

Nishat Chunian Power Limited



Interim Condensed Financial Information
Half Year Ended 31 December 2010
(Unaudited)



Contents

Company Information	3
Directors' Report	4
Review Report to the Members	5
Balance Sheet	6 - 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Cash Flow Statement	10
Statement of Changes in Equity	11
Notes to the Financial Information	12 - 19



Company Information

Board of Directors:	Mr. Muhammad Saleem	Director
	Mr. Shahzad Saleem (Nominee NCL)	Chairman
	Mr. Yahya Saleem	Chief Executive
	Mr. Aftab Ahmad Khan	Director
	Mr. Mehmood Akhtar	Director
	Mr. Badar ul Hassan	Director
	Mr. Fareed Verdag (Nominee ABL) Syed Iqbal Ashraf (Nominee NBP)	Director Director

Audit Committee:	Mr. Shahzad Saleem	Chairman
	Mr. Aftab Ahmad Khan	Member
	Mr. Badar ul Hassan	Member

Chief Financial Officer: Ms. Sonia Karim

Company Secretary: Mr. Abdul Khaliq

Bankers to the Company:	Allied Bank Limited	(ABL)
	Summit Bank Limited (Formerly Arif Habib Bank Ltd.)	(SBL)
	Faysal Bank Limited	(FBL)
	Habib Bank Limited	(HBL)
	National Bank of Pakistan	(NBP)
	United Bank Limited	(UBL)
	Bank Alfalah Limited	(BAFL)
	Habib Metropolitan Bank	(HMBL)
	MCB Bank Limited	(MCB)
	Askari Bank Limited	(AKBL)

Auditors: A.F. Ferguson & Company
Chartered Accountants

Registered & Head Office: 31 -Q, Gulberg II,
Lahore, Pakistan.
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Share Registrar: Hameed Majeed Associates (Pvt) Limited
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Plant: 66-km, Multan Road, Pattoki
Kasur.



Directors' Report

The Board of Directors of Nishat Chunian Power Limited is pleased to present reviewed accounts of Nishat Chunian Power Limited for half year ended Dec 31, 2010. The company started its commercial operations from July 21, 2010. During the period under review, the company earned after tax profit of PKR 914.231 million on the basis of tariff approved by NEPRA dated December 31, 2010. Sales recorded was PKR 8,448.91 million (2009: NIL) maintaining an average plant factor of 85.46 % and dispatched 654,201.02 MWh.

Due to the delayed payments from NTDCL on account of circular debt and enormous increase in furnace oil prices, the company is doing its best to ensure smooth operations of the plant by arranging adequate working capital lines. As on terminal date, total receivable amount from NTDCL is PKR 6,208.98 million out of which PKR 2,312.07 million is overdue.

On behalf of the Board

Chief Executive

26 February 2011



Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Nishat Chunian Power Limited ('company') as at 31 December 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 31 December 2009 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2010.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The financial statements of the company for the year ended 30 June 2010 were audited by another firm of accountants, M/s Riaz Ahmad & Company, Chartered Accountants, whose report dated 05 October 2010 expressed an unqualified opinion thereon.

A.F. FERGUSON & COMPANY
Chartered Accountants

Name of engagement partner:
Muhammad Masood

LAHORE:
26 February 2011



Condensed Interim Balance Sheet

		Unaudited 31 December 2010 Rupees	Audited 30 June 2010 Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised share capital 385,000,000 (June 30, 2010: 385,000,000) ordinary shares of Rs 10 each		<u>3,850,000,000</u>	<u>3,850,000,000</u>
Issued, subscribed and paid up share capital 367,346,939 (June 30, 2010: 367,346,939) ordinary shares of Rs 10 each		3,673,469,390	3,673,469,390
Un-appropriated profit/(accumulated loss)		890,091,561	(24,139,607)
		<u>4,563,560,951</u>	<u>3,649,329,783</u>
NON-CURRENT LIABILITIES			
Long term financing - secured	5	14,822,277,784	14,991,503,693
Subordinated loan - unsecured	6	449,638,960	386,638,960
		<u>15,271,916,744</u>	<u>15,378,142,653</u>
CURRENT LIABILITIES			
Current portion of long term financing - secured	5	421,063,772	410,277,258
Short term borrowings - secured		3,659,059,056	1,824,941,977
Trade and other payables		523,182,530	872,913,953
Accrued markup		760,464,239	566,118,962
Provision for taxation		10,917,508	1,303,361
		<u>5,374,687,105</u>	<u>3,675,555,511</u>
CONTINGENCIES AND COMMITMENTS	7		
		<u>25,210,164,800</u>	<u>22,703,027,947</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive



