



NISHAT CHUNIAN LIMITED

Interim Financial Information

Quarter Ended 30 September 2013
(Unaudited)

02	Company Information
03	Directors' Report
	Nishat (Chunian) Limited - Condensed Interim Financial Information
04	Balance Sheet
06	Profit and Loss Account
07	Statement of Comprehensive Income
08	Cash Flow Statement
09	Statement of Changes in Equity
10	Notes to the Financial Information
	Nishat (Chunian) Limited and its Subsidiary Companies - Consolidated Condensed Interim Financial Information
22	Consolidated Balance Sheet
24	Consolidated Profit and Loss Account
25	Consolidated Statement of Comprehensive Income
26	Consolidated Cash Flow Statement
27	Consolidated Statement of Changes in Equity
28	Notes to the Consolidated Financial Information

COMPANY INFORMATION

Board of Directors:

Mr. Shahzad Saleem Ms. Farhat Saleem Mr. Yahya Saleem	<i>Chief Executive/Chairman</i>
Mr. Manzoor Ahmed Mr. Aftab Ahmad Khan Mr. Shahid A. Malik Mr. Kamran Rasool	<i>Nominee NIT</i>

Audit Committee:

Mr. Aftab Ahmad Khan	<i>Chairman</i>
Mr. Shahzad Saleem	<i>Member</i>
Mr. Yahya Saleem	<i>Member</i>

HR&R Committee:

Mr. Yahya Saleem	<i>Chairman</i>
Mr. Shahzad Saleem	<i>Member</i>
Mr. Kamran Rasool	<i>Member</i>

Company Secretary:

Mr. Umar Shahzad

Head of Internal Audit:

Mr. Ibraheem Saleem

Bankers to the Company:

Allied Bank Limited
Askari Bank Limited
Al Barka Bank (Pakistan) Limited
Bank Alfalah Limited
Barclays Bank plc, Pakistan
Bank Islami Pakistan Limited
Burj Bank Limited
Citibank N.A.
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
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

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

Share Registrar:

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

Mills:

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

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

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

Dear Shareholders

We are pleased to announce the unaudited results for the first quarter of the fiscal year 2013-14.

Revenues earned in this quarter were Rs 5.16 billion, up by 9.3% from the corresponding period last year. However as the company had to face increasing energy costs our gross profits for this period declined by 15 % from the corresponding quarter of September 2012. Net profit after tax for the current period is Rs. 224 million compared to Rs. 375 million for the same period last year.

The acquisition process of Taj Textile's operating assets has been completed and the units have been renamed as NCL 7 & 8. Modernization of these spinning units is already underway and production will commence in January 2014. Our brand new fully automated spinning unit NCL 6, equipped with 22,128 spindles, will go into production by mid November 2013. NCL 6 is the first mill in the world to install Toyota's longest ever 1824 spindle Ring-frames making it the most modern and innovative spinning factory in the world.

The yarn market has seen a slump thereby affecting our profits and margins in the spinning division. The home textile division is running at full capacity as demand for our products is increasing. Higher energy costs also affected our home textile business adding to our cost of sales. Our project of a 14MW Grid station is near completion and will reduce reliance on furnace oil for production of electricity thus reducing the overall energy cost. The company's subsidiary, Nishat Chunian Power Limited has announced interim and final dividends of Rs 2 per share each for the year ended 30 June 2013. These dividends will result in an income of Rs. 750 million in the next quarter.

