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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 nine months ended on March 31, 2013. Sales for the period are Rs. 15,281.6 million as compared to Rs. 13,380.5 million during the corresponding period last year, registering an increase of 14.2%. During the period, Company's gross margin increased to 16.41% from 10.52% of the corresponding period last year. Increase is mainly due to the better profitability of the Spinning division where gross profit margins have significantly increased from 12.84% in the corresponding period to 20.14% in the current period. Net profit after tax for the current period is Rs. 1,723.08 million as compared to a net profit of Rs. 298.88 million in the corresponding period last year. Despite severe energy crisis and Gas load shedding in Punjab which has increased the Company's fuel cost for the period by Rs. 357 million, the Company's net profitability margins in the current period has improved to 11.28% from 2.23% in the corresponding period last year. The construction of 14 MW Grid has been completed, whereas construction of its source feed line and up gradation of connecting transmission lines is under progress by LESCO. We are taking up the matter with LESCO for early completion and are expecting commission of GRID in due course. In the matter of acquisition of spinning units of Taj Textile, the court has dismissed major objection raised by the petitioners against the auction, however, the case is pending with the Honorable High Court for final order. During the period, Company earned dividend income from its subsidiary "Nishat Chunian Power Limited" amounting to Rs. 750 million. Company's financial cost during the period has reduced slightly to Rs. 930.5 million as compared to Rs. 1,015 million during corresponding period. Due to the stable textile market and the growing profitability specifically in spinning division, your Company expects improved profitability in the current year as compared to the previous year.

The consolidated condensed interim financial information comprising Nishat (Chunian) Limited, Nishat Chunian Power Limited and Nishat Chunian USA Inc. is annexed with separate interim condensed financial information of your company in accordance with the requirements of International Accounting Standard 27 (Consolidated and Separate Financial Statements), 34 (Interim Financial Reporting) and applicable provisions of Companies Ordinance 1984.

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

On behalf of the Board

Shahzad Saleem
Chairman / Chief
Executive

Lahore: April 27, 2013



Unconsolidated Condensed Interim Balance Sheet

	Note	Un-audited 31 March 2013 Rupees	Audited 30 June 2012 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	<u>2,500,000,000</u>	<u>1,950,000,000</u>
Issued, subscribed and paid up share capital	6	1,819,860,280	1,654,418,440
Reserves		<u>5,647,329,437</u>	<u>4,420,575,587</u>
Total equity		7,467,189,717	6,074,994,027
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	3,418,746,125	3,985,589,955
CURRENT LIABILITIES			
Trade and other payables		1,214,559,555	1,105,047,161
Accrued mark-up		152,479,267	144,471,269
Short term borrowings		7,255,422,220	5,349,510,524
Current portion of non-current liabilities		1,313,758,439	1,023,341,772
		<u>9,936,219,481</u>	<u>7,622,370,726</u>
TOTAL LIABILITIES		13,354,965,606	11,607,960,681
CONTINGENCIES AND COMMITMENTS			
	8		
TOTAL EQUITY AND LIABILITIES		<u>20,822,155,323</u>	<u>17,682,954,708</u>

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

Chief Executive



as at 31 March 2013

	Note	Un-audited 31 March 2013 Rupees	Audited 30 June 2012 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	9	6,579,751,289	6,076,549,160
Investment in subsidiary companies	10	1,886,681,200	1,875,858,200
Long term loans to employees		3,532,291	3,365,003
Long term security deposits		2,531,259	2,286,909
		<u>8,472,496,039</u>	<u>7,958,059,272</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		626,654,266	523,273,790
Stock-in-trade		6,962,614,514	4,010,713,332
Trade debts		3,076,247,587	3,027,856,152
Loans and advances		552,531,774	172,732,886
Short term loan to subsidiary company		-	1,132,500,000
Short term prepayments		8,718,227	266,428
Accrued interest		2,922,517	5,965,255
Other receivables		992,770,048	771,096,062
Short term investments		71,463,719	32,494,520
Cash and bank balances		55,736,632	47,997,011
		<u>12,349,659,284</u>	<u>9,724,895,436</u>
TOTAL ASSETS		<u><u>20,822,155,323</u></u>	<u><u>17,682,954,708</u></u>

Director



Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)
For the Nine Months Ended 31 March 2013

