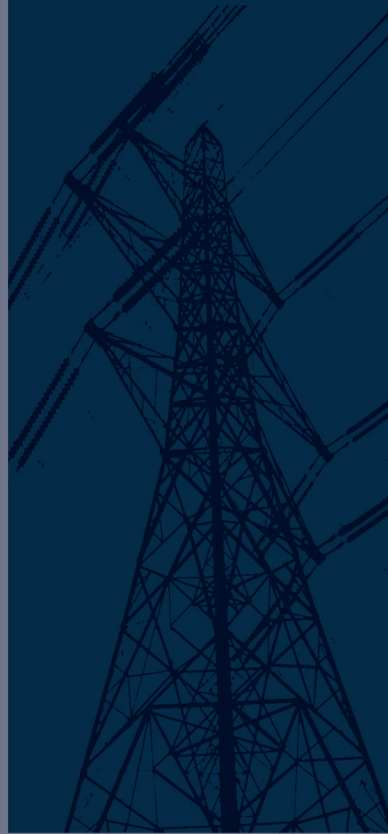


# Nishat Chunia Power Limited



**Interim Financial Information**  
Half Year Ended 31 December 2011  
(Unaudited)





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## Company Information

<b>Board of Directors:</b>	Mr. Muhammad Saleem Mr. Shahzad Saleem (Nominee NCL) Mr. Yahya Saleem Sahibzada Rafat Raouf Ali (Nominee NBP) Mr. Wasif M. Khan Mr. Mushtaq Ahmad Mr. Badar ul Hassan Mr. Manzar Mushtaq	Director Chairman Chief Executive Director Director Director Director Director
<b>Audit Committee:</b>	Mr. Shahzad Saleem Mr. Mushtaq Ahmad Mr. Badar ul Hassan	Chairman Member Member
<b>Chief Financial Officer:</b>	Ms. Sonia Karim	
<b>Company Secretary:</b>	Mr. Muhammad Hamed	
<b>Bankers to the Company:</b>	Allied Bank Limited Habib Bank Limited United Bank Limited National Bank of Pakistan Faysal Bank Limited Summit Bank Limited (Formerly Arif Habib Bank Limited) Bank Alfalah Limited Askari Bank Limited Habib Metropolitan Bank Limited Al Baraka Bank (Pakistan) Limited Meezan Bank Limited	
<b>Auditors:</b>	A.F. Ferguson & Co. Chartered Accountants	
<b>Registered &amp; Head Office:</b>	31 -Q, Gulberg II, Lahore, Pakistan. Ph: 042-35761730 Fax: 042-35878696-97 www.nishat.net	
<b>Share Registrar:</b>	Hameed Majeed Associates (Pvt) Limited 1st Floor, H.M. House 7-Bank Square, Lahore Ph: 042 37235081-2 Fax: 042 37358817	
<b>Mill:</b>	66-km, Multan Road, Pattoki Kasur.	



## Directors' Report

The Board of Directors is pleased to present the financial statements of the company for the half year ended 31 December 2011. Turnover for the period was Rs. 10.565 billion with an after tax profit of Rs. 1.025 billion and earnings per share (EPS) of Rs. 2.789.

However, we would like to highlight that the thermal efficiency and variable O&M in the tariff is levelized with constant payments over a 25 year period. As the initial maintenance costs are low and the plant efficiency for new equipment is high, the profit for the initial years after commercial operations will be on the higher side. We foresee a negative impact on profitability in later years due to plant aging and higher maintenance costs.

Another important aspect is that the long term loan for the plant is for a period of 10 years from Commercial Operations Date and the tariff structure is such that principal payment is being received as part of the revenue. Therefore the profit for the first ten years is overstated and we foresee a drop in the profit from the eleventh year onwards due to this reason.

Circular debt remained a major threat to the companies operating in power sector. National Transmission and Despatch Company Limited (NTDCL) remained unable to meet its obligations to make payments to company on time. As of 31 December 2011, total receivables from NTDCL were Rs. 11.029 billion out of which Rs. 8.423 billion was overdue. The company continues to take up the matter of overdue receivables not only with NTDCL but also with the Ministry of Water & Power of the Government of Pakistan through Private Power & Infrastructure Board (PPIB).

Due to increased pressure on international oil prices and delayed payments from NTDCL, working capital requirements of the company have increased substantially and the company is doing its best to arrange adequate working capital finance facilities to meet its short term funding requirements. During the half year ended 31 December 2011, the company expanded its existing portfolio of banks by procuring working capital lines from new lenders.