as at 31 December 2010

	Unaudited 31 December 2010 Rupees	Audited 30 June 2010 Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	17,679,326,685	18,063,633,338
Long term loans to executives	152,253	160,650
Long term security deposits	105,000	105,000
	<u>17,679,583,938</u>	<u>18,063,898,988</u>
CURRENT ASSETS		
Stores and spare parts	255,141,363	220,548,971
Stock-in-trade	587,055,456	305,640,255
Trade debts	6,208,975,853	1,732,450,622
Loans and advances	133,155,589	536,612,951
Interest accrued	10,794,144	2,190,102
Other receivables	141,579,509	106,637,634
Short term investment	29,659,841	131,890,238
Sales tax refundable	85,087,479	40,173,324
Advance income tax	3,534,729	1,762,473
Cash and bank balances	75,596,899	1,561,222,389
	<u>7,530,580,862</u>	<u>4,639,128,959</u>
	<u>25,210,164,800</u>	<u>22,703,027,947</u>

Director



Condensed Interim Profit and Loss Account (Unaudited)

For the Quarter and Half Year Ended 31 December 2010

Note	Quarter Ended		Half Year Ended	
	31 December	31 December	31 December	31 December
	2010	2009	2010	2009
	Rupees	Rupees	Rupees	Rupees
Sales	4,709,383,460	-	8,448,910,452	-
Cost of sales	9 (3,415,431,316)	-	(6,179,164,496)	-
Gross profit	1,293,952,144	-	2,269,745,956	-
Administrative expenses	(14,401,929)	(938,818)	(19,174,748)	(1,529,177)
Other operating expenses	(31,627,407)	-	(33,627,407)	-
Other operating income	16,268,490	2,356,670	27,675,623	2,424,230
Profit from operations	1,264,191,298	1,417,852	2,244,619,424	895,053
Finance cost	(760,297,840)	-	(1,320,774,108)	-
Profit before taxation	503,893,458	1,417,852	923,845,316	895,053
Taxation	(9,614,148)	-	(9,614,148)	-
Profit after taxation	494,279,310	1,417,852	914,231,168	895,053
Earnings per share				
- basic and diluted	10 1.346	0.004	2.489	0.003

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive

Director



Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Quarter and Half Year Ended 31 December 2010

	Quarter Ended		Half Year Ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	494,279,310	1,417,852	914,231,168	895,053
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>494,279,310</u>	<u>1,417,852</u>	<u>914,231,168</u>	<u>895,053</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive

Director



Condensed Interim Cash Flow Statement (Unaudited)