	Note	Nine Months Ended		Quarter Ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
..... Rupees					
SALES		15,281,639,480	13,380,546,823	5,609,689,000	4,995,291,045
COST OF SALES	11	(12,773,412,441)	(11,972,434,944)	(4,658,682,144)	(4,416,982,312)
GROSS PROFIT		2,508,227,039	1,408,111,879	951,006,856	578,308,733
DISTRIBUTION COST		(386,349,524)	(367,758,258)	(138,712,543)	(128,287,792)
ADMINISTRATIVE EXPENSES		(114,400,380)	(97,454,987)	(40,164,125)	(30,198,550)
OTHER OPERATING EXPENSES		(104,810,542)	(26,638,038)	(44,641,406)	(17,863,993)
		(605,560,446)	(491,851,283)	(223,518,074)	(176,350,335)
		1,902,666,593	916,260,596	727,488,782	401,958,398
OTHER OPERATING INCOME		958,326,356	563,838,943	425,415,599	284,208,999
PROFIT FROM OPERATIONS		2,860,992,949	1,480,099,539	1,152,904,381	686,167,397
FINANCE COST		(930,522,419)	(1,015,119,756)	(331,124,854)	(366,986,530)
PROFIT BEFORE TAXATION		1,930,470,530	464,979,783	821,779,527	319,180,867
PROVISION FOR TAXATION		(207,391,152)	(166,102,288)	(88,521,204)	(68,286,025)
PROFIT AFTER TAXATION		1,723,079,378	298,877,495	733,258,323	250,894,842
EARNINGS PER SHARE - BASIC		9.47	(Restated) 1.67	4.03	(Restated) 1.41
EARNINGS PER SHARE - DILUTED		9.47	1.65	4.03	1.38

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

Chief Executive

Director



Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the Nine Months Ended 31 March 2013

	Nine Months Ended		Quarter Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
 Rupees			
PROFIT AFTER TAXATION	1,723,079,378	298,877,495	733,258,323	250,894,842
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,723,079,378	298,877,495	733,258,323	250,894,842

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 Nine Months Ended 31 March 2013

	Note	Nine Months Ended	
		31 March 2013	31 March 2012
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	12	(1,140,663,928)	(407,466,891)
Finance cost paid		(922,514,421)	(986,766,329)
Taxes paid		(192,851,199)	(363,155,746)
Long term deposits - net		(244,350)	(879,467)
Long term loans to employees		(167,288)	(652,755)
		(1,115,777,258)	(1,351,454,297)
Net cash used in operating activities		(2,256,441,186)	(1,758,921,188)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(898,181,378)	(362,195,734)
Proceeds from sale of property, plant and equipment		4,949,495	20,895,237
Proceeds from sale of shares of subsidiary company		-	92,440,170
Short term loan given to subsidiary company		(810,000,000)	(1,688,894,249)
Repayment of short term loan by subsidiary company		1,942,500,000	1,688,894,249
Short term investment made		(38,969,199)	-
Investment in subsidiary company		(10,823,000)	-
Dividend received from subsidiary company		750,343,280	187,585,821
Mark-up income received		21,805,468	2,209,864
Net cash from / (used in) investing activities		961,624,666	(59,064,642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		850,000,000	2,350,000,000
Repayment of long term financing		(1,126,427,162)	(2,481,244,701)
Short term borrowings - net		1,905,911,696	2,275,276,843
Dividend paid		(326,928,393)	(329,765,008)
Net cash from financing activities		1,302,556,141	1,814,267,134
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		7,739,621	(3,718,696)
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		55,736,632	131,304,588

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 (Un-audited)
For the Nine Months Ended 31 March 2013**

	Share Capital			Reserves			TOTAL EQUITY
	Ordinary Shares	Preference Shares	Total	General Reserve	Unappro- priated Profit	Total	
..... R u p e e s							
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
Preference shares converted into ordinary shares	32,500	(32,500)	-	-	-	-	-
Final dividend on ordinary shares for the year ended 30 June 2011 @ Rupees 2 per share	-	-	-	-	(324,180,698)	(324,180,698)	(324,180,698)
Preference dividend for the nine months ended 31 March 2012	-	-	-	-	(3,797,736)	(3,797,736)	(3,797,736)
Total comprehensive income for the nine months ended 31 March 2012	-	-	-	-	298,877,495	298,877,495	298,877,495
Balance as at 31 March 2012 - (un-audited)	1,620,935,990	33,482,450	1,654,418,440	1,629,221,278	2,391,700,314	4,020,921,592	5,675,340,032
Preference shares converted into ordinary shares	33,482,450	(33,482,450)	-	-	-	-	-
Preference dividend for the quarter ended 30 June 2012	-	-	-	-	(799,239)	(799,239)	(799,239)
Total comprehensive income for the quarter ended 30 June 2012	-	-	-	-	400,453,234	400,453,234	400,453,234
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
Final dividend on ordinary shares for the year ended 30 June 2012 @ Rupees 2 per ordinary share	-	-	-	-	(330,883,688)	(330,883,688)	(330,883,688)
Issue of bonus shares	165,441,840	-	165,441,840	(165,441,840)	-	(165,441,840)	-
Total comprehensive income for the nine months ended 31 March 2013	-	-	-	-	1,723,079,378	1,723,079,378	1,723,079,378
Balance as at 31 March 2013 - (un-audited)	1,819,860,280	-	1,819,860,280	1,463,779,438	4,183,549,999	5,647,329,437	7,467,189,717