As of 31 December 2011, year to date availability of the plant was 88.99% with year to date capacity factor of 61.10%.

The Board of Directors of the company in its meeting held on 28 February 2012 has declared interim dividend of Rupee 1.5 per share i.e. 15%.

On behalf of the Board

28 February 2012

Chairman



## 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 as at 31 December 2011 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 2010 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2011.

### *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 31 December 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A.F. FERGUSON & COMPANY  
Chartered Accountants

Name of engagement partner:  
Muhammad Masood

LAHORE:  
28 February 2012



## Condensed Interim Balance Sheet

		Unaudited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 385,000,000 (30 June 2011: 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 (30 June 2011: 367,346,939) ordinary shares of Rs 10 each		3,673,469,390	3,673,469,390
Un-appropriated profit		<u>1,878,229,357</u>	1,220,946,168
		<b>5,551,698,747</b>	<b>4,894,415,558</b>
<b>NON-CURRENT LIABILITY</b>			
Long term financing - secured	6	13,371,792,390	13,811,282,788
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	6	971,586,527	1,034,722,060
Short term borrowings - secured		5,988,933,933	3,611,299,988
Short term borrowing from holding company - unsecured		790,000,000	-
Derivative financial instruments		4,663,862	-
Trade and other payables		961,469,693	670,804,107
Accrued finance cost		819,150,995	762,295,525
Provision for taxation		11,845,313	8,009,911
		<u>9,547,650,323</u>	<u>6,087,131,591</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
		<u>28,471,141,460</u>	<u>24,792,829,937</u>

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

Statement under section 241 (2) of the Companies Ordinance, 1984.

These financial statements have been signed by two directors instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

\_\_\_\_\_  
Director





## as at 31 December 2011

	Note	Unaudited 31 December 2011 Rupees	Audited 30 June 2011 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8	16,304,510,351	16,756,207,774
Long term loans to executives		1,288,043	2,092,525
Long term security deposits		105,000	105,000
		<u>16,305,903,394</u>	<u>16,758,405,299</u>
<b>CURRENT ASSETS</b>			
Stores and spares		392,165,628	246,430,257
Inventories		467,573,097	665,370,607
Trade debts		11,029,148,198	6,909,141,190
Loans, advances, deposits, prepayments and other receivables		275,737,083	171,119,661
Derivative financial instrument		-	3,061,396
Bank balances		614,060	39,301,527
		<u>12,165,238,066</u>	<u>8,034,424,638</u>
		<u>28,471,141,460</u>	<u>24,792,829,937</u>

Director



## Condensed Interim Profit and Loss Account (Unaudited)

For the Quarter and Half Year Ended 31 December 2011

Note	Quarter Ended		Half Year Ended	
	31 December	31 December	31 December	31 December
	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees
Sales	4,340,189,601	4,709,383,460	10,564,814,542	8,448,910,452
Cost of sales	9 (3,088,571,046)	(3,415,431,316)	(7,901,614,391)	(6,179,164,496)
Gross profit	1,251,618,555	1,293,952,144	2,663,200,151	2,269,745,956
Administrative expenses	(9,925,881)	(14,401,929)	(27,672,861)	(19,174,748)
Other operating expenses	(7,313,520)	(31,627,407)	(7,313,520)	(33,627,407)
Other operating income	11,684,859	16,268,490	17,271,243	27,675,623
Profit from operations	1,246,064,013	1,264,191,298	2,645,485,013	2,244,619,424
Finance cost	(797,839,371)	(760,297,840)	(1,614,862,327)	(1,320,774,108)
Profit before taxation	448,224,642	503,893,458	1,030,622,686	923,845,316
Taxation	(3,596,526)	(9,614,148)	(5,992,558)	(9,614,148)
Profit for the period	444,628,116	494,279,310	1,024,630,128	914,231,168
Earnings per share				
- basic and diluted	10 1.210	1.346	2.789	2.489

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

Statement under section 241 (2) of the Companies Ordinance, 1984.

These financial statements have been signed by two directors instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

Director

Director



## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Quarter and Half Year Ended 31 December 2011

	Quarter Ended		Half Year Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	Rupees	Rupees	Rupees	Rupees
Profit for the period	444,628,116	494,279,310	1,024,630,128	914,231,168
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>444,628,116</u>	<u>494,279,310</u>	<u>1,024,630,128</u>	<u>914,231,168</u>

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

Statement under section 241 (2) of the Companies Ordinance, 1984.