For the Half Year Ended 31 December 2010

		July 01 to December 31	
		2010	2009
		Rupees	Rupees
Cash flows from operating activities			
Cash used in operations	11	(2,229,261,919)	(244,129,230)
Finance cost paid		(1,274,350,239)	(587,066,790)
Taxes paid		(1,772,257)	(785,554)
Retirement benefits paid		(352,895)	-
Net cash outflow from operating activities		(3,505,737,310)	(831,981,574)
Cash flows from investing activities			
Purchase of property, plant and equipment		167,247,533	(6,617,320,752)
Investments made		(315,772,760)	-
Disposal of investment		424,152,807	-
Profit on bank deposits received		5,379,846	-
Loans recovered from employees		426,710	263,550
Net cash inflow/(outflow) from investing activities		281,434,136	(6,617,057,202)
Cash flows from financing activities			
Proceeds from long term financing		-	5,618,356,213
Repayment of long term financing		(158,439,395)	-
Proceeds from subordinated loan		85,000,000	-
Repayment of subordinated loan		(22,000,000)	-
Proceeds from issuance of share capital		-	1,876,104,530
Share issuance cost		-	(14,071,499)
Net cash (outflow)/inflow from financing activities		(95,439,395)	7,480,389,244
Net (decrease)/increase in cash and cash equivalents		(3,319,742,569)	31,350,468
Cash and cash equivalents at the beginning of the period		(263,719,588)	4,732,843
Cash and cash equivalents at the end of the period	12	(3,583,462,157)	36,083,311

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive

Director



Condensed Interim Statement of Changes in Equity (Unaudited)

For the Half Year Ended 31 December 2010

	SHARE CAPITAL	Share Deposit Money	Un-appropriated Profit/ (Accumulated Loss)	TOTAL
 Rupees			
Balance as on July 01, 2009 (audited)	1,797,364,860	-	(2,307,663)	1,795,057,197
Receipt of share deposit money	-	1,876,104,530	-	1,876,104,530
Issuance of ordinary shares against share deposit money	1,876,104,530	(1,876,104,530)	-	-
Shares issuance cost	-	-	(14,074,774)	(14,074,774)
Total comprehensive income for the half year ended December 31, 2009	-	-	895,053	895,053
Balance as on December 31, 2009 (unaudited)	3,673,469,390	-	(15,487,384)	3,657,982,006
Total comprehensive loss for the half year ended June 30, 2010	-	-	(8,652,223)	(8,652,223)
Balance as on June 30, 2010 (audited)	3,673,469,390	-	(24,139,607)	3,649,329,783
Total comprehensive income for the half year ended December 31, 2010	-	-	914,231,168	914,231,168
Balance as on December 31, 2010 (unaudited)	3,673,469,390	-	890,091,561	4,563,560,951

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive

Director



Selected Notes to and Forming Part of Condensed Interim Financial Information (Unaudited)

For the Quarter and Half Year Ended 31 December 2010

1. The company and its activities

Nishat Chunian Power Limited ('the company') is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The company's ordinary shares are listed on the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited. The company is a subsidiary of Nishat (Chunian) Limited.

The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the company is 31-Q, Gulberg II, Lahore. The company has commenced commercial operations from July 21, 2010.

2. Basis of preparation

This condensed interim financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It 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. The figures for the half year ended December 31, 2010 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2010.

3. Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2010, except for the adoption of new accounting policies as referred to in note 3.2.1.

3.2 Initial application of standards, amendments or an interpretation to existing standards

3.2.1 Standards, amendments to published standards and interpretations that are effective in the current period and are relevant to the company

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

- IFRS 5 (Amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The company has adopted this amendment, however, it does not have any material impact on the company's financial statements.



- IAS 1 (Amendment), 'Presentation of Financial Statements'. The amendment is part of the International Accounting Standard Board's (IASB) annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The company has adopted this amendment, however, it does not have any material impact on the company's financial statements.

3.2.2 Standards, amendments and interpretations to existing standards effective in current year but not applicable/relevant to the company's operations

Standards or Interpretations	Effective date (accounting periods beginning on or after)
IAS 32 (Amendment); 'Classification of right issues'	February 1, 2010
IAS 39 (Amendment); 'Cash flow hedge accounting'	July 1, 2010
IFRIC 19, 'Extinguishing financial liabilities with equity instruments'	July 1, 2010

3.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

The following amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after January 1, 2011 or later periods, but the company has not early adopted them:

- IFRS 9, 'Financial Instruments', issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the company's accounting for its financial assets. The standard is not applicable until January 1, 2013 but is available for early adoption. IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The company has not yet decided when to adopt IFRS 9.
- Revised IAS 24, 'Related Party Disclosures', issued in November 2009. It supersedes IAS 24, 'Related Party Disclosures', issued in 2003. The revised IAS 24 is required to be applied from January 1, 2011. Earlier application, in whole or in part, is permitted.
- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning January 1, 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.



