sep 2012	(Audited) Year ended 30 June 2012	(Un-audited) Quarter ended 30 Sep 2012	(Audited) Year ended 30 June 2012	(Un-audited) Quarter ended 30 Sep 2012	(Audited) Year ended 30 June 2012
Total assets for reportable segments	7,312,584,126	6,714,562,194	1,825,632,582	2,090,539,826	4,356,286,125	3,804,791,067	1,198,562,411	1,177,194,299	14,793,065,244	13,787,087,386
Unallocated assets:										
Long term investments									1,875,838,200	1,875,838,200
Short term loan to subsidiary company									1,132,500,000	1,132,500,000
Other receivables									854,112,055	771,096,062
Short term investment									238,690,648	32,494,520
Cash and bank balances									80,837,892	47,997,011
Other corporate assets									122,861,572	35,921,529
Total assets as per balance sheet									17,965,425,611	17,682,954,708
Total liabilities for reportable segments	512,623,472	202,563,722	102,588,910	83,605,072	312,589,652	255,693,426	40,517,257	19,744,836	968,299,291	561,607,056
Unallocated liabilities:										
Long term financing									4,779,696,283	5,008,931,727
Accrued mark-up									112,562,516	144,471,269
Short term borrowings									5,344,669,097	5,349,510,524
Other corporate liabilities									309,877,197	543,440,105
Total liabilities as per balance sheet									11,515,104,384	11,607,960,681



14. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited Quarter ended 30 September 2012	Un-audited Quarter ended 30 September 2011
	Rupees	Rupees
Subsidiary company		
Short term loan given to subsidiary company	560,000,000	545,000,000
Short term loan repaid by subsidiary company	1,692,500,000	545,000,000
Common facilities cost charged to subsidiary company	450,000	450,000
Markup on short term loan charged to subsidiary company	15,018,169	766,677
Associated company		
Insurance premium paid	30,754,315	-
Insurance claims received	3,339,753	-
Other related parties		
Purchase of goods	4,954,365	1,546,197
Sale of goods	25,845,383	-
Contribution to employees' provident fund	6,386,983	5,952,627
	Un-audited Quarter ended 30 September 2012	Audited Year ended 30 June 2012
	Rupees	Rupees
Period end balances		
Due to subsidiary company	381,475	903,550
Markup receivable from subsidiary company	2,765,420	5,921,392
Bank balances with related party	8,612,354	10,127,683
Due from related parties other than subsidiary company	5,535,814	62,848
Due to related parties other than subsidiary company	462,089	-

16. CORRESPONDING FIGURES

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

15. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 October 2012.

Chief Executive

Director

*NISHAT (CHUNIAN) LIMITED AND ITS
SUBSIDIARY COMPANY*

*CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION*

*QUARTER ENDED 30 SEPTEMBER 2012
(UN-AUDITED)*



Consolidated Condensed Interim Balance Sheet

	Note	Un-audited 30 September 2012	Audited 30 June 2012
		Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		1,950,000,000	1,950,000,000
Issued, subscribed and paid-up share capital		1,654,418,440	1,654,418,440
Reserves		6,277,220,369	5,601,064,258
Equity attributable to equity holders of the Holding Company		7,931,638,809	7,255,482,698
Non-controlling interest		3,224,882,684	2,936,659,488
Total equity		11,156,521,493	10,192,142,186
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		16,257,216,644	16,883,650,748
CURRENT LIABILITIES			
Trade and other payables		3,058,811,334	2,128,109,025
Accrued mark-up		822,751,897	880,447,496
Short term borrowings		9,951,126,057	11,179,263,338
Derivative financial instruments		-	35,090,368
Current portion of long term financing		2,118,138,346	1,936,563,768
		15,950,827,634	16,159,473,995
Total liabilities		32,208,044,278	33,043,124,743
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		43,364,565,771	43,235,266,929

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

Chief Executive



as at 30 September 2012

	Unaudited 30 September 2012	Audited 30 June 2012
	Rupees	Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	22,007,251,921	21,885,703,745
Long term loans to employees	3,914,283	4,220,799
Long term security deposits	2,391,909	2,391,909
	<u>22,013,558,113</u>	<u>21,892,316,453</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	1,028,145,299	941,317,825
Stock-in-trade	5,186,406,276	4,387,426,935
Trade debts	13,349,716,759	14,738,386,180
Loans and advances	228,961,137	176,328,163
Short term deposit and prepayments	132,020,377	1,361,373
Accrued interest	459,706	70,511
Other receivables	1,099,945,331	977,770,869
Derivative financial instrument	2,980,937	-
Short term investments	238,690,648	32,494,520
Cash and bank balances	83,681,188	87,794,100
	<u>21,351,007,658</u>	<u>21,342,950,476</u>
TOTAL ASSETS	<u><u>43,364,565,771</u></u>	<u><u>43,235,266,929</u></u>