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 Nine Months Ended 31 March 2013

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 nine months ended 31 March 2013 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 31 March 2013	Audited 30 June 2012		Un-audited 31 March 2013	Audited 30 June 2012
(Number of shares)			Rupees	Rupees
230,000,000	175,000,000	Ordinary shares of Rupees 10 each	2,300,000,000	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>250,000,000</u>	<u>195,000,000</u>		<u>2,500,000,000</u>	<u>1,950,000,000</u>



5.1 During the nine months ended 31 March 2013, the Company by way of special resolution passed in Annual General Meeting of the shareholders of the Company held on 30 October 2012 has increased its authorized share capital by Rupees 550 million divided into 55 million ordinary shares of Rupees 10 each. The new shares shall rank pari passu with the existing shares.

6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 March 2013	Audited 30 June 2012		Un-audited 31 March 2013	Audited 30 June 2012
(Number of shares)			Rupees	Rupees
94,720,922	94,720,922	Ordinary shares of Rupees 10 each fully paid in cash	947,209,220	947,209,220
86,040,841	69,496,657	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	860,408,410	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>181,986,028</u>	<u>165,441,844</u>		<u>1,819,860,280</u>	<u>1,654,418,440</u>

6.1 16,544,184 ordinary shares of Rupees 10 each were issued as fully paid bonus shares during the nine months ended 31 March 2013, in pursuance of 10% bonus issue as approved in Annual General Meeting of the shareholders of the Company held on 30 October 2012.

	Un-audited 31 March 2013	Audited 30 June 2012
	Rupees	Rupees
7. LONG TERM FINANCING		
From Banking Companies / financial institutions - Secured		
Long Term Loans (Note 7.1)	2,682,496,125	3,439,339,955
Long Term Musharaka (Note 7.2)	548,750,000	265,000,000
Privately placed term finance certificates (Note 7.3)	187,500,000	281,250,000
	<u>3,418,746,125</u>	<u>3,985,589,955</u>



	Un-audited 31 March 2013 Rupees	Audited 30 June 2012 Rupees
7.1 Long Term Loans		
Opening Balance	4,160,181,727	3,747,993,816
Add: Obtained during the period / year	500,000,000	3,050,000,000
Less : Repayments during the period / year	879,552,163	2,637,812,089
Closing balance	3,780,629,564	4,160,181,727
Less: Current portion	1,098,133,439	720,841,772
	<u>2,682,496,125</u>	<u>3,439,339,955</u>
7.2 Long Term Musharaka		
Opening Balance	442,500,000	585,000,000
Add: Obtained during the period / year	350,000,000	-
Less : Repayments during the period / year	153,125,000	142,500,000
Closing balance	639,375,000	442,500,000
Less: Current portion	90,625,000	177,500,000
	<u>548,750,000</u>	<u>265,000,000</u>
7.3 Privately placed term finance certificates - secured		
Opening Balance	406,250,000	500,000,000
Add: Obtained during the period / year	-	-
Less : Repayments during the period / year	93,750,000	93,750,000
Closing balance	312,500,000	406,250,000
Less: Current portion	125,000,000	125,000,000
	<u>187,500,000</u>	<u>281,250,000</u>

8. CONTINGENCIES AND COMMITMENTS

Contingencies

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

- i) Guarantees of Rupees 276.639 million (30 June 2012: Rupees 258.639 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess, Sui Northern Gas Pipelines Limited against gas connections and disputed amount of gas infrastructure development cess and Shell Pakistan Limited against purchase of furnace oil.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 78.315 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 26.006 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.

- iv) The Company has not recognised fuel adjustment charges amounting to Rupees 21.148 million (30 June 2012: Rupees 20.867 million) till 30 June 2012 notified by National Electric Power Regulatory Authority (NEPRA), as the Company has obtained stay against payment of such charges from Honourable Islamabad High Court, Islamabad. Further, the Company has not recognized fuel adjustment charges for the period from July 2012 to March 2013, as the amount of fuel adjustment charges relating to this period is not quantifiable as the rates of fuel adjustment charges are not notified by NEPRA. The management based on advice of the legal counsel, believes that it has strong grounds of appeal and payment / accrual of such charges will not be required.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 1,588.259 million (30 June 2012: Rupees 282.462 million).
- ii) Letters of credit other than for capital expenditure are Rupees 491.804 million (30 June 2012: Rupees 29.113 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,732.175 million (30 June 2012: Rupees 2,892.672 million).