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

Lahore: 30 October 2013

Shahzad Saleem
Chief Executive/Chairman

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET

As at September 30, 2013

	Note	(Unaudited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital	5	2,500,000,000	2,500,000,000
Issued, subscribed and paid up share capital	6	1,819,860,280	1,819,860,280
Reserves		6,424,220,287	6,200,411,169
Total equity		8,244,080,567	8,020,271,449
NON-CURRENT LIABILITIES			
Long term financing	7	5,109,123,182	4,201,123,183
CURRENT LIABILITIES			
Trade and other payables		2,979,109,000	1,425,022,011
Accrued mark-up		132,727,847	164,249,549
Short term borrowings	8	7,421,036,107	6,493,965,784
Current portion of non-current liabilities		1,193,481,329	1,620,216,772
		11,726,354,281	9,703,454,116
TOTAL LIABILITIES		16,835,477,463	13,904,577,299
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		25,079,558,030	21,924,848,748

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

	Note	(Unaudited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
ASSETS			
NON CURRENT ASSETS			
Fixed assets	10	8,965,865,607	7,635,608,369
Investment in subsidiary companies		1,886,681,200	1,886,681,200
Long term loans to employees		2,888,434	3,092,629
Long term security deposits		2,581,259	2,531,259
		10,858,016,500	9,527,913,457
CURRENT ASSETS			
Stores, spare parts and loose tools		834,768,200	569,177,807
Stock-in-trade		6,516,642,932	5,639,883,723
Trade debts		3,714,639,032	3,904,386,723
Loans and advances		1,992,740,536	782,917,291
Short term prepayments		12,877,224	340,213
Other receivables		1,048,519,678	1,158,829,645
Short term investments		82,965,907	82,162,359
Cash and bank balances		18,388,021	259,237,530
		14,221,541,530	12,396,935,291
TOTAL ASSETS		25,079,558,030	21,924,848,748

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the Quarter Ended September 30, 2013

	Note	Quarter Ended September 30, 2013 Rupees	Quarter Ended September 30, 2012 Rupees
SALES		5,165,557,745	4,726,432,223
COST OF SALES	11	4,459,281,495	3,895,015,567
GROSS PROFIT		706,276,250	831,416,656
DISTRIBUTION COST		154,068,838	118,554,666
ADMINISTRATIVE EXPENSES		30,096,266	35,536,018
OTHER OPERATING EXPENSES	12	35,392,675	23,248,371
		219,557,779	177,339,055
OTHER OPERATING INCOME		486,718,471	654,077,601
		82,430,596	69,680,538
PROFIT FROM OPERATIONS		569,149,067	723,758,139
FINANCE COST		294,244,234	301,768,819
PROFIT BEFORE TAXATION		274,904,833	421,989,320
PROVISION FOR TAXATION		51,095,715	46,662,120
PROFIT AFTER TAXATION		223,809,118	375,327,200
EARNINGS PER SHARE - BASIC & DILUTED		1.23	(Restated) 2.06

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the Quarter Ended September 30, 2013

	Quarter Ended September 30, 2013 Rupees	Quarter Ended September 30, 2012 Rupees
PROFIT AFTER TAXATION	223,809,118	375,327,200
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	223,809,118	375,327,200

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 September 30, 2013

	Note	September 30, 2013 Rupees	September 30, 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	204,083,445	195,554,925
Long term deposits - net		(50,000)	-
Long term loans to employees		204,193	306,517
Finance cost paid		(325,765,936)	(333,677,572)
Taxes paid		(77,570,062)	(44,393,480)
		(403,181,805)	(377,764,535)
Net cash used in operating activities		(199,098,360)	(182,209,610)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,450,960,384)	(497,056,544)
Proceeds from sale of property, plant and equipment		-	1,333,094
Short term loan given to subsidiary company		-	(560,000,000)
Repayment of short term loan by subsidiary company		-	1,692,500,000
Short term investment made		(803,548)	(206,000,000)
Mark-up income received		1,677,903	18,350,811
Net cash (used in) / from investing activities		(1,450,086,029)	449,127,361
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,018,000,000	-
Repayment of long term financing		(536,735,443)	(229,235,443)
Short term borrowings - net		927,070,323	(4,841,427)
Net cash from / (used in) financing activities		1,408,334,880	(234,076,870)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(240,849,509)	32,840,881
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		259,237,530	47,997,011
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		18,388,021	80,837,892

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 Quarter Ended September 30, 2013

