

# Nishat Chunian Power Limited



Interim Financial Information  
Half Year Ended 31 December 2012  
(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 - 18





## Company Information

<b>Board of Directors:</b>	Mrs. Farhat Saleem	Director
	Mr. Shahzad Saleem (Nominee NCL)	Chairman
	Mr. Yahya Saleem	Chief Executive
	Sahibzada Rafat Raof Ali (Nominee NBP)	Director
	Mr. Wasif M. Khan	Director
	Mr. Mushtaq Ahmad	Director
	Mr. Badar ul Hassan	Director

Mr. Manzar Mushtaq

Director

<b>Audit Committee:</b>	Mr. Wasif M. Khan	Chairman
	Mr. Mushtaq Ahmad	Member
	Mr. Badar ul Hassan	Member

<b>HR &amp; R Committee:</b>	Mr. Shahzad Saleem	Chairman
	Mr. Mushtaq Ahmad	Member
	Mr. Badar ul Hassan	Member

**Chief Financial Officer:** Ms. Sonia Karim

**Head of Internal Audit:** Mr. Saqib Riaz

**Company Secretary:** Mr. Khadim Hussain

**Bankers to the Company:** 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

**Auditors:** A.F. Ferguson & Co.  
Chartered Accountants

**Registered & Head Office:** 31 -Q, Gulberg II,  
Lahore, Pakistan.  
Ph: 042-35761730  
Fax: 042-35878696-97  
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

**Mill:** 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 2012. Turnover for the period was Rs. 12.276 Billion with an after tax profit of Rs. 1.417 Billion and Earnings per Share (EPS) of Rs. 3.860.

We would like to highlight that the thermal efficiency and variable O&M in the tariff is levelized 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 higher than the average over the life of the project. 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) stayed unable to meet its obligations to make payments to company on time. With the receivables situation consistently deteriorating, the Company was forced to call upon the Sovereign Guarantee. The Government of Pakistan was however, unable to pay against the Guarantee call, as a result of which nine IPPs filed a suit in the Supreme Court of Pakistan. Under the directives of the Supreme Court, six payments have been made and further payments are in the pipeline. This has improved the liquidity situation for the Company for the time being.

An amount of Rs. 949.626 Million relating to capacity purchase price is currently not acknowledged by NTDCL as the plant had reduced generation. However, the sole reason of this reduced generation was non-availability of fuel owing to non-payment by NTDCL. The Company is therefore of the view, that this amount should be payable by NTDCL.

As of 31 December 2012, total receivables from NTDCL were Rs. 10.642 Billion out of which Rs. 4.892 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).

During the half year ended 31 December 2012, availability of the plant was 93.20% with capacity factor of 72.41%.

The Board of Directors of the company in its meeting held on 14 February 2013 has declared interim dividend of Rupees 2 per share i.e. 20% and approved the remuneration of Mr. Yahya Saleem (CEO) & Mrs. Farhat Saleem (Director) Rs.575,000 and Rs.347,000 respectively (net of taxes) from 1<sup>st</sup> March 2013. Mr. Shahzad Saleem (Chairman) has declared to the Board to waive off his salary from 1<sup>st</sup> March 2013, which the Board approved.

On behalf of the Board

Lahore: 14 February 2013

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 2012 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 2011 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2012.

### *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 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Emphasis of matter*

Without qualifying our conclusion, we draw attention to note 9 to the interim financial information, which describes the matter regarding recoverability of certain trade debts.

A.F. FERGUSON & COMPANY  
Chartered Accountants

Name of engagement partner:  
Muhammad Masood

Lahore: 14 February 2013



## Condensed Interim Balance Sheet

	Note	Unaudited 31 December 2012 Rupees	Audited 30 June 2012 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 385,000,000 (30 June 2012: 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 2012: 367,346,939) ordinary shares of Rs 10 each		3,673,469,390	3,673,469,390
Revenue reserve: Un-appropriated profit		<u>3,010,902,171</u>	<u>2,327,677,462</u>
		<b>6,684,371,561</b>	<b>6,001,146,852</b>
<b>NON-CURRENT LIABILITY</b>			
Long term financing - secured	6	12,387,420,218	12,898,060,792
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	6	984,372,173	913,221,997
Short term borrowings - secured		5,349,897,420	5,829,752,814
Short term borrowing from holding company - unsecured		-	1,132,500,000
Trade and other payables		1,728,180,865	1,023,965,414
Derivative financial instruments		-	35,090,369
Accrued finance cost		600,344,951	741,897,621
Provision for taxation		20,403,105	11,936,770
		<u>8,683,198,514</u>	<u>9,688,364,985</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		<u>27,754,990,293</u>	<u>28,587,572,629</u>