	Un-audited 31 March 2013	Audited 30 June 2012
	Rupees	Rupees
9. OPERATING FIXED ASSETS		
Property, plant and equipment		
Operating assets (9.1)	5,702,011,891	5,972,783,496
Capital work in progress	876,748,143	101,499,938
	<u>6,578,760,034</u>	<u>6,074,283,434</u>
Intangible asset:		
Computer software	991,255	2,265,726
	<u>6,579,751,289</u>	<u>6,076,549,160</u>
9.1 Operating Assets		
Opening book value	5,972,783,496	6,152,148,025
Additions during the period / year (9.1.1)	122,933,172	384,198,432
	<u>6,095,716,668</u>	<u>6,536,346,457</u>
Less: Book value of deletions during the period / year (9.1.2)	3,247,435	14,504,320
Less: Depreciation charged during the period / year	390,457,342	549,058,641
	<u>5,702,011,891</u>	<u>5,972,783,496</u>



	Un-audited 31 March 2013	Audited 30 June 2012
	Rupees	Rupees
9.1.1 Cost of additions during the period / year		
Land	-	20,833,541
Building on freehold land	3,629,345	35,857,024
Plant and machinery	92,855,311	252,310,076
Electric installations	6,693,188	21,556,542
Factory equipment	1,002,777	20,343,941
Furniture and fixtures	890,849	2,731,495
Office equipment	5,524,342	5,470,590
Motor vehicles	12,337,360	25,095,223
	<u>122,933,172</u>	<u>384,198,432</u>
9.1.2 Book Value of deletions during the period / year		
Cost of deletions		
Plant and machinery	-	22,796,425
Office equipment	664,712	359,122
Furniture and fixtures	123,900	-
Motor vehicles	6,818,746	14,130,173
	<u>7,607,358</u>	<u>37,285,720</u>
Total Cost of Deletions	7,607,358	37,285,720
Less: Accumulated Depreciation	(4,359,923)	(22,781,400)
Book Value of deletions during the period / year	<u>3,247,435</u>	<u>14,504,320</u>
10. INVESTMENT IN SUBSIDIARY COMPANIES		
Nishat Chunian Power Limited - Quoted 187,585,820 (30 June 2012 : 187,585,820) fully paid ordinary shares of Rupees 10 each. Equity held : 51.07% (30 June 2012 : 51.07%)	1,875,858,200	1,875,858,200
Nishat Chunian USA Inc. - Unquoted Equity held : 100% (30 June 2012 : 0%) (10.1)	10,823,000	-
	<u>1,886,681,200</u>	<u>1,875,858,200</u>
10.1 During the period ended 31 March 2013, the Company incorporated a wholly owned foreign subsidiary in United States of America with an initial investment of US \$110,000.		



	Un-audited Nine Months Ended		Un-audited Quarter Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
-----Rupees-----				
11. COST OF GOODS SOLD				
Raw material consumed	8,738,632,211	8,002,165,946	3,085,538,945	2,967,901,077
Packing materials consumed	462,461,903	335,857,839	170,353,792	140,705,166
Stores, spare parts and loose tools	718,580,831	613,573,372	244,787,843	209,808,555
Salaries, wages and other benefits	925,453,981	721,542,939	318,376,832	249,181,292
Fuel and power	1,834,821,890	1,477,374,920	696,348,678	622,133,061
Insurance	26,545,921	23,392,748	9,827,733	8,060,493
Postage and telephone	347,640	337,928	104,024	97,242
Travelling and conveyance	10,984,465	10,131,397	3,549,562	3,114,929
Vehicle running	16,173,104	14,195,573	5,741,222	4,778,261
Entertainment	3,442,903	2,474,930	990,373	803,995
Depreciation	382,470,815	401,497,729	125,428,004	136,922,187
Repair and maintenance	11,687,107	32,059,120	2,455,758	13,601,794
Other factory overheads	44,407,100	32,075,643	14,973,717	14,214,295
	<u>13,176,009,871</u>	<u>11,666,680,084</u>	<u>4,678,476,483</u>	<u>4,371,322,347</u>
Work-in-process				
Opening stock	380,749,192	629,297,302	606,216,814	461,269,090
Closing stock	(583,976,001)	(520,341,088)	(583,976,001)	(520,341,088)
	<u>(203,226,809)</u>	<u>108,956,214</u>	<u>22,240,813</u>	<u>(59,071,998)</u>
Cost of goods manufactured	<u>12,972,783,062</u>	<u>11,775,636,298</u>	<u>4,700,717,296</u>	<u>4,312,250,349</u>
Finished goods and waste				
-opening stocks				
Finished goods	412,367,556	770,989,077	560,403,599	663,346,134
Waste	32,878,314	40,151,201	42,177,740	55,727,461
	<u>445,245,870</u>	<u>811,140,278</u>	<u>602,581,339</u>	<u>719,073,595</u>
	<u>13,418,028,932</u>	<u>12,586,776,576</u>	<u>5,303,298,635</u>	<u>5,031,323,944</u>
Finished goods and waste				
-closing stocks				
Finished goods	(617,281,587)	(567,935,509)	(617,281,587)	(567,935,509)
Waste	(27,334,904)	(46,406,123)	(27,334,904)	(46,406,123)
	<u>(644,616,491)</u>	<u>(614,341,632)</u>	<u>(644,616,491)</u>	<u>(614,341,632)</u>
Cost of goods sold	<u><u>12,773,412,441</u></u>	<u><u>11,972,434,944</u></u>	<u><u>4,658,682,144</u></u>	<u><u>4,416,982,312</u></u>