Director



Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For the Quarter Ended 30 September 2012

	Quarter Ended	
	30 September 2012	30 September 2011
	Rupees	Rupees
SALES	9,988,578,747	10,359,282,287
COST OF SALES	7,881,930,189	8,587,233,877
GROSS PROFIT	2,106,648,558	1,772,048,410
DISTRIBUTION COST	118,554,666	115,315,325
ADMINISTRATIVE EXPENSES	53,675,409	47,023,178
OTHER OPERATING EXPENSES	24,256,371	1,265,000
	196,486,446	163,603,503
	1,910,162,112	1,608,444,907
OTHER OPERATING INCOME	108,119,436	64,306,658
PROFIT FROM OPERATIONS	2,018,281,548	1,672,751,565
FINANCE COST	1,004,824,675	1,135,062,651
PROFIT BEFORE TAXATION	1,013,456,873	537,688,914
TAXATION	49,077,566	43,575,976
PROFIT AFTER TAXATION	964,379,307	494,112,938
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	676,156,111	220,873,990
NON-CONTROLLING INTEREST	288,223,196	273,238,948
	964,379,307	494,112,938
EARNINGS PER SHARE - BASIC	4.09	1.36
EARNINGS PER SHARE - DILUTED	4.09	1.34

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

Chief Executive

Director



Consolidated Condensed Interim Statement Of Comprehensive Income (Un-audited)

For the Quarter Ended 30 September 2012

	Quarter Ended	
	30 September 2012	30 September 2011
	Rupees	Rupees
PROFIT AFTER TAXATION	964,379,307	494,112,938
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>964,379,307</u>	<u>494,112,938</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	676,156,111	220,873,990
NON-CONTROLLING INTEREST	<u>288,223,196</u>	<u>273,238,948</u>
	<u>964,379,307</u>	<u>494,112,938</u>

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

Chief Executive

Director



Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended 30 September 2012

	Note	Quarter Ended	
		30 September 2012	30 September 2011
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	3,477,774,776	551,620,168
Net increase in long term security deposits		-	(814,467)
Finance cost paid		(1,062,520,274)	(1,132,130,502)
Income tax paid		(44,393,480)	(43,575,976)
Long term loans to employees		306,516	2,624,971
Net cash from / (used in) operating activities		2,371,167,538	(622,275,806)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(497,820,272)	(59,398,579)
Proceeds from sale of property, plant and equipment		1,333,094	4,629,175
Short term investments made		(206,000,000)	-
Profit on bank deposits received		203,535	-
Net cash used in investing activities		(702,283,643)	(54,769,404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(444,859,526)	(611,498,270)
Short term borrowings - net		(1,228,137,281)	1,259,934,860
Net cash (used in) / from financing activities		(1,672,996,807)	648,436,590
Net decrease in cash and cash equivalents		(4,112,912)	(28,608,620)
Cash and cash equivalents at the beginning of the period		87,794,100	174,324,811
Cash and cash equivalents at the end of the period		83,681,188	145,716,191

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

Chief Executive

Director

Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the Quarter Ended 30 September 2012

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY						SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
	Share Capital		Reserves			Total			
	Ordinary Shares	Preference Shares	General Reserve	Unappropriated profit	Total				
Balance as at 30 June 2011 - (audited)	1,620,903,490	33,514,950	1,654,418,440	1,629,221,278	3,058,376,065	4,687,597,343	6,342,015,783	2,305,932,032	8,647,947,815
Total comprehensive income for the quarter ended 30 September 2011	-	-	-	-	220,873,990	220,873,990	220,873,990	273,238,948	494,112,938
Balance as at 30 September 2011 - (un-audited)	1,620,903,490	33,514,950	1,654,418,440	1,629,221,278	3,279,250,055	4,908,471,333	6,562,889,773	2,579,170,980	9,142,060,753
Preference shares converted into ordinary shares	33,514,950	(33,514,950)	-	-	-	-	-	-	-
Final dividend for the year ended 30 Jun 2011 @ Rupees 2 per ordinary share	-	-	-	-	(324,180,698)	(324,180,698)	(324,180,698)	-	(324,180,698)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(449,402,797)	(449,402,797)
Preference dividend for the year ended 30 June 2012	-	-	-	-	(4,596,975)	(4,596,975)	(4,596,975)	-	(4,596,975)
Disposal of interest to non-controlling interest	-	-	-	-	(2,885,331)	(2,885,331)	(2,885,331)	95,723,86	92,838,536
Total comprehensive income for the nine months ended 30 June 2012	-	-	-	-	1,024,255,929	1,024,255,929	1,024,255,929	711,167,438	1,735,423,367
Balance as at 30 June 2012 - (audited)	1,654,418,440	-	1,654,418,440	1,629,221,278	3,971,842,980	5,601,064,258	7,255,482,698	2,936,659,488	10,192,142,186
Total comprehensive income for the quarter ended 30 September 2012	-	-	-	-	676,156,111	676,156,111	676,156,111	288,223,196	964,379,307
Balance as at 30 September 2012 - (un-audited)	1,654,418,440	-	1,654,418,440	1,629,221,278	4,647,999,091	6,277,220,369	7,931,638,809	3,224,882,684	11,156,521,493