There are a number of minor amendments in other IFRS and IAS which are part of annual improvement project published in April 2009 and improvements to International Financial Reporting Standards 2010, issued in May 2010 (not addressed above). These amendments are unlikely to have any impact on the company's financial statements and therefore have not been analyzed in detail.

4. The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2010, except for the change in accounting estimate as referred to in note 4.1.

4.1 Change in accounting estimate

Previously, depreciation on operating fixed assets was charged on reducing balance method. However, during the period, the company's management carried out a comprehensive review of the pattern of consumption of economic benefits of the operating fixed assets. Now the company charges depreciation on operating fixed assets on straight line method. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Had there been no change in the accounting estimate, the profit after tax for the half year ended December 31, 2010 would have been higher by Rs 475,012 and carrying value of operating fixed assets as at that date would have been higher by the same amount.

	Unaudited 31 December 2010	Audited 30 June 2010
	Rupees	Rupees
5. Long term financing - secured		
Opening balance	15,401,780,951	7,189,436,030
Disbursements during the period/year	-	8,212,344,921
	<u>15,401,780,951</u>	15,401,780,951
Less: Repayments during the period/year	158,439,395	-
	<u>15,243,341,556</u>	15,401,780,951
Less: Current portion shown under current liabilities	421,063,772	410,277,258
	<u>14,822,277,784</u>	<u>14,991,503,693</u>
6. Subordinated loan - unsecured		
Opening balance	386,638,960	-
Disbursements during the period/year	85,000,000	386,638,960
	<u>471,638,960</u>	386,638,960
Less: Repayment during the period/year	22,000,000	-
	<u>449,638,960</u>	<u>386,638,960</u>



7. Contingencies and commitments

7.1 Contingencies

- (i) The company has issued following irrevocable standby letters of credit in favour of:
- National Transmission and Despatch Company Limited for USD 5,369,650 (June 30, 2010: USD 5,369,650) equivalent to Rs 461,252,935 (June 30, 2010: Rs 459,642,040) as required under the terms of the Power Purchase Agreement.
 - Wartsila Pakistan (Private) Limited for Rs 45,000,000 (June 30, 2010: Rs 45,000,000) as required under the terms of the Operations and Maintenance Agreement.

	Unaudited 31 December 2010	Audited 30 June 2010
	Rupees	Rupees
7.2 Commitments in respect of		
(i) Letter of credit other than capital expenditure	11,259,353	-
(ii) Other contractors	1,872,716	11,776,902
(iii) The company has entered into a contract for purchase of fuel oil from Shell Pakistan Limited ('SPL') for a period of ten years starting from the Commercial Operations Date of the power station i.e. July 21, 2010. Under the terms of the Fuel Supply Agreement, the company is not required to buy any minimum quantity of oil from SPL.		
(iv) 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 period starting from the Commercial Operations Date of the power station i.e. July 21, 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 a variable O&M fee depending on the net electrical output, both of which are adjustable according to the Wholesale Price Index.		
	Unaudited 31 December 2010	Audited 30 June 2010
	Rupees	Rupees

8. Fixed assets

Property, plant and equipment:		
Operating fixed assets (note 8.1)	17,677,180,185	76,599,079
Capital work-in-progress (note 8.2)	-	17,984,649,259
	17,677,180,185	18,061,248,338
Intangible asset under development		
- computer software	-	2,385,000
Intangible asset - computer software	2,146,500	-
	<u>17,679,326,685</u>	<u>18,063,633,338</u>