	Ordinary Share Capital	General reserves	Reserves		Total Equity
			Unappropriated profit	Total	
Rupees					
Balance as at 30 June 2012 - (audited)	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	1,629,221,278	3,166,681,509	4,795,902,787	6,450,321,227
Final dividend for the year ended 30 Jun 2012 @ Rupees 2 per ordinary share	-	-	(330,883,688)	(330,883,688)	(330,883,688)
Issue of bonus shares during the year	165,441,840	-	(165,441,840)	(165,441,840)	-
Total comprehensive income for the nine months ended 30 June 2013	-	-	1,900,833,910	1,900,833,910	1,900,833,910
Balance as at 30 June 2013 - (audited)	1,819,860,280	1,629,221,278	4,571,189,891	6,200,411,169	8,020,271,449
Total comprehensive income for the quarter ended 30 September 2013	-	-	223,809,118	223,809,118	223,809,118
Balance as at 30 September 2013 - (un-audited)	1,819,860,280	1,629,221,278	4,794,999,009	6,424,220,287	8,244,080,567

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

Chief Executive

Director

For the Quarter Ended September 30, 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 quarter ended 30 September 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 2013.

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 2013.

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 2013.

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter Ended September 30, 2013

5. AUTHORIZED SHARE CAPITAL

Un-audited 30 September 2013 (Number of shares)	Audited 30 June 2013		Un-audited 30 September 2013 Rupees	Audited 30 June 2013 Rupees
230,000,000	230,000,000	Ordinary shares of Rupees 10 each	2,300,000,000	2,300,000,000
20,000,000	20,000,000	15 % non-voting cumulative convertible preference shares of Rupees 10 each	200,000,000	200,000,000
250,000,000	250,000,000		2,500,000,000	2,500,000,000

6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 30 September 2013 (Number of shares)	Audited 30 June 2013		Un-audited 30 September 2013 Rupees	Audited 30 June 2013 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	86,040,841	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	860,408,410	860,408,410
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
181,986,028	181,986,028		1,819,860,280	1,819,860,280

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter Ended September 30, 2013

	(Un-audited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
7. LONG TERM FINANCING		
From Banking Companies / financial institutions -Secured		
Long Term Loans	5,476,354,511	4,875,089,955
Long Term Musharaka	576,250,000	665,000,000
Privately placed term finance certificates	250,000,000	281,250,000
	6,302,604,511	5,821,339,955
Less: Current portion shown under current liabilities	1,193,481,329	1,620,216,772
Non-current portion	5,109,123,182	4,201,123,183
8. SHORT TERM BORROWINGS		
Short term running finances	857,206,556	587,198,422
Export finances-preshipment/SBP refinance	3,708,829,551	1,662,615,362
Other short term finances	2,855,000,000	4,244,152,000
	7,421,036,107	6,493,965,784

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 2013 except for the following:

- i) Guarantees of Rupees 221.299 million (30 June 2013: Rupees 221.299 million) have been issued by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and Shell Pakistan Limited against purchase of furnace oil.
- ii) Guarantees of Rupees 96 million (30 June 2013: Rupees 86 million) have been issued by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- iii) Post dated cheques have been issued by the Company to custom authorities in respect of duties amounting to Rupees 403.11 million (30 June 2013: Rupees 154.347 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.
- iv) The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million (30 June 2013: Rupees 9.482 million) on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Company considering that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR) Karachi Bench which has not been decided in favour of the Company. The company has decided to prefer an appeal in High Court against the decision of ATIR. The Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Custom Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Company and forwarded the case to FBR. However, FBR has not accepted

For the Quarter Ended September 30, 2013

the recommendations of ADRC.

- v) The Company has filed an appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR). ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2007 whereby a demand of Rupees 18.379 million (30 June 2013: Nil) has been raised. No provision against the demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on opinion of the legal advisor.

Commitments

- (i) Commitments in respect of capital expenditure are Rupees 582.060 million (30 June 2013: Rupees 913.661 million).
 (ii) Letters of credit other than for capital expenditure are Rupees 13.921 million (30 June 2013: Rupees 197.348 million).
 (iii) Outstanding foreign currency forward contracts of Rupees 561.232 million (30 June 2013: Rupees 3,350.847 million).

