

A nighttime photograph of an industrial power plant. The scene is dominated by a complex network of metal scaffolding and pipes. On the left, a tall, dark structure with three cylindrical components at the top is visible. In the center and right, various pipes and walkways are illuminated by warm, yellowish lights, creating a stark contrast with the dark background. The overall atmosphere is industrial and active.

NISHAT CHUNIAN POWER LIMITED

Interim Financial Information

Half year ended December 31, 2013
(Unaudited)

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Board of Directors

Director

Mrs. Farhat Saleem

Chairman

Mr. Shahzad Saleem
(Nominee NCL)

Chief Executive

Mr. Yahya Saleem

Director

Sahibzada Rafat Raof Ali
Mr. Wasif M. Khan
Mr. Aftab Ahmad Khan
Mr. Shahid Malik
Mr. Kamran Rasool

Audit Committee:

Chairman

Mr. Wasif M. Khan

Members

Mr. Aftab Ahmad Khan
Mr. Shahid Malik

HR & R Committee:

Chairman

Mr. Shahzad Saleem

Members

Mr. Aftab Ahmad Khan
Mr. Kamran Rasool

Chief Financial Officer:

Ms. Sonia Karim

Head of Internal Audit:

Mr. Muhammad Ibraheem Saleem

Company Secretary:

Mr. Babar Ali Khan

Bankers to the Company:

Allied Bank Limited

Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Faysal Bank Limited
Summit Bank Limited
Sindh Bank Limited
Bank Alfalah Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Al Barka Bank (Pakistan) Limited
Meezan Bank Limited
Dubai Islamic Bank Limited

Auditors:

A.F. Ferguson & Co. Chartered
Accountants

Legal Advisers:

Raja Muhammad Akram & Co.
Advocates & Legal Consultants

Cornelius Lane & Mufti
Advocates & Solicitor

Registered & Head Office:

31-Q, Gulberg-II,
Lahore, Pakistan.
Phone : 35761730-39
Fax : 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

Plant:

66-km, Multan Road, Pattoki
Kasur.

The board of directors is pleased to present the Condensed Interim Financial Information of the company for the quarter and half year ended 31st Dec 2013. For the half year ended 31st Dec 2013, Turnover was Rs. 13.668 billion with an after tax profit of Rs. 1.197 billion and earnings per share (EPS) of Rs. 3.259.

Circular debt still presents a major challenge to the companies operating in the power sector. The National Transmission and Despatch Company Limited (NTDCL) has consistently been unable to meet its obligations to make timely payments to the company.

As of December 31st 2013, total receivables from NTDCL were Rs 9.2 Billion out of which Rs 3.6 Billion were overdue. The company continues to take up the matter of overdue receivables not only with NTDCL but also with the Ministry of Water and Power of the Government of Pakistan through Private Power & Infrastructure Board (PPIB).

During the half year ended 31st December 2013, availability of the plant was 86.82% with a capacity factor of 82.90%.

Introduction

We have reviewed the accompanying condensed interim balance sheet of Nishat Chunian Power Limited as at December 31, 2013 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 December 31, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

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, 2013 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 & CO.

Chartered Accountants,

Engagement Partner:
Muhammad Masood

Date: February 18, 2014

LAHORE

CONDENSED INTERIM BALANCE SHEET

As at December 31, 2013

	Note	(Unaudited) Dec 31, 2013 Rupees	(Audited) Jun 30, 2013 Rupees
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorised share capital			
385,000,000 (June 30, 2013: 385,000,000)			
ordinary shares of Rs 10 each		3,850,000,000	3,850,000,000
Issued, subscribed and paid up share capital			
367,346,939 (June 30, 2013: 367,346,939)			
ordinary shares of Rs 10 each		3,673,469,390	3,673,469,390
Revenue reserve: Un-appropriated profit		2,773,213,278	3,596,282,092
		6,446,682,668	7,269,751,482
NON-CURRENT LIABILITY			
Long term financing - secured	6	11,243,685,621	11,836,995,051
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	1,143,734,594	1,061,065,742
Short term borrowings - secured		3,709,624,326	4,210,860
Trade and other payables		2,716,499,003	1,938,833,399
Derivative financial instrument		984,953	-
Accrued finance cost		447,127,086	519,651,065
		8,017,969,962	3,523,761,066
CONTINGENCIES AND COMMITMENTS			
	7		
		25,708,338,251	22,630,507,599