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

Chief Executive



## as at 31 December 2012

	Note	Unaudited 31 December 2012 Rupees	Audited 30 June 2012 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8	15,285,736,880	15,817,295,081
Long term loans to executives		-	855,796
Long term security deposits		105,000	105,000
		<u>15,285,841,880</u>	<u>15,818,255,877</u>
<b>CURRENT ASSETS</b>			
Stores and spares		472,836,012	418,044,035
Inventories		791,833,896	376,713,603
Trade debts	9	10,641,684,465	11,710,530,028
Loans, advances, deposits, prepayments and other receivables		554,658,254	224,231,997
Derivative financial instruments		4,828,049	-
Bank balances		3,307,737	39,797,089
		<u>12,469,148,413</u>	<u>12,769,316,752</u>
		<u>27,754,990,293</u>	<u>28,587,572,629</u>

Director





## Condensed Interim Profit and Loss Account (Unaudited)

For the Quarter and Half Year Ended 31 December 2012

Note	Quarter Ended		Half Year Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	Rupees	Rupees	Rupees	Rupees
Sales	7,014,296,531	4,340,189,601	12,276,443,055	10,564,814,542
Cost of sales	10 (5,586,498,853)	(3,088,571,046)	(9,573,413,475)	(7,901,614,391)
Gross profit	1,427,797,678	1,251,618,555	2,703,029,580	2,663,200,151
Administrative expenses	(14,943,265)	(9,925,881)	(33,082,656)	(27,672,861)
Other operating expenses	(738,978)	(7,313,520)	(1,746,978)	(7,313,520)
Other operating income	12,152,730	11,684,859	65,609,797	17,271,243
Finance cost	(588,825,149)	(797,839,371)	(1,306,899,174)	(1,614,862,327)
Profit before taxation	835,443,016	448,224,642	1,426,910,569	1,030,622,686
Taxation	(6,576,536)	(3,596,526)	(8,991,982)	(5,992,558)
Profit for the period	828,866,480	444,628,116	1,417,918,587	1,024,630,128
Earnings per share				
- basic and diluted	2.256	1.210	3.860	2.789

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 2012

	Quarter Ended		Half Year Ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	Rupees	Rupees	Rupees	Rupees
Profit for the period	828,866,480	444,628,116	1,417,918,587	1,024,630,128
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>828,866,480</u>	<u>444,628,116</u>	<u>1,417,918,587</u>	<u>1,024,630,128</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 2012

		01 July to 31 December	
		2012	2011
		Rupees	Rupees
<b>Cash flows generated from/used in operating activities</b>			
Cash generated from/(used in) operations	11	4,192,030,564	(729,968,745)
Finance cost paid		(1,448,451,844)	(1,558,006,857)
Taxes paid		(525,647)	(2,157,156)
Retirement benefits paid		(733,120)	(1,295,000)
Net decrease in long term loans to executives		855,796	804,482
<b>Net cash inflow/(outflow) from operating activities</b>		<b>2,743,175,749</b>	<b>(2,290,623,276)</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(878,149)	(8,202,436)
Sale proceeds of operating fixed assets disposed		-	573,999
Profit on derivative financial instruments received		5,254,064	417,150
Profit on bank deposits received		27,506	50,645
<b>Net cash inflow/(outflow) from investing activities</b>		<b>4,403,421</b>	<b>(7,160,642)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term financing		(439,490,398)	(502,625,931)
Short term borrowings from holding company		810,000,000	1,638,894,249
Repayment of short term borrowings to holding company		(1,942,500,000)	(848,894,249)
Dividend paid		(732,222,730)	(405,911,563)
<b>Net cash outflow from financing activities</b>		<b>(2,304,213,128)</b>	<b>(118,537,494)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>443,366,042</b>	<b>(2,416,321,412)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(5,789,955,725)</b>	<b>(3,571,998,461)</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>(5,346,589,683)</b>	<b>(5,988,319,873)</b>