	(Un-audited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
10. OPERATING FIXED ASSETS		
Property, plant and equipment		
Operating assets (10.1)	5,876,806,646	5,986,747,224
Capital work in progress	3,088,917,353	1,648,294,714
	8,965,723,999	7,635,041,938
Intangible asset:		
Computer software	141,608	566,431
	8,965,865,607	7,635,608,369
10.1 Operating Assets		
Opening book value	5,986,747,224	5,972,783,496
Additions during the period / year (10.1.1)	10,445,850	541,779,843
	5,997,193,074	6,514,563,339
Book value of deletions during the period / year (10.1.2)	-	4,830,697
Less: Depreciation charged during the period / year	120,386,428	522,985,418
Closing book value	5,876,806,646	5,986,747,224
10.1.1 Cost of additions during the period / year		
Land	1,300,000	370,043,524
Building on freehold land	747,202	24,931,067
Plant and machinery	5,149,707	110,871,634
Electric installations	353,550	10,632,596
Factory equipment	646,255	1,615,546
Furniture and fixtures	1,002,712	1,906,888
Office equipment	1,041,424	7,659,019
Motor vehicles	205,000	14,119,569
	10,445,850	541,779,843

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter Ended September 30, 2013

	(Un-audited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupee
10.1.2. Book Value of deletions during the period / year		
Furniture and fixtures	-	123,900
Office equipment	-	1,017,480
Motor vehicles	-	9,529,506
Total Cost of Deletions	-	10,670,886
Less Accumulated Depreciation	-	(5,840,189)
	-	4,830,697
	(Un-audited) Quarter ended September 30, 2013 Rupees	(Un-audited) Quarter ended September 30, 2012 Rupees
11. COST OF GOODS SOLD		
Raw material consumed	3,108,191,101	2,896,402,810
Packing materials consumed	134,571,666	136,733,424
Stores, spare parts and loose tools	243,174,719	238,984,912
Salaries, wages and other benefits	314,793,332	275,612,639
Fuel and power	749,655,299	499,389,627
Insurance	8,846,664	7,694,765
Postage and telephone	119,976	119,485
Travelling and conveyance	5,901,515	3,737,311
Vehicle running	5,576,020	4,733,971
Entertainment	1,601,259	1,688,889
Depreciation	119,090,388	128,176,451
Repair and maintenance	3,149,364	6,430,632
Other factory overheads	15,318,265	14,829,644
	4,709,989,568	4,214,534,560
Work-in-process		
Opening stock	376,405,750	380,749,192
Closing stock	(528,035,858)	(519,314,303)
	(151,630,108)	(138,565,111)
Cost of goods manufactured	4,558,359,460	4,075,969,449
Finished goods and waste-opening stocks		
Finished goods	478,795,009	412,367,556
Waste	54,134,534	32,878,314
	532,929,543	445,245,870
	5,091,289,003	4,521,215,319

For the Quarter Ended September 30, 2013

Finished goods and waste-closing stocks		
Finished goods	(596,007,735)	(587,928,375)
Waste	(35,999,773)	(38,271,377)
	(632,007,508)	(626,199,752)
Cost of goods sold	4,459,281,495	3,895,015,567

12. OTHER OPERATING EXPENSES

Other operating expenses includes donations to Saleem Memorial Trust Hospital (SMTH) amounting to Rs. 20 million in which Mr. Shahzad Saleem, Chairman and Chief Executive, Mr. Yahya Saleem and Ms. Farhat Saleem are directors. This donation is conditional upon obtaining of certain legal formalities / approvals in connection with the establishment of this charitable hospital. If these conditions could not be fulfilled within one year, the contribution will be returned to the donor.