	Unaudited 31 December 2010	Audited 30 June 2010
	Rupees	Rupees
8.1 Operating fixed assets		
Opening book value	76,599,079	75,864,019
Additions during the period/ year (note 8.1.1)	17,963,439,946	1,833,187
	<u>18,040,039,025</u>	<u>77,697,206</u>
Depreciation charged during the period/year	(362,858,840)	(1,098,127)
Closing book value	<u>17,677,180,185</u>	<u>76,599,079</u>
8.1.1 Additions during the period/year		
Buildings and roads	169,487,077	-
Plant and machinery	17,782,411,531	-
Electric installations	2,535,539	-
Office equipment	2,917,629	167,035
Furniture and fittings	181,252	382,700
Vehicles	4,985,437	563,956
Computer equipment	921,481	719,496
	<u>17,963,439,946</u>	<u>1,833,187</u>
8.2 Capital work-in-progress		
Buildings and roads	147,156,323	154,700,000
Plant and machinery	15,431,274,838	15,411,234,758
Electric installations	2,535,539	2,535,539
Advance for purchase of assets	5,140,364	5,565,079
Unallocated expenditure (8.2.1)	2,374,664,134	2,410,613,883
	<u>17,960,771,198</u>	<u>17,984,649,259</u>
Transferred to operating fixed assets	(17,960,771,198)	-
Closing balance	<u>-</u>	<u>17,984,649,259</u>



	Unaudited 31 December 2010	Audited 30 June 2010
8.2.1 Unallocated expenditure	Rupees	Rupees
Unallocated expenditure incurred upto commercial operations date:		
Raw material consumed	1,958,044,545	1,409,700,618
Stores and spares consumed	421,567	364,048
Salaries, wages and other benefits	50,717,965	47,802,226
Electricity consumed in house	9,610,499	8,034,830
Insurance	159,618,622	156,586,086
Travelling and conveyance	7,337,047	7,253,686
Entertainment	771,848	734,246
Vehicle running and maintenance	2,853,951	2,759,713
Printing and stationery	1,254,673	1,263,362
Postage and telephone	1,492,480	1,349,661
Fuel and power	589,922	571,022
Advertisement	172,391	153,998
Legal and professional charges	16,782,608	16,712,608
Consultancy charges	14,453,804	16,153,464
Fee and subscription	35,195,005	33,545,411
Mark up on:		
- Long term financing - secured	2,658,860,625	2,529,824,081
- Subordinated loan - unsecured	9,439,281	7,149,256
- Short term borrowings - secured	44,991,077	29,757,330
Bank charges and financing fee	211,878,441	218,747,858
Bank guarantee commission	9,972,744	9,674,009
Payment under O&M Agreement	26,500,000	26,500,000
Depreciation	1,867,193	1,570,448
Miscellaneous	8,313,841	914,570
	<u>5,231,140,129</u>	<u>4,527,122,531</u>
Sale of trial production	(2,070,629,618)	(1,494,773,577)
Scrap sales	(3,793,103)	(3,793,103)
Delay liquidated damages recovered	(782,053,274)	(617,941,968)
	<u>2,374,664,134</u>	<u>2,410,613,883</u>

	Quarter Ended		Half Year Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	Rupees	Rupees	Rupees	Rupees
9. Cost of sales				
Raw materials consumed	3,070,141,320	-	5,604,892,192	-
Salaries, wages and other benefits	2,862,024	-	5,950,355	-
Operations and maintenance	66,860,281	-	118,690,906	-
Insurance	34,632,523	-	61,731,993	-
Store and spares consumed	16,704,834	-	18,397,899	-
Electricity consumed in house	1,985,876	-	2,990,709	-
Travelling and conveyance	837,689	-	966,009	-
Rent, rates and taxes	68,100	-	115,700	-
Printing and stationery	11,348	-	50,925	-
Postage and telephone	644,211	-	667,954	-
Entertainment	90,174	-	107,170	-
Fee and subscription	341,000	-	341,000	-
Depreciation on operating fixed assets	218,461,078	-	362,045,181	-
Miscellaneous	1,790,858	-	2,216,503	-
	<u>3,415,431,316</u>	<u>-</u>	<u>6,179,164,496</u>	<u>-</u>



	Quarter Ended		Half Year Ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	Rupees	Rupees	Rupees	Rupees

10. Earnings per share

10.1 Basic earnings per share

Net profit for the period (Rupees)	494,279,310	1,417,852	914,231,168	895,053
Weighted average number of ordinary shares (Number)	367,346,939	362,183,896	367,346,939	295,792,026
Earnings per share (Rupees)	1.346	0.004	2.489	0.003

10.2 Diluted earnings per share

A diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at December 31, 2010 and December 31, 2009 which would have any effect on the earnings per share if the option to convert is exercised.