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

Chief Executive

	Note	(Unaudited) Dec 31, 2013 Rupees	(Audited) Jun 30, 2013 Rupees
ASSETS			
Non current assets			
Fixed assets	8	14,439,417,626	14,772,193,670
Long term loans to executives		632,147	381,506
Long term security deposits		105,000	105,000
		14,440,154,773	14,772,680,176
CURRENT ASSETS			
Stores and spares		839,604,406	675,127,598
Inventories		574,442,475	419,779,447
Trade debts	9	9,201,269,959	5,812,566,330
Loans, advances, deposits, prepayments and other receivables		482,503,504	664,427,747
Income tax receivable		14,077,575	13,525,039
Derivative financial instrument		-	2,362,939
Bank balances		156,285,559	270,038,323
		11,268,183,478	7,857,827,423
		25,708,338,251	22,630,507,599

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the Quarter and Half year ended December 31, 2013

	Note	Quarter ended		Half year ended	
		Dec 31,2013	Dec 31,2012	Dec 31,2013	Dec 31,2012
		Rupees	Rupees	Rupees	Rupees
		Restated-note 15		Restated-note 15	
SALES		7,117,288,005	7,014,296,531	13,667,671,744	12,276,443,055
COST OF SALES	10	(5,969,197,753)	(5,576,686,261)	(11,520,523,236)	(9,599,357,853)
GROSS PROFIT		1,148,090,252	1,437,610,270	2,147,148,508	2,677,085,202
ADMINISTRATIVE EXPENSES		(31,746,874)	(14,943,265)	(56,041,573)	(33,082,656)
OTHER EXPENSES		(5,532,749)	(738,978)	(61,909,769)	(1,746,978)
OTHER INCOME		31,619,436	12,152,730	38,854,884	65,609,797
FINANCE COST		(449,831,411)	(588,825,149)	(870,712,710)	(1,306,899,174)
PROFIT BEFORE TAXATION		692,598,654	845,255,608	1,197,339,340	1,400,966,191
TAXATION		-	(6,576,536)	-	(8,991,982)
PROFIT FOR THE PERIOD		692,598,654	838,679,072	1,197,339,340	1,391,974,209
EARNINGS PER SHARE - BASIC AND DILUTED		1.885	2.283	3.259	3.789

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 (UN-AUDITED)

For the Quarter and Half year ended December 31, 2013

	Quarter ended		Half year ended	
	Dec 31,2013	Dec 31,2012	Dec 31,2013	Dec 31,2012
	Rupees	Rupees	Rupees	Rupees
		Restated-note 15		Restated-note 15
PROFIT FOR THE PERIOD	692,598,654	838,679,072	1,197,339,340	1,391,974,209
OTHER COMPREHENSIVE INCOME :				
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	-	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	692,598,654	838,679,072	1,197,339,340	1,391,974,209

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the Half year ended December 31, 2013

	Note	Half year ended	
		Dec 31, 2013 Rupees	Dec 31, 2012 Rupees Restated-note 15
Cash Flow from operating activities			
Cash (used in)/generated from operations	11	(639,882,375)	4,197,284,628
Finance cost paid		(943,236,689)	(1,448,451,844)
Taxes paid		(552,536)	(525,647)
Retirement benefits paid		(999,489)	(733,120)
Net (increase)/decrease in long term loans to executives		(250,641)	855,796
Net cash (outflow)/ inflow from operating activities		(1,584,921,730)	2,748,429,813
Cash flows from investing activities			
Fixed capital expenditure		(258,430,332)	(878,149)
Profit on bank deposits received		374,896	27,506
Net cash outflow from investing activities		(258,055,436)	(850,643)
Cash flows from financing activities			
Repayment of long term financing		(510,640,578)	(439,490,398)
Short term borrowings from holding company		-	810,000,000
Repayment of short term borrowings to holding company		-	(1,942,500,000)
Dividend paid		(1,465,548,486)	(732,222,730)
Net cash outflow from financing activities		(1,976,189,064)	(2,304,213,128)
Net (decrease)/increase in cash and cash equivalents		(3,819,166,230)	443,366,042
Cash and cash equivalents at the beginning of the period		265,827,463	(5,789,955,725)
Cash and cash equivalents at the end of the period	12	(3,553,338,767)	(5,346,589,683)