	Un-audited	
	Nine Months Ended	
	31 March 2013	31 March 2012
	Rupees	Rupees
12. CASH USED IN OPERATIONS		
Profit before taxation	1,930,470,530	464,979,783
Adjustment for non cash charges and other items:		
Depreciation on operating assets	390,457,342	408,539,764
Amortization on intangible assets	1,274,471	1,274,471
Gain on sale of operating fixed assets	(1,702,060)	(9,600,295)
Gain on sale of Investments	-	(25,530,150)
Dividend income	(750,343,280)	(468,964,551)
Interest income on loan to subsidiary company	(15,175,265)	(20,695,814)
Interest on bank deposits	(3,587,465)	(1,967,671)
Finance costs	930,522,419	1,015,119,756
Cash flows from operating activities before working capital changes	2,481,916,692	1,363,155,293
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(103,380,476)	(72,499,535)
- Stock in trade	(2,951,901,182)	(1,797,212,924)
- Trade debts	(48,391,435)	(175,810,269)
- Loans and advances	(379,798,888)	8,114,747
- Short term deposits and prepayments	(8,451,799)	(7,710,947)
- Other receivables	(236,213,939)	129,740,995
Increase in current liabilities		
- Trade and other payables	105,557,099	144,755,749
Cash used in operations	(1,140,663,928)	(407,466,891)

13 SEGMENT INFORMATION

13.1 The Company has four reportable operating segments. The following summary describes the operation in each of Company's reportable segments:

Spinning:	Production of different quality of yarn using natural and artificial fiber.
Weaving:	Production of different quality of greige fabric using yarn.
Processing and Home Textile:	Processing of greige fabric for production of printed and dyed fabric and manufacturing of home textile articles.
Power Generation:	Generation and distribution of power.



14. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited Nine Months Ended	
	31 March 2013	31 March 2012
	Rupees	Rupees
Purchase of goods and services from related parties	55,146,354	13,238,304
Sale of goods and services to related parties	187,592,723	16,239,337
Donations to related party	2,779,978	3,150,000
Insurance premium paid to associated company	57,726,962	-
Insurance claims received from associated company	10,876,886	-
Contribution to employees' provident fund	20,313,374	18,648,869
Remuneration paid to key management personnel	44,343,450	41,955,075
Common facilities cost charged to subsidiary company	1,350,000	1,350,000
Mark-up on short term loan to subsidiary company	15,175,265	20,695,815
Short term loan to subsidiary company	810,000,000	1,688,894,249
Repayment of short term loan by subsidiary company	1,942,500,000	1,688,894,249
Dividend income from subsidiary company	750,343,280	468,964,551
Ordinary dividend paid to related parties	55,046,760	55,046,760

As at 31 March 2013 (Un-audited)

Period end balances:	Subsidiary companies	Associated companies	Other related parties	Total
	-----Rupees-----			
Trade and other payables	-	538,358	-	538,358
Long term investment	1,886,681,200	-	-	1,886,681,200
Trade debts	124,120,210	-	6,462,881	130,583,091
Loans and advances	-	-	352,496	352,496
Other receivables	1,307,723	112,850	-	1,420,573
Accrued interest	2,922,517	-	-	2,922,517
Bank balances	-	11,106,590	-	11,106,590

As at 30 June 2012 (Audited)

	Subsidiary companies	Associated companies	Other related parties	Total
	-----Rupees-----			
Trade and other payables	903,552	3,492,459	156,537	4,552,548
Long term investment	1,875,858,200	-	-	1,875,858,200
Short term loans	1,132,500,000	-	-	1,132,500,000
Other receivables	-	-	8,092,179	8,092,179
Accrued interest	5,921,392	-	-	5,921,392
Bank balances	-	10,127,683	-	10,127,683



15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2012.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 'Interim Financial Reporting', the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of preceding audited annual financial statements for the year ended 30 June 2012, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made. Basic and diluted earnings per share for the nine months and quarter ended 31 March 2012 have been restated as a result of bonus issue during the current period.

17. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 April 2013.