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 2012

	SHARE CAPITAL	Un-appropriated Profit/ (Accumulated Loss)	TOTAL
	..... Rupees .....		
Balance as on 1 July 2012 (audited)	3,673,469,390	2,327,677,462	6,001,146,852
Profit for the period	-	1,417,918,587	1,417,918,587
Other comprehensive income for the period	-	-	-
Total comprehensive income for the half year ended 31 December 2012	-	1,417,918,587	1,417,918,587
Dividend to equity holders of the company	-	(734,693,878)	(734,693,878)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(734,693,878)	(734,693,878)
Balance as on 31 December 2012 (un-audited)	3,673,469,390	3,010,902,171	6,684,371,561
Balance as on 01 July 2011 (audited)	3,673,469,390	1,220,946,168	4,894,415,558
Profit for the period	-	1,024,630,128	1,024,630,128
Other comprehensive income for the period	-	-	-
Total comprehensive income for the half year ended 31 December 2011	-	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 (un-audited)	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.

Chief Executive

Director



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

For the Quarter and Half Year Ended 31 December 2012

### 1. The company and its activities

Nishat Chunian Power Limited (the 'company') is a public limited company incorporated in Pakistan. The company is a subsidiary of Nishat (Chunian) Limited. The company's ordinary shares are listed on the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) 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 and net capacity of 195.722 MW at 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 a Power Purchase Agreement with its sole customer, National Transmission and Despatch Company Limited ('NTDCL') for twenty five years which commenced from 21 July 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 31 December 2012 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 2012.

### 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 2012.

#### 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 Standards, amendments and interpretations to approved accounting standards that are effective

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on 1 July 2012 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after 1 July 2013 but are considered



not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

#### 4. Accounting estimates

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 2012.

#### 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 2012.

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 2012.

	Rupees			
	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Derivative financial instruments	-	4,828,049	-	4,828,049
Total assets	-	4,828,049	-	4,828,049
Liabilities	-	-	-	-



The following table presents the company's assets and liabilities that are measured at fair value at 30 June 2012.

	Rupees			Total
	Level 1	Level 2	Level 3	
Assets	-	-	-	-
Liabilities				
At fair value through profit or loss				
Derivative financial instruments	-	35,090,369	-	35,090,369
Total liabilities	-	35,090,369	-	35,090,369

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	Audited
	31 December 2012	30 June 2012
	Rupees	Rupees
<b>6. Long term financing - secured</b>		
Opening balance	13,811,282,789	14,846,004,848
Less: Repayments during the period/year	439,490,398	1,034,722,059
	13,371,792,391	13,811,282,789
Less: Current portion shown under current liabilities	984,372,173	913,221,997
	12,387,420,218	12,898,060,792

## 7. Contingencies and commitments

### 7.1 Contingencies

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

- Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (30 June 2012: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.
- Letter of guarantee of Rs 1,031,988 (30 June 2012: Rs 1,031,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.



	Unaudited 31 December 2012	Audited 30 June 2012
	Rupees	Rupees
<b>7.2 Commitments in respect of</b>		
(i) Letters of credit other than for capital expenditure	57,675,645	29,684,959
(ii) The company has 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 2012	Audited 30 June 2012
	Rupees	Rupees
<b>8. Fixed assets</b>		
Property, plant and equipment		
- Operating fixed assets - note 8.1	15,284,544,380	15,815,864,081
Intangible asset - computer software	1,192,500	1,431,000
	<u>15,285,736,880</u>	<u>15,817,295,081</u>
<b>8.1 Operating fixed assets</b>		
Opening book value	15,815,864,081	16,754,299,774
Additions during the period/year - note 8.1.1	878,149	17,339,790
Book value of assets disposed off during the period/year	-	(1,100,313)
Depreciation charged during the period/year	(532,197,850)	(954,675,170)
Closing book value	<u>15,284,544,380</u>	<u>15,815,864,081</u>
<b>8.1.1 Additions during the period/year</b>		
Buildings on freehold land	-	1,269,620
Plant and machinery	300,000	-
Electric installations	78,500	-
Office equipment	26,000	6,281,225
Computer equipment	409,149	1,625,372
Furniture and fixtures	64,500	346,825
Vehicles	-	7,816,748
	<u>878,149</u>	<u>17,339,790</u>





9. Included in trade debts is an amount of Rs 949.626 million relating to capacity purchase price not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDC, therefore, management believes that company cannot be penalized in the form of payment deductions due to NTDC's default in making timely payments under the Power Purchase Agreement. Hence, the company has taken up this issue at appropriate forums including Supreme Court of Pakistan. Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and such amounts are likely to be recovered. Consequently, no provision for the abovementioned amount has been made in this condensed interim financial information.