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Director

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Director



## Condensed Interim Cash Flow Statement (Unaudited)

For the Half Year Ended 31 December 2011

	01 July to 31 December	
	2011	2010
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
Cash used in operations	11 (729,968,745)	(2,229,261,919)
Finance cost paid	(1,558,006,857)	(1,274,350,239)
Taxes paid	(2,157,156)	(1,772,257)
Retirement benefits paid	(1,295,000)	(352,895)
Net decrease in long term loans to executives	804,482	426,710
<b>Net cash outflow from operating activities</b>	<b>(2,290,623,276)</b>	<b>(3,505,310,600)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,202,436)	167,247,533
Sale proceeds of property, plant and equipment disposed	573,999	-
Investments made	-	(315,772,760)
Gain realised on derivative financial instruments	417,150	-
Proceeds from redemption of investments	-	424,152,807
Profit on bank deposits received	50,645	5,379,846
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(7,160,642)</b>	<b>281,007,426</b>
<b>Cash flows from financing activities</b>		
Repayment of long term financing	(502,625,931)	(158,439,395)
Short term borrowings from holding company	1,638,894,249	-
Repayment of short term borrowings to holding company	(848,894,249)	-
Proceeds from subordinated loan	-	85,000,000
Repayment of subordinated loan	-	(22,000,000)
Dividend paid	(405,911,563)	-
<b>Net cash outflow from financing activities</b>	<b>(118,537,494)</b>	<b>(95,439,395)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,416,321,412)</b>	<b>(3,319,742,569)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(3,571,998,461)</b>	<b>(263,719,588)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12 (5,988,319,873)</b>	<b>(3,583,462,157)</b>

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\_\_\_\_\_  
Director

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Director



## Condensed Interim Statement of Changes in Equity (Unaudited)

For the Half Year Ended 31 December 2011

	SHARE CAPITAL	Un-appropriated Profit/ (Accumulated Loss)	TOTAL
	..... Rupees .....		
Balance as on 01 July 2010 (audited)	3,673,469,390	(24,139,607)	3,649,329,783
Total comprehensive income for the half year ended 31 December 2010			
Profit for the period	-	914,231,168	914,231,168
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	914,231,168	914,231,168
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-
Balance as on 31 December 2010 (unaudited)	3,673,469,390	890,091,561	4,563,560,951
Balance as on 01 July 2011 (audited)	3,673,469,390	1,220,946,168	4,894,415,558
Total comprehensive income for the half year ended 31 December 2011			
Profit for the period	-	1,024,630,128	1,024,630,128
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,024,630,128	1,024,630,128
Dividend to equity holders of the company	-	(367,346,939)	(367,346,939)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(367,346,939)	(367,346,939)
Balance as on 31 December 2011 (unaudited)	3,673,469,390	1,878,229,357	5,551,698,747

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

Statement under section 241 (2) of the Companies Ordinance, 1984.

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\_\_\_\_\_  
Director

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Director



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

For the Quarter and Half Year Ended 31 December 2011

### 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.

### 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 31 December 2011 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 30 June 2011.

### 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 30 June 2011.

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

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:

##### 3.2.1 Amendments to published standards effective in current year

New and amended standards, and interpretations mandatory for the first time for the financial year beginning on or after 01 January 2011 that are either not relevant to the company's current operations (although they may affect the accounting for future transactions and events) or are not expected to have significant impact on the company's financial statements other than certain additional disclosures:

- IFRS 7, 'Disclosures on transfers of financial assets' (Amendment), issued on 08 October 2010. The new disclosure requirements apply to transferred financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments are as part of the IASBs comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect



of those risks on an entity's financial position, particularly those involving securitization of financial asset.

- IAS 1 (amendments), clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- IAS 24 (revised), 'Related Party Disclosures', issued in November 2009. It supersedes IAS 24, 'Related Party Disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.
- IAS 34, 'Interim Financial Reporting' (Amendment). Greater emphasis has been placed on the disclosure principles in IAS 34 involving significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.
- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14). 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 recognize 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 should be applied retrospectively to the earliest comparative period presented.

### 3.2.2 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 01 January 2012 or later periods, but the company has not early adopted them. They are not expected to have any significant impact on the company's financial statements.