Chief Executive

Director

*NISHAT (CHUNIAN) LIMITED AND ITS
SUBSIDIARY COMPANIES*

*CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION*

*NINE MONTHS ENDED 31 MARCH 2013
(UN-AUDITED)*



Consolidated Condensed Interim Balance Sheet

	Note	Un-audited 31 March 2013 <u>Rupees</u>	Audited 30 June 2012 <u>Rupees</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		<u>2,500,000,000</u>	<u>1,950,000,000</u>
Issued, subscribed and paid-up share capital		1,819,860,280	1,654,418,440
Reserves		<u>7,106,672,587</u>	<u>5,601,064,258</u>
Equity attributable to equity holders of the Holding Company		8,926,532,867	7,255,482,698
Non-controlling interest		<u>3,204,752,264</u>	<u>2,936,659,488</u>
Total equity		12,131,285,131	10,192,142,186
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		15,536,115,114	16,883,650,748
CURRENT LIABILITIES			
Trade and other payables		3,043,435,289	2,128,109,025
Accrued mark-up		710,770,017	880,447,496
Short term borrowings		13,358,706,952	11,179,263,338
Derivative financial instruments		2,241,085	35,090,368
Current portion of long term financing		<u>2,335,758,238</u>	<u>1,936,563,768</u>
		<u>19,450,911,581</u>	<u>16,159,473,995</u>
Total liabilities		34,987,026,695	33,043,124,743
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		<u>47,118,311,826</u>	<u>43,235,266,929</u>

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

Chief Executive



as at 31 March 2013

	Un-audited 31 March 2013	Audited 30 June 2012
ASSETS	Rupees	Rupees
NON-CURRENT ASSETS		
Fixed assets	21,579,349,247	21,885,703,745
Long term loans to employees	3,532,291	4,220,799
Long term security deposits	4,668,247	2,391,909
	<u>21,587,549,785</u>	<u>21,892,316,453</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	1,264,231,744	941,317,825
Stock-in-trade	7,551,038,564	4,387,426,935
Trade debts	15,015,468,100	14,738,386,180
Loans and advances	184,276,958	176,328,163
Short term deposit and prepayments	49,723,050	1,361,373
Accrued interest	-	70,511
Other receivables	1,319,115,611	977,770,869
Derivative financial instrument	1,205,323	-
Short term investments	71,463,719	32,494,520
Cash and bank balances	74,238,972	87,794,100
	<u>25,530,762,041</u>	<u>21,342,950,476</u>
TOTAL ASSETS	<u><u>47,118,311,826</u></u>	<u><u>43,235,266,929</u></u>

Director



Consolidated Condensed Interim Profit and Loss Account (Un-audited)
For the Nine Months Ended 31 March 2013

	Nine Months Ended		Quarter Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
-----Rupees-----				
SALES	33,968,748,063	29,479,191,428	12,020,354,528	10,529,121,108
COST OF SALES	(27,603,777,810)	(24,051,926,932)	(9,915,634,038)	(8,594,858,742)
GROSS PROFIT	6,364,970,253	5,427,264,496	2,104,720,490	1,934,262,366
DISTRIBUTION COST	(386,349,524)	(367,758,258)	(138,712,543)	(128,287,792)
ADMINISTRATIVE EXPENSES	(161,969,740)	(138,035,418)	(54,650,829)	(43,106,120)
OTHER OPERATING EXPENSES	(107,581,520)	(36,802,536)	(45,665,406)	(20,714,971)
	(655,900,784)	(542,596,212)	(239,028,778)	(192,108,883)
	5,709,069,469	4,884,668,284	1,865,691,712	1,742,153,483
OTHER OPERATING INCOME	284,731,576	119,616,096	61,382,662	10,301,897
PROFIT FROM OPERATIONS	5,993,801,045	5,004,284,380	1,927,074,374	1,752,455,380
FINANCE COST	(2,782,001,160)	(3,366,033,597)	(875,704,421)	(1,103,038,044)
PROFIT BEFORE TAXATION	3,211,799,885	1,638,250,783	1,051,369,953	649,417,336
PROVISION FOR TAXATION	(221,671,929)	(174,699,562)	(93,809,999)	(70,890,741)
PROFIT AFTER TAXATION	2,990,127,956	1,463,551,221	957,559,954	578,526,595
EARNINGS PER SHARE - BASIC	11.00	(Restated) 3.32	3.64	(Restated) 1.40
EARNINGS PER SHARE - DILUTED	11.00	3.25	3.64	1.37

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

Chief Executive

Director



Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the Nine Months Ended 31 March 2013

	Nine Months Ended		Quarter Ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	-----Rupees-----			
PROFIT AFTER TAXATION	2,990,127,956	1,463,551,221	957,559,954	578,526,595
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operations	(1,056,847)	-	(1,056,847)	-
Other comprehensive income for the period	(1,056,847)	-	(1,056,847)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,989,071,109	1,463,551,221	956,503,107	578,526,595
SHARE OF PROFIT ATTRIBUTABLE TO:				
Equity holders of parent	2,001,933,857	664,130,330		
Non controlling interest	987,137,252	799,420,891		
	2,989,071,109	1,463,551,221		