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 (UN-AUDITED)

For the Half year ended December 31, 2013

	Share capital	Revenue Reserve: Unappropriated profit Rupees	Total
Balance as on July 1, 2013 (audited)	3,673,469,390	3,596,282,092	7,269,751,482
Profit for the period	-	1,197,339,340	1,197,339,340
Other comprehensive income for the period	-	-	-
Total comprehensive income for the half year ended December 31, 2013	-	1,197,339,340	1,197,339,340
Dividend to equity holders of the company:			
Interim dividend @ Rs 2 per ordinary share	-	(734,693,878)	(734,693,878)
Final dividend for the year ended June 30, 2013 @ Rs 2 per ordinary share	-	(734,693,878)	(734,693,878)
Interim dividend @ Rs 1.5 per ordinary share	-	(551,020,398)	(551,020,398)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(2,020,408,154)	(2,020,408,154)
Balance as on December 31, 2013 (un-audited)	3,673,469,390	2,773,213,278	6,446,682,668
Balance as on July 01, 2012 (audited)	3,673,469,390	2,327,677,462	6,001,146,852
Profit for the period - restated (note 15)	-	1,391,974,209	1,391,974,209
Other comprehensive income for the period	-	-	-
Total comprehensive income for the half year ended December 31, 2012	-	1,391,974,209	1,391,974,209
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2012 @ Rs 2 per ordinary share	-	(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 December 31, 2012 (un-audited and restated)	3,673,469,390	2,984,957,793	6,658,427,183

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

Chief Executive

Director

For the Quarter and Half year ended December 31, 2013

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 Limited and Lahore Stock Exchange 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 ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced 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, 2013 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, 2013.

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, 2013.

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 in the current year

Certain standards, amendments and interpretations to approved accounting standards are effective in the current year 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 January 1, 2014 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.

For the Quarter and Half year ended December 31, 2013

4. Accounting estimates

The preparation of the condensed interim financial information requires management to make judgments, 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 judgments 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, 2013.

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 June 30, 2013.

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 December 31, 2013.

	Level 1	Level 2	Level 3	Level 4
	←----- Rupees ----->			
Assets	-	-	-	-
Liabilities				
At fair value through profit or loss				
Derivative financial instruments	-	984,953	-	984,953
	-	984,953	-	984,953

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter and Half year ended December 31, 2013

The following table presents the company's assets and liabilities that are measured at fair value at June 30, 2013.

	Level 1	Level 2	Level 3	Level 4
	← ----- Rupees ----- →			
Assets				
At fair value through profit or loss				
Derivative financial instruments	-	2,362,939	-	2,362,939
	-	2,362,939	-	2,362,939
Liabilities				
	-	-	-	-

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.

	(Un-audited) Dec 31, 2013	(Audited) Jun 30, 2013
	Rupees	Rupees
6. Long term financing - secured		
Opening balance	12,898,060,793	13,811,282,789
Less: Repayments during the period/year	510,640,578	913,221,996
	12,387,420,215	12,898,060,793
Less: Current portion shown under current liabilities	1,143,734,594	1,061,065,742
	11,243,685,621	11,836,995,051

7. Contingencies and commitments

7.1 Contingencies

- (i) National Electric Power Regulatory Authority (NEPRA) issued an order dated 8th February, 2013 through which it has raised a demand of Rs 243.702 million payable by the company to NTDC for the period up to June 30, 2011 in respect of Calorific Value ("CV") adjustment on fuel consumed for power generation as per the terms of the PPA and various CV adjustment mechanisms prescribed by NEPRA. The first such CV adjustment mechanism was announced by NEPRA in March 2009 and as per this mechanism, the company has already made a provision of Rs 81.211 million in its financial statements for the above CV adjustment. In July 2011, NEPRA revised its CV adjustment mechanism and directed all Independent Power Producers ("IPPs") to maintain consignment-wise CV record of the fuel received and consumed for power generation. Consequently, the company started maintaining such CV record after such direction was received from NEPRA.