Standards or Interpretations	Effective date (accounting periods beginning on or after)
IFRS 9 - Financial Instruments	01 January 2013
IFRS 10 - Consolidated Financial Statements	01 January 2013
IFRS 11 - Joint Arrangements	01 January 2013
IFRS 12 - Disclosures of Interests in Other Entities	01 January 2013
IFRS 13 - Fair Value Measurement	01 January 2013
IAS 1 - Financial statement presentation (Amendment)	01 July 2012
IAS 12 - Income Taxes (Amendment)	01 January 2012
IAS 19 - Employee Benefits (Amendment)	01 July 2012

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 30 June 2011.



## 5. Financial risk management

### 5.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at 30 June 2011.

There have been no changes in the risk management department since year end or in any risk management policies.

### 5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

### 5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the company's assets and liabilities that are measured at fair value at 31 December 2011.

	Rupees			
	Level 1	Level 2	Level 3	Total
Assets	-	-	-	-
At fair value through profit or loss				
Derivative financial instruments	-	-	4,663,862	4,663,862
Total liabilities	-	-	4,663,862	4,663,862

The following table presents the company's assets and liabilities that are measured at fair value at 30 June 2011.

	Rupees			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss				
Derivative financial instrument	-	-	3,061,396	3,061,396
Total assets	-	-	3,061,396	3,061,396
Liabilities	-	-	-	-





The carrying amount of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

	Unaudited 31 December 2011	Audited 30 June 2011
	Rupees	Rupees
<b>6. Long term financing - secured</b>		
Opening balance	14,846,004,848	15,401,780,951
Less: Repayments during the period/year	502,625,931	555,776,103
	<u>14,343,378,917</u>	<u>14,846,004,848</u>
Less: Current portion shown under current liabilities	971,586,527	1,034,722,060
	<u>13,371,792,390</u>	<u>13,811,282,788</u>

## 7. Contingencies and commitments

### 7.1 Contingencies

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

- (i) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (30 June 2011: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.
- (ii) Letter of guarantee of Rs 1,031,988 (30 June 2011: 1,131,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

	Unaudited 31 December 2011	Audited 30 June 2011
	Rupees	Rupees

### 7.2 Commitments in respect of

- (i) Letters of credit other than for capital expenditure
  - (ii) Other contractors
- |  |             |             |
|--|-------------|-------------|
|  | 161,971,054 | 290,593,989 |
|  | -           | 1,024,098   |
- (iii) The company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance ('O&M') of the power station for a five years period starting from the Commercial Operations Date of the power station i.e. 21 July 2010. 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 2011	Audited 30 June 2011
	Rupees	Rupees
<b>8. Fixed assets</b>		
Property, plant and equipment - Operating fixed assets - note 8.1	16,302,840,851	16,754,299,774
Intangible asset - computer software	1,669,500	1,908,000
	<u>16,304,510,351</u>	<u>16,756,207,774</u>
<b>8.1 Operating fixed assets</b>		
Opening book value	16,754,299,774	76,599,079
Additions during the period/year - note 8.1.1	8,202,436	17,933,466,748
	<u>16,762,502,210</u>	<u>18,010,065,827</u>
Book value of assets disposed off during the period/year	(417,338)	-
Depreciation charged during the period/year	(459,244,021)	(1,255,766,053)
	<u>16,302,840,851</u>	<u>16,754,299,774</u>
<b>8.1.1 Additions during the period/year</b>		
Buildings on freehold land	653,614	169,176,376
Plant and machinery	-	17,751,513,234
Electric installations	-	2,535,539
Office equipment	38,500	2,969,629
Furniture and fixtures	142,825	190,252
Computer equipment	838,861	1,301,531
Vehicles	6,528,636	5,780,187
	<u>8,202,436</u>	<u>17,933,466,748</u>