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 Nine Months Ended 31 March 2013

	Note	Nine Months Ended	
		31 March 2013	31 March 2012
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	3,901,915,338	1,770,958,974
Finance cost paid		(2,951,671,758)	(3,401,690,855)
Taxes paid		(193,513,285)	(370,092,611)
Long term deposits - net		(2,276,338)	(879,467)
Long term loans to employees		688,508	31,892
		(3,146,772,873)	(3,772,631,041)
Net cash from / (used in) operating activities		755,142,465	(2,001,672,067)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(901,276,389)	(371,950,783)
Proceeds from sale of property, plant and equipment		5,598,495	22,229,586
Short term investment made		(38,969,199)	-
Mark-up income received		3,734,428	2,928,793
Net cash used in investing activities		(930,912,665)	(346,792,404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		850,000,000	2,350,000,000
Repayment of long term financing		(1,798,341,161)	(3,246,095,452)
Short term borrowings - net		2,179,443,614	3,639,854,174
Increase in non controlling interest		-	66,910,020
Dividend paid		(1,068,887,381)	(503,941,816)
Net cash from financing activities		162,215,072	2,306,726,926
NET DECREASE IN CASH AND CASH EQUIVALENTS		(13,555,128)	(41,737,545)
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			
		74,238,972	132,587,266

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 Nine Months Ended 31 March 2013

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY						Share Holders' Equity	Non Controlling Interest	TOTAL EQUITY
	SHARE CAPITAL			REVENUE RESERVES					
	Ordinary shares	Preference Shares	Total	General Reserve	Unappropriated profit	Total			
..... Rupees									
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
Preference shares converted into ordinary shares	32,500	(32,500)	-	-	-	-	-	-	-
Final dividend for the year ended 30 June 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 nine months ended 31 March 2013	-	-	-	-	(3,797,736)	(3,797,736)	(3,797,736)	-	(3,797,736)
Disposal of interest to non-controlling interest	-	-	-	-	-	-	-	66,910,020	66,910,020
Total comprehensive income for the nine months ended 31 March 2012	-	-	-	-	664,130,330	664,130,330	664,130,330	799,420,891	1,463,551,221
Balance as at 31 March 2012 - (un-audited)	1,620,935,990	33,482,450	1,654,418,440	1,629,221,278	3,394,527,961	5,023,749,239	6,678,167,679	2,722,860,146	9,401,027,825
Preference shares converted into ordinary shares	33,482,450	(33,482,450)	-	-	-	-	-	-	-
Preference dividend for the quarter ended 30 June 2012	-	-	-	-	(799,239)	(799,239)	(799,239)	-	(799,239)
Disposal of interest to non-controlling interest	-	-	-	-	(2,885,331)	(2,885,331)	(2,885,331)	28,813,847	25,928,516
Total comprehensive income for the quarter ended 30 June 2012	-	-	-	-	580,999,589	580,999,589	580,999,589	184,985,495	765,985,084
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
Issue of bonus shares	165,441,840	-	165,441,840	(165,441,840)	-	(165,441,840)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(719,044,476)	(719,044,476)
Final dividend for the year ended 30 June 2012 @ Rupees 2 per ordinary share	-	-	-	-	(330,883,688)	(330,883,688)	(330,883,688)	-	(330,883,688)
Total comprehensive income for the nine months ended 31 March 2013	-	-	-	-	2,001,933,857	2,001,933,857	2,001,933,857	987,137,252	2,989,071,109
Balance as at 31 March 2013 - (un-audited)	1,819,860,280	-	1,819,860,280	1,463,779,438	5,642,893,149	7,106,672,587	8,926,532,867	3,204,752,264	12,131,285,131

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 Nine Months Ended 31 March 2013

1. GROUP INFORMATION

The Group consists of:

Holding Company	- Nishat (Chunian) Limited
Subsidiary Companies	- Nishat Chunian Power Limited Nishat Chunian USA Inc.

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.

Nishat Chunian USA Inc.

Nishat Chunian USA Inc. ("the Subsidiary Company") is an un-quoted company incorporated in United States of America under Business Corporation Law of state of New York. The principal activity of the Subsidiary Company is to import home textile products and distribute to local retailer. Its registered office is situated at 7 West 34th Street, Suite 639, New York, NY 10001.