	(Un-audited) Quarter ended September 30, 2013 Rupees	(Un-audited) Quarter ended September 30, 2012 Rupees
13. CASH USED IN OPERATIONS		
Profit before taxation	274,904,833	421,989,320
Adjustment for non cash charges and other items:		
Depreciation on operating assets	120,278,322	129,236,690
Amortization on intangible assets	424,824	424,824
Gain on sale of operating fixed assets	-	(467,262)
Interest income on loan to subsidiary company	-	(15,018,169)
Interest on bank deposits	(1,677,903)	(788,641)
Finance costs	294,244,234	301,768,819
Cash flows from operating activities before working capital changes	688,174,310	837,145,581
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(265,590,393)	(61,729,457)
- Stock in trade	(876,759,209)	(696,512,788)
- Trade debts	189,747,691	87,534,782
- Loans and advances	(1,209,823,245)	(46,794,758)
- Short term deposits and prepayments	(12,537,011)	(11,933,129)
- Other receivables	136,784,313	(85,284,633)
Increase in current liabilities		
- Trade and other payables	1,554,086,989	173,129,327
Cash generated from operations	204,083,445	195,554,925

14.1 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and Home textile		Power Generation		Total Company	
	(Un-audited) Quarter ended 30 Sep 2013	(Audited) Year ended 30 Jun 2013	(Un-audited) Quarter ended 30 Sep 2013	(Audited) Year ended 30 Jun 2013	(Un-audited) Quarter ended 30 Sep 2013	(Audited) Year ended 30 Jun 2013	(Un-audited) Quarter ended 30 Sep 2013	(Audited) Year ended 30 Jun 2013	(Un-audited) Quarter ended 30 Sep 2013	(Audited) Year ended 30 Jun 2013
Total assets for reportable segments	12,765,159,199	9,076,070,829	2733,280,682	2,654,255,116	4,486,909,193	4,054,524,679	1,287,031,414	1,483,265,882	21,272,380,398	17,268,136,506
Rupees										
Unallocated assets:										
Long term investments									1,886,681,200	1,886,681,200
Other receivables									1,048,519,678	1,158,829,645
Short term investment									82,863,907	82,162,359
Cash and bank balances									18,388,021	289,237,530
Other corporate assets									3,584,418,744	1,269,801,509
Total assets as per balance sheet									<u>25,079,558,030</u>	<u>21,924,848,748</u>
Total liabilities for reportable segments	1,740,927,725	670,185,985	258,343,055	73,443,571	589,226,706	270,935,156	304,271,235	42,896,113	2,882,768,721	1,057,460,885
Unallocated liabilities:										
Long term financing									6,302,604,511	5,821,339,955
Accrued mark-up									132,727,847	164,249,549
Short term borrowings									7,421,036,107	6,493,985,784
Other corporate liabilities									86,340,279	387,591,176
Total liabilities as per balance sheet									<u>16,835,477,464</u>	<u>13,904,577,299</u>

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter Ended September 30, 2013

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, 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 September 30, 2013 Rupees	(Un-audited) Quarter Ended September 30, 2012 Rupees
Subsidiary company		
Short term loan given to subsidiary company	-	560,000,000
Short term loan repaid by subsidiary company	-	1,692,500,000
Common facilities cost charged to subsidiary company	4,500,000	450,000
Markup on short term loan charged to subsidiary company	-	15,018,169
Sale of goods to subsidiary company	149,834,247	-
Associated company		
Insurance premium paid	32,152,087	30,754,315
Insurance claims received	1,134,209	3,339,753
Other related parties		
Purchase of goods	4,838,625	4,954,365
Sale of goods	30,177,210	25,845,383
Contribution to employees' provident fund	7,149,711	6,386,983
	Un-audited Quarter Ended September 30, 2013 Rupees	Audited Year Ended June 30, 2013 Rupees
Period end balances		
Due from subsidiary company	4,595,000	1,507,000
Markup receivable from subsidiary company	-	2,765,420
Bank balances with related party	14,365,602	8,612,354
Due from related parties other than subsidiary company	10,215,260	5,535,814
Due to related parties other than subsidiary company	519,335	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.

17. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on October 30, 2013.

NISHAT (CHUNIAN) LIMITED AND ITS
SUBSIDIARY COMPANIES

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

QUARTER ENDED 30 SEPTEMBER 2013
(UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

As at September 30, 2013

	Note	(Unaudited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		1,819,860,280	1,819,860,280
Reserves		8,124,123,588	8,013,542,833
Equity attributable to equity holders of the Holding Company		9,943,983,868	9,833,403,113
Non-controlling interest		3,444,685,737	3,552,270,788
Total equity		13,388,669,605	13,385,673,901
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		16,655,027,000	16,038,118,234
CURRENT LIABILITIES			
Trade and other payables		5,756,529,952	3,382,808,041
Accrued mark-up		552,528,777	683,900,614
Short term borrowings		9,566,150,828	6,498,176,644
Current portion of long term financing		2,295,106,308	2,681,282,514
		18,170,315,865	13,246,167,813
Total liabilities		34,825,342,863	29,284,286,047
CONTINGENCIES AND COMMITMENTS			
	5		
TOTAL EQUITY AND LIABILITIES		48,214,012,470	42,669,959,948

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

	(Unaudited) September 30, 2013 Rupees	(Audited) June 30, 2013 Rupees
ASSETS		
NON CURRENT ASSETS		
Fixed assets	23,531,268,473	22,391,029,019
Long term loans to employees	3,786,171	3,474,134
Long term security deposits	2,686,259	2,636,259
	23,537,740,903	22,397,139,412
CURRENT ASSETS		
Stores, spare parts and loose tools	1,720,844,428	1,244,305,405
Stock-in-trade	7,793,675,984	6,331,973,069
Trade debts	10,975,319,608	9,452,690,417
Loans and advances	2,328,332,192	994,644,550
Short term deposit and prepayments	159,715,196	2,932,499
Accrued interest	-	161,854
Other receivables	1,530,176,328	1,620,867,710
Derivative financial instrument	6,934,203	2,362,939
Short term investments	82,965,907	82,162,359
Cash and bank balances	78,307,721	540,719,734
	24,676,271,567	20,272,820,536
TOTAL ASSETS	48,214,012,470	42,669,959,948

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the Quarter Ended September 30, 2013

	Quarter Ended September 30, 2013 Rupees	Quarter Ended September 30, 2012 Rupees
SALES	11,795,808,969	9,988,578,747
COST OF SALES	10,060,578,788	7,881,930,189
GROSS PROFIT	1,735,230,181	2,106,648,558
DISTRIBUTION COST	174,054,449	118,554,666
ADMINISTRATIVE EXPENSES	55,718,901	53,675,409
OTHER OPERATING EXPENSES	91,769,695	24,256,371
	321,543,045	196,486,446
OTHER OPERATING INCOME	1,413,687,136	1,910,162,112
	89,666,044	108,119,436
PROFIT FROM OPERATIONS	1,503,353,180	2,018,281,548
FINANCE COST	715,223,914	1,004,824,675
PROFIT BEFORE TAXATION	788,129,266	1,013,456,873
TAXATION	51,095,715	49,077,566
PROFIT AFTER TAXATION	737,033,551	964,379,307
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	485,096,364	676,156,111
NON-CONTROLLING INTEREST	251,937,187	288,223,196
	737,033,551	964,379,307
EARNINGS PER SHARE - BASIC & DILUTED	2.67	(Restated) 3.72

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 September 30, 2013

	Quarter Ended September 30, 2013 Rupees	Quarter Ended September 30, 2012 Rupees
PROFIT AFTER TAXATION	737,033,551	964,379,307
OTHER COMPREHENSIVE INCOME	656,031	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	737,689,582	964,379,307
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE HOLDING COMPANY	485,752,395	676,156,111
NON-CONTROLLING INTEREST	251,937,187	288,223,196
	737,689,582	964,379,307

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

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the Quarter Ended September 30, 2013