	Quarter Ended		Half Year Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	Rupees	Rupees	Rupees	Rupees
<b>9. Cost of sales</b>				
Raw materials consumed	2,646,594,005	3,070,141,320	7,089,665,698	5,604,892,192
Salaries and other benefits	2,466,469	2,862,024	6,091,982	5,950,355
Operations and maintenance	63,961,087	66,860,281	134,318,991	118,690,906
Insurance	37,373,378	34,632,523	74,027,183	61,731,993
Store and spares consumed	101,275,903	16,704,834	125,209,691	18,397,899
Electricity consumed in house	2,371,813	1,985,876	3,044,517	2,990,709
Travelling and conveyance	526,034	837,689	1,522,797	966,009
Rent, rates and taxes	-	68,100	-	115,700
Repair and maintenance	823,062	-	833,678	-
Printing and stationery	-	11,348	-	50,925
Postage and telephone	439,909	644,211	882,235	667,954
Entertainment	148,254	90,174	229,891	107,170
Fee and subscription	5,043,540	341,000	5,129,540	341,000
Depreciation on operating fixed assets	225,462,255	218,461,078	458,239,633	362,045,181
Miscellaneous	2,085,337	1,790,858	2,418,555	2,216,503
	<u>3,088,571,046</u>	<u>3,415,431,316</u>	<u>7,901,614,391</u>	<u>6,179,164,496</u>



	Quarter Ended		Half Year Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010

## 10. Earnings per share

### 10.1 Basic earnings per share

Net profit for the period (Rupees)	444,628,116	494,279,310	1,024,630,128	914,231,168
Weighted average number of ordinary shares (Number)	367,346,939	367,346,939	367,346,939	367,346,939
Earnings per share (Rupees)	1.210	1.346	2.789	2.489

### 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 31 December 2011 and 31 December 2010 which would have any effect on the earnings per share if the option to convert is exercised.

	Unaudited	
	01 July to 2011 Rupees	31 December 2010 Rupees

## 11. Cash used in operations

Profit before taxation	2,645,485,013	2,244,619,424
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	459,244,021	362,562,095
- Amortization on intangible asset	238,500	238,500
- Gain on sale of fixed assets	(156,661)	-
- Profit on bank deposits	(50,645)	(14,039,636)
- Gain on investment	-	(3,913,969)
- Loss on derivative financial instruments	7,308,108	-
- Provision for employee retirement benefits	1,295,000	566,699
Profit before working capital changes	3,113,363,336	2,590,033,113

### Effect on cash flow due to working capital changes:

- Increase in stores and spares	(145,735,371)	(34,592,392)
- Decrease/ (increase) in inventories	197,797,510	(281,415,201)
- Increase in trade debts	(4,120,007,008)	(4,476,525,231)
- (Increase)/decrease in loans, advances, deposits, prepayments and other receivables	(104,617,422)	323,183,019
- Increase/(decrease) in trade and other payables	329,230,210	(349,945,227)
	(3,843,332,081)	(4,819,295,032)
	(729,968,745)	(2,229,261,919)



	Unaudited	
	31 December 2011	31 December 2010
	Rupees	Rupees
<b>12. Cash and cash equivalents</b>		
Bank balances	614,060	75,596,899
Short term borrowings - secured	(5,988,933,933)	(3,659,059,056)
	<u>(5,988,319,873)</u>	<u>(3,583,462,157)</u>

	Unaudited	
	01 July to 2011	31 December 2010
	Rupees	Rupees
<b>13. Transactions with related parties</b>		
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
	Short term borrowings acquired	1,638,894,249 -
	Short term borrowings repaid	848,894,249 -
	Mark up on short term borrowings	5,616,441 -
ii. Key management personnel	Salaries and other employee benefits	10,368,914 12,631,838
iii. Other related parties	Share issuance cost	- -
	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	8,449 4,988,000
	Contribution towards staff retirement benefits	647,500 566,699

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

	Unaudited 31 December 2011	Audited 30 June 2011
	Rupees	Rupees
Period end balances		
Long term financing from related parties	-	2,555,491,033
Short term borrowings from holding company	790,000,000	-
Short term borrowings from related parties	-	550,716,697
Mark up payable to holding company	5,616,441	-
Mark up payable to related parties	-	127,184,471
Due to holding company	1,180,744	-
Due from holding company	-	463,835
Bank balance with related party	62,161	102,333

These are in the normal course of business and are interest free except for loans and borrowings.



#### 14. Date of authorisation for issue

This condensed interim financial information was authorised for issue on 28 February 2012 by the Board of Directors of the company.

##### 14.1 Event after the balance sheet date

The Board of Directors has declared an interim dividend of Rs1.5 per ordinary share, amounting to Rs 551,020,409 at its meeting held on 28 February 2012. This condensed interim financial information does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

#### 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.

Statement under section 241 (2) of the Companies Ordinance, 1984.

These financial statements have been signed by two directors instead of chief executive and one director, as the chief executive is not for the time being in Pakistan.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