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 nine months ended 31 March 2013 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 276.639 million (30 June 2012: Rupees 258.639 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess, Sui Northern Gas Pipelines Limited against gas connections and disputed amount of gas infrastructure development cess and Shell Pakistan Limited against purchase of furnace oil.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 78.315 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 26.006 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.
- iv) The Company has not recognised fuel adjustment charges amounting to Rupees 21.148 million (30 June 2012: Rupees 20.867 million) till 30 June 2012 notified by National Electric Power Regulatory Authority (NEPRA), as the Company has obtained stay against payment of such charges from Honourable Islamabad High Court, Islamabad. Further, the Company has not recognized fuel adjustment charges for the period from July 2012 to March 2013, as the amount of fuel adjustment charges relating to this period is not quantifiable as the rates of fuel adjustment charges are not notified by NEPRA. The management based on advice of the legal counsel, believes that it has strong grounds of appeal and payment / accrual of such charges will not be required.



Commitments

- i) Commitments in respect of capital expenditure are Rupees 1,588.259 million (30 June 2012: Rupees 282.462 million).
- ii) Letters of credit other than for capital expenditure are Rupees 491.804 million (30 June 2012: Rupees 29.113 million).
- iii) Outstanding foreign currency forward contracts of Rupees 2,732.175 million (30 June 2012: Rupees 2,892.672 million).

Subsidiary Company

Nishat Chunian Power Limited

Contingencies

- i) The banks have issued the following on behalf of the company:

Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (30 June 2012: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.

Letter of guarantee of Rs 2,031,988 (30 June 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.

- ii) NEPRA has imposed on the Company, a liability of Calorific Value Refund to the Power Purchaser in the sum of Rs 243.70 million against Company's acknowledged liability of Rs 81.21 million. The Company filed review petition against the said decision before NEPRA which was heard on March 26, 2013 and decision is pending before Authority. Company also filed writ petition before Honourable Islamabad High court who ordered respondents to pass some appropriate orders in the matter of review petition, till then no coercive measure/ recovery/ adjustment shall be made in pursuance to the impugned order. Company has not provided provision for Rs 162.50 million on the pretext that there are enough grounds to believe that the decision will be in favor of the company.

	Un-audited 31 March 2013	Audited 30 June 2012
	Rupees	Rupees
Commitments		
i) Letter of credit other than for capital expenditure	81,371,188	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 Consumer Price Index.		



	Un-audited Nine Months Ended	
	31 March 2013	31 March 2012
	Rupees	Rupees
6. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,211,799,885	1,638,250,783
Adjustment for non cash charges and other items:		
Depreciation on operating assets	1,202,624,831	1,114,134,951
Amortization on intangible assets	1,632,221	1,632,221
Gain on sale of operating fixed assets	(2,224,663)	(9,883,625)
Interest on bank deposits	(3,663,917)	(2,020,934)
Finance costs	2,781,994,279	3,366,033,597
Cash flows from operating activities before working capital changes	7,192,162,636	6,108,146,993
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(322,913,919)	(249,641,600)
- Stock in trade	(3,163,611,629)	(2,078,474,854)
- Trade debts	(277,081,920)	(2,770,798,745)
- Loans and advances	(7,948,795)	(145,163,059)
- Short term deposits and prepayments	(48,361,677)	(42,312,643)
- Other receivables	(369,503,386)	(216,833,566)
Increase in current liabilities		
- Trade and other payables	899,174,028	1,166,036,448
	(3,290,247,298)	(4,337,188,019)
Cash generated from operations	<u>3,901,915,338</u>	<u>1,770,958,974</u>

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 Nine Months Ended	
	31 March 2013	31 March 2012
	Rupees	Rupees
Purchase of goods and services from related parties	55,146,354	13,238,304
Sale of goods and services to related parties	187,592,723	16,239,337
Donations to related party	5,550,956	3,150,000
Insurance premium paid to associated company	192,800,601	-
Insurance claims received from associated company	23,966,491	-
Contribution to employees' provident fund	20,313,374	19,101,104
Remuneration paid to key management personnel	64,343,450	58,506,496
Dividend paid to related parties	55,046,760	55,046,760



As at 31 March 2013 (Un-audited)

	Associated companies	Other related parties	Total
	-----Rupees-----		
Trade and other payables	92,960,230	-	92,960,230
Trade debts	-	6,462,881	6,462,881
Loans and advances	-	352,496	352,496
Other receivables	112,850	-	112,850
Bank balances	11,668,720	-	11,668,720

As at 30 June 2012 (Audited)

	Associated companies	Other related parties	Total
	-----Rupees-----		
Trade and other payables	43,859,866	156,537	44,016,403
Other receivables	-	8,092,179	8,092,179
Bank balances	10,241,000	-	10,241,000

8. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 'Interim Financial Reporting', the consolidated condensed interim balance sheet and consolidated condensed interim statement of changes in equity have been compared with the balances of preceding audited annual financial statements for the year ended 30 June 2012, whereas, the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made. Basic and diluted earnings per share for the nine months and quarter ended 31 March 2012 have been restated as a result of bonus issue during the current period.

9. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 April 2013.

Chief Executive

Director