	Quarter Ended		Half Year Ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	Rupees	Rupees	Rupees	Rupees
<b>10. Cost of sales</b>				
Raw materials consumed	5,107,476,920	2,646,594,005	8,710,682,063	7,089,665,698
Salaries and other benefits	5,392,066	2,466,469	9,248,082	6,091,982
Operations and maintenance	78,780,398	63,961,087	148,325,595	134,318,991
Insurance	40,425,673	37,373,378	80,710,685	74,027,183
Stores and spares consumed	61,471,675	101,275,903	83,873,977	125,209,691
Electricity consumed in-house	1,990	2,371,813	245,037	3,044,517
Travelling and conveyance	790,472	526,034	1,323,398	1,522,797
Repair and maintenance	38,395	823,062	94,732	833,678
Postage and telephone	622,981	439,909	984,074	882,235
Entertainment	122,532	148,254	213,964	229,891
Fee and subscription	1,949,712	5,043,540	4,064,090	5,129,540
Depreciation on operating fixed assets	285,845,095	225,462,255	530,756,984	458,239,633
Miscellaneous	3,580,944	2,085,337	2,890,794	2,418,555
	<u>5,586,498,853</u>	<u>3,088,571,046</u>	<u>9,573,413,475</u>	<u>7,901,614,391</u>



	Unaudited	
	01 July to 2012 Rupees	31 December 2011 Rupees
<b>11. Cash generated from/(used in) operations</b>		
Profit before taxation	1,426,910,569	1,030,622,686
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	532,197,850	459,244,021
- Amortization on intangible asset	238,500	238,500
- Gain on sale of operating fixed assets	-	(156,661)
- Profit on bank deposits	(67,548)	(50,645)
- Profit on loan to executives	(101,926)	-
- (Gain)/loss on derivative financial instruments	(45,172,482)	7,308,108
- Provision for employee retirement benefits	875,088	1,295,000
- Finance cost	1,306,899,174	1,614,862,327
Profit before working capital changes	3,221,779,225	3,113,363,336
Effect on cash flow due to working capital changes:		
Increase in stores and spares	(54,791,977)	(145,735,371)
(Increase)/decrease in inventories	(415,120,293)	197,797,510
Decrease/(increase) in trade debts	1,068,845,563	(4,120,007,008)
Increase in loans, advances, deposits, prepayments and other receivables	(330,426,257)	(104,617,422)
Increase in trade and other payables	701,744,303	329,230,210
	970,251,339	(3,843,332,081)
	4,192,030,564	(729,968,745)
	Unaudited 31 December 2012 Rupees	Audited 30 June 2012 Rupees
<b>12. Cash and cash equivalents</b>		
Bank balances	3,307,737	614,060
Short term borrowings - secured	(5,349,897,420)	(5,988,933,933)
	(5,346,589,683)	(5,988,319,873)



		Unaudited	
		01 July to	31 December
		2012	2011
		Rupees	Rupees
<b>13. Transactions with related parties</b>			
Relationship with the company	Nature of transactions		
i. Holding company	Short term loan acquired	810,000,000	1,638,894,249
	Short term loan repaid	1,942,500,000	848,894,249
	Mark up on short term loan	15,175,265	5,616,441
	Purchases of goods and services	900,000	900,000
ii. Post employment benefit plan	Expense charged in respect of retirement benefit plan	875,088	647,500

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

	Unaudited 31 December 2012	Audited 30 June 2012
	Rupees	Rupees
Period end balances		
Mark up payable to holding company	2,922,520	5,921,395
Due to holding company	728,949	-
Due from holding company	-	903,552

These are in the normal course of business and are interest free.

#### 14. Date of authorisation for issue

This condensed interim financial information was authorised for issue on 14 February 2013 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 Rupees 2 (31 December 2011: Rupees 1.5) per ordinary share, amounting to Rs 734,693,878 (31 December 2011: Rs 551,020,409) at its meeting held on 14 February 2013. 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.

Chief Executive

Director

This page has been  
intentionally left blank

This page has been  
intentionally left blank