	Unaudited July 01 to December 31	
	2010 Rupees	2009 Rupees
11. Cash used in operations		
Profit before taxation	2,244,619,424	895,053
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	362,562,095	70,386
- Amortization on intangible asset	238,500	-
- Profit on bank deposits	(14,039,636)	(3,219,951)
- Profit on investment	(3,913,969)	-
- Provision for employee retirement benefits	566,699	-
Profit before working capital changes	2,590,033,113	(2,254,512)
Effect on cash flow due to working capital changes:		
- Increase in stores and spare parts	(34,592,392)	(216,052,082)
- Increase in stock-in-trade	(281,415,201)	(18,205,138)
- Increase in trade debts	(4,476,525,231)	-
- Decrease/(increase) in loans and advances	403,039,049	(3,685,937)
- (Increase)/decrease in other receivables	(34,941,875)	19,697
- Increase in sales tax refundable	(44,914,155)	(3,484,904)
- Decrease in trade and other payables	(349,945,227)	(466,354)
	(4,819,295,032)	(241,874,718)
	(2,229,261,919)	(244,129,230)
	Unaudited 31 December 2010	Unaudited 31 December 2009
	Rupees	Rupees
12. Cash and cash equivalents		
Cash and bank balances	75,596,899	36,083,311
Short term borrowings - secured	(3,659,059,056)	-
	(3,583,462,157)	36,083,311



		Unaudited July 01 to December 31	
		2010	2009
		Rupees	Rupees
13. Transactions with related parties			
Relationship with the company	Nature of transactions		
i. Holding company	Subordinated loan proceeds	85,000,000	-
	Subordinated loan repaid	22,000,000	-
	Mark up on subordinated loan	5,571,439	-
ii. Associated undertakings	Share issuance cost	-	753,538
iii. Key management personnel	Salaries and other employee benefits	12,631,838	9,604,962
iv. Other related parties	Share issuance cost	-	1,654,366
	Long term financing repaid	63,796,486	-
	Short term borrowings acquired	2,007,349,083	-
	Short term borrowings repaid	1,247,074,838	-
	Mark up on long term financing	454,403,891	-
	Mark up on short term borrowings	51,459,628	-
	Purchase of goods and services	900,000	-
	Bank charges and financing fee	4,988,000	-
	Contribution towards staff retirement benefits	566,699	458,385

The holding company, Nishat (Chunian) Limited (NCL) has provided, on behalf of the company, irrevocable standby letters of credit of Rs 642,406,196 (June 30, 2010: Rs 410,000,000) for equity injection and Nil (June 30, 2010: Rs 147,120,000) for positive cost overrun, in accordance with the Project Funds Agreement, in favour of security trustee of syndicated lenders of the company.

All transactions with related parties have been carried out on commercial terms and conditions.

	Unaudited 31 December 2010	Audited 30 June 2010
	Rupees	Rupees
Period end balances		
Long term financing from related parties	6,137,815,437	6,201,611,923
Subordinated loans from holding company	449,638,960	386,638,960
Short term borrowings from related parties	1,024,258,980	263,972,507
Mark up payable to related parties	272,695,619	220,336,000
Mark up payable to holding company	34,054,742	5,571,439
Due to holding company	2,947,429	2,485,000
Due to related parties	-	187,941

14. Date of authorisation for issue

This condensed interim financial information was authorised for issue on 26 February 2011 by the Board of Directors of the company.

15. Corresponding figures

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

Chief Executive

Director