	Note	Quarter Ended September 30, 2013 Rupees	Quarter Ended September 30, 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	6	(1,284,052,322)	3,477,774,776
Net increase in long term security deposits		(50,000)	-
Finance cost paid		(846,595,751)	(1,062,520,274)
Income tax paid		(77,776,576)	(44,393,480)
Long term loans to employees		(312,037)	306,516
Net cash (used in) / generated from operating activities		(2,208,786,686)	2,371,167,538
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,554,231,645)	(497,820,272)
Proceeds from sale of property, plant and equipment		-	1,333,094
Short term investments made		(803,548)	(206,000,000)
Profit on bank deposits received		2,047,090	203,535
Net cash used in investing activities		(1,552,988,103)	(702,283,643)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,018,000,000	-
Repayment of long term financing		(787,267,439)	(444,859,526)
Short term borrowings - net		3,067,974,184	(1,228,137,281)
Net cash from / (used in) financing activities		3,298,706,745	(1,672,996,807)
Net decrease in cash and cash equivalents		(463,068,044)	(4,112,912)
Impact of exchange translation		656,031	-
Cash and cash equivalents at the beginning of the period		540,719,734	87,794,100
Cash and cash equivalents at the end of the period		78,307,721	83,681,188

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 September 30, 2013

	Attributable to Equity Holders of The Holding Company					Non - Controlling Interest	Total Equity
	Ordinary Share Capital	Capital reserve	Revenue reserves		Shareholders Equity		
		Exchange Translation Reserve	General reserve	Unappropriated profit			
Balance as at 30 June 2012 - (audited)	1,654,418,440	-	1,629,221,278	3,971,842,980	5,601,064,258	7,255,482,698	10,192,142,186
Total comprehensive income for the quarter ended 30 September 2012	-	-	-	676,156,111	676,156,111	676,156,111	964,379,307
Balance as at 30 September 2012 - (un-audited)	1,654,418,440	-	1,629,221,278	4,647,999,091	6,277,220,369	7,951,636,809	11,156,521,483
Final dividend for the year ended 30 Jun 2012 @ Rupees 2 per ordinary share	-	-	-	(330,883,688)	(330,883,688)	(330,883,688)	(330,883,688)
Dividend paid to non-controlling interest	-	-	-	-	-	-	(719,044,475)
Bonus shares issued during the year	165,441,840	-	-	(165,441,840)	(165,441,840)	-	-
Total comprehensive income for the nine months ended 30 June 2013	-	56,555	-	2,232,591,437	2,232,591,437	2,232,647,992	3,279,080,571
Balance as at 30 June 2013 - (audited)	1,819,860,280	56,555	1,629,221,278	6,384,285,000	8,013,465,278	9,833,403,113	13,386,673,901
Total comprehensive income for the quarter ended 30 September 2013	-	656,031	-	485,036,364	485,036,364	485,752,395	737,680,582
Interim dividend @ Rs 2 per share	-	-	-	(375,171,640)	(375,171,640)	(375,171,640)	(734,683,878)
Balance as at 30 September 2013 - (un-audited)	1,819,860,280	712,586	1,629,221,278	6,494,189,724	8,123,411,002	9,943,963,868	13,386,689,605

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

Chief Executive

Director

For the Quarter Ended September 30, 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 Incorporation

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at Suite No. 639, 7 West, 34th Street New York, NY 10001, USA. The principal business of the Subsidiary Company is to import home textile products and distribute to local retailer

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 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 2013.

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 2013.

For the Quarter Ended September 30, 2013

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 2013.