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

Chief Executive

Director



Selected Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the Quarter Ended 30 September 2012

1. GROUP INFORMATION

The Group consists of:

Holding Company - Nishat (Chunian) Limited

Subsidiary Company - Nishat Chunian Power Limited

Nishat (Chunian) Limited

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

Nishat Chunian Power Limited

Nishat Chunian Power Limited ("the Subsidiary Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on the Lahore Stock Exchange (Guarantee) Limited and Karachi Stock Exchange (Guarantee) Limited. The principal activity of the Subsidiary Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Subsidiary Company has commenced commercial operations from 21 July 2010 and the twenty five years term of the Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited starts from this date.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This consolidated condensed interim financial information of the Group for the quarter ended 30 September 2012 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Group for the year ended 30 June 2012.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2012.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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



During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2012.

5. CONTINGENCIES AND COMMITMENTS

Holding Company

Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2012 except for the following:

- i) Guarantees of Rupees 66.000 million (30 June 2012: Rupees 58.000 million) are given by banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 56.942 million (30 June 2012: Rupees 58.709 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.
- iii) The Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 21.843 million (30 June 2012: Rupees 18.792 million) is payable on this account but the management of the Company is confident that payment of electricity duty will not be required.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 563.100 million (30 June 2012: Rupees 282.462 million).
- ii) Letters of credit other than for capital expenditure are Rupees 126.154 million (30 June 2012: Rupees 29.113 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,799.911 million (30 June 2012: Rupees 2,892.672 million).

Subsidiary Company

Contingencies

The banks have issued the following on behalf of the company:

- i) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rupees 45 million (June 30, 2012: Rupees 45 million) as required under the terms of the Operation and Maintenance Agreement.
- ii) Letter of guarantee of Rs 1,031,988 (June 30, 2012: 1,031,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.



	Un-audited 30 September 2012	Audited 30 June 2012
	Rupees	Rupees
Commitments		
i) Letter of credit other than for capital expenditure	37,010,800	29,684,959
ii) The Company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance (O&M) of the power station which shall remain in effect until earlier of the end of five years from the commercial operation date i.e. 21 July 2010 or the last day of the month in which the running hours of the first generator set reaches 35,000 hours. Under the terms of the O&M agreement, the Company is required to pay a monthly fixed O&M fee and variable O&M fee depending on the net electrical output, both of which are adjustable according to the Wholesale Price Index.		
	Un-audited Quarter ended 30 September 2012	Un-audited Quarter ended 30 September 2011
	Rupees	Rupees
6. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,013,456,873	537,688,914
Adjustment for non cash charges and other items:		
Depreciation on operating assets	374,862,191	368,127,367
Amortization on intangible assets	544,074	544,074
Gain on sale of operating fixed assets	(467,262)	(488,627)
Interest on bank deposits	(788,859)	-
Unrealised gain on derivative financial instrument	(38,071,306)	-
Finance costs	1,004,824,675	1,135,062,651
Cash flows from operating activities before working capital changes	2,354,360,386	2,040,934,379
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(86,827,474)	(186,947,117)
- Stock in trade	(798,979,341)	1,266,097,996
- Trade debts	1,388,669,421	(2,786,835,531)
- Loans and advances	(52,632,974)	(265,376,554)
- Short term deposits and prepayments	(130,659,004)	(113,742,619)
- Other receivables	(122,174,461)	84,280,019
Increase in current liabilities		
- Trade and other payables	926,018,223	513,209,595
	1,123,414,390	(1,489,314,211)
Cash generated from operations	3,477,774,776	551,620,168



7. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited Quarter ended 30 September 2012	Un-audited Quarter ended 30 September 2011
	Rupees	Rupees
Associated company		
Insurance premium paid	30,754,315	-
Insurance claims received	3,339,753	-
Other related parties		
Purchase of goods	4,954,365	1,546,197
Sale of goods	25,845,383	-
Contribution to employees' provident fund	6,784,644	6,203,504
	Unaudited 30 September 2012	Audited 30 June 2012
	Rupees	Rupees
Period end balances		
Bank balances with related party	8,634,570	10,194,056
Due from related parties	5,535,814	62,848
Due to related parties	462,089	-

8. CORRESPONDING FIGURES

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

9. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 October 2012.

Chief Executive

Director