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 2013 except for the following:

- i) Guarantees of Rupees 221.299 million (30 June 2013: Rupees 221.299 million) have been issued by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections and Shell Pakistan Limited against purchase of furnace oil.
- ii) Guarantees of Rupees 96 million (30 June 2013: Rupees 86 million) have been issued by the banks of the Holding Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- iii) Post dated cheques have been issued by the Holding Company to custom authorities in respect of duties amounting to Rupees 403.11 million (30 June 2013: Rupees 154,347 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.
- iv) The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million (30 June 2013: Rupees 9.482 million) on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Holding Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Holding Company considering that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR) Karachi Bench which has not been decided in favour of the Holding Company. The company has decided to prefer an appeal in High Court against the decision of ATIR. The Holding Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Custom Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Holding Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC.
- v) The Company has filed an appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR). ACIR has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2007 whereby a demand of Rupees 18.379 million (30 June 2013: Nil) has been raised. No provision against the demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on opinion of the legal advisor.

For the Quarter Ended September 30, 2013

Commitments

- i) Commitments in respect of capital expenditure are Rupees 582.060 million (30 June 2013: Rupees 913.661 million).
- ii) Letters of credit other than for capital expenditure are Rupees 13.921 million (30 June 2013: Rupees 197.348 million).
- iii) Outstanding foreign currency forward contracts of Rupees 561.232 million (30 June 2013: Rupees 3,350.847 million).

Subsidiary Company

Contingencies

- i) 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 liability acknowledged by Nishat Chunian Power Limited (NCPL)- subsidiary company of Rs 81.21 million. The Subsidiary company has filed review petition against the said decision before NEPRA which was heard on 26 March 2013 and decision is pending before Authority. The Subsidiary 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. The Subsidiary 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 subsidiary company.

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

- ii) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (30 June 2013: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.
- iii) Letter of guarantee of Rs 4,031,988 (30 June 2013: 2,031,988) 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 2013 Rupees	(Audited) 30 June 2013 Rupees
Commitments		
i) Letter of credit other than for capital expenditure	122,314,878	202,410,806
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.		

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter Ended September 30, 2013

	(Un-audited) Quarter Ended 30 September 2013 Rupees	(Un-audited) Quarter Ended 30 September 2012 Rupees
6. CASH USED IN OPERATIONS		
Profit before taxation	788,129,266	1,013,456,873
Adjustment for non cash charges and other items:		
Depreciation on operating assets	409,985,611	374,862,191
Amortization on intangible assets	544,074	544,074
Gain on sale of operating fixed assets	3,462,505	(467,262)
Interest on bank deposits	(1,885,236)	(788,859)
Unrealised gain on derivative financial instrument	(4,571,264)	(38,071,306)
Finance costs	715,223,914	1,004,824,675
Cash flows from operating activities before working capital changes	1,910,888,870	2,354,360,386
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(476,539,023)	(86,827,474)
- Stock in trade	(1,461,702,915)	(798,979,341)
- Trade debts	(1,522,629,191)	1,388,669,421
- Loans and advances	(1,333,687,642)	(52,632,974)
- Short term deposits and prepayments	(156,782,697)	(130,659,004)
- Other receivables	90,691,382	(122,174,461)
Increase in current liabilities		
- Trade and other payables	1,665,708,894	926,018,223
	(3,194,941,192)	1,123,414,390
Cash (used in) / generated from operations	(1,284,052,322)	3,477,774,776

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:

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter Ended September 30, 2013

	(Un-audited) Quarter Ended 30 September 2013 Rupees	(Un-audited) Quarter Ended 30 September 2012 Rupees
Associated company		
Insurance premium paid	32,152,087	30,754,315
Insurance claims received	1,134,209	3,339,753
Other related parties		
Purchase of goods	4,838,625	4,954,365
Sale of goods	30,177,210	25,845,383
Contribution to employees' provident fund	7,667,754	6,784,644
	(Un-audited) 30 September 2013 Rupees	(Audited) 30 June 2013 Rupees
Period end balances		
Bank balances with related party	16,932,970	8,634,570
Due from related parties	10,215,260	5,535,814
Due to related parties	519,335	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 and authorized for issue on October 30, 2013 by the Board of Directors.

Chief Executive

Director



Nishat Chunian Limited

31-Q, Gulberg II, Lahore 54660, Pakistan
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696
Email: info@nishat.net
www.nishat.net
www.facebook.com/NishatChunianGroup