NEPRA directed the company to submit consignment-wise record of CV for the period up to June 30, 2011. The company disputed such direction as it was not required to maintain consignment-wise record prior to July 2011. However, NEPRA computed retrospectively and determined Rs 243.702 million payable by the company to NTDC for the period up to June 30, 2011 in respect of CV adjustment on the basis of the mechanism directed by it in July 2011. The company filed a Motion for Leave for Review before NEPRA requesting it to reconsider its decision, which was decided against the company. Consequently, the company filed a writ petition before the Islamabad High Court against NEPRA's decision on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and credible information is also not

For the Quarter and Half year ended December 31, 2013

available from any source upon which CV adjustment computations can be made. The case is pending adjudication before Islamabad High Court.

Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and the aforesaid NEPRA's decision is likely to be revoked. Under these circumstances, no provision of the balance amount of Rs 162.491 million has been made in this condensed interim financial information.

- (ii) The banks have issued the following on behalf of the company:
 - (a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (June 30, 2013: Rs 45,000,000) as required under the terms of the Operations and Maintenance Agreement.
 - (b) Letter of guarantee of Rs 4,031,988 (June 30, 2013: Rs 2,031,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

	(Un-audited) Dec 31, 2013 Rupees	(Audited) Jun 30, 2013 Rupees
7.2 Commitments in respect of		
(i) Letters of credit and contracts other than for capital expenditure	174,514,763	202,410,806
(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. July 21, 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.		

	Note	(Un-audited) Dec 31, 2013 Rupees	(Audited) Jun 30, 2013 Rupees
8. Fixed assets			
Property, plant and equipment:			
- Operating fixed assets	8.1	14,428,311,158	14,768,739,670
- Capital work-in-progress		10,390,968	2,500,000
Intangible asset - computer software		715,500	954,000
		14,439,417,626	14,772,193,670

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter and Half year ended December 31, 2013

	Note	(Un-audited) Dec 31, 2013 Rupees	(Audited) Jun 30, 2013 Rupees
8.1 Operating fixed assets			
Opening book value		14,768,739,670	15,824,496,605
Additions during the period/year	8.1.1	250,539,365	47,106,151
Book value of deletions during the period/year		-	(45,930,010)
Depreciation charged during the period/year		(590,967,877)	(1,056,933,076)
Closing book value		14,428,311,158	14,768,739,670
8.1.1 Additions during the period/year			
Buildings on freehold land		-	1,126,206
Plant and machinery		241,741,107	40,245,800
Electric installations		-	78,500
Office equipment		-	26,000
Computer equipment		816,928	1,319,125
Furniture and fixtures		-	64,500
Vehicles		7,981,330	4,246,020
		250,539,365	47,106,151

9. Included in trade debts is an amount of Rs 957.872 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 of making timely payments under the PPA. Hence, the company had taken up this issue at appropriate forums. On June 28, 2013, the company entered into a Memorandum of Understanding ('MoU') for cooperation on extension of credit terms with NTDC whereby it was agreed that the constitutional petition filed by the company before the Supreme Court of Pakistan on the abovementioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, during the current period, the company applied for withdrawal of the aforesaid petition which is pending adjudication before Supreme Court of Pakistan, and initiated the process of appointment of an expert for dispute resolution under the PPA. 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 above mentioned amount has been made in this condensed interim financial information.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter and Half year ended December 31, 2013

	(Un-audited) Quarter ended		(Un-audited) Half year ended	
	Dec 31,2013	Dec 31,2012	Dec 31,2013	Dec 31,2012
	Rupees	Rupees Restated-note 15	Rupees	Rupees Restated-note 15
10. Cost of sales				
Raw materials consumed	5,375,532,673	5,097,570,496	10,429,030,062	8,736,438,777
Salaries and other benefits	5,558,897	5,392,066	11,989,735	9,248,082
Operations and maintenance	94,783,175	78,780,398	183,412,235	148,325,595
Insurance	48,967,242	40,425,673	98,295,671	80,710,685
Stores and spares consumed	86,525,749	61,471,675	132,578,896	83,873,977
Electricity consumed in-house	187,931	1,990	226,479	245,037
Travelling and conveyance	5,540,521	790,472	6,248,535	1,323,398
Repair and maintenance	36,353,942	38,395	36,702,183	94,732
Postage and telephone	838,565	622,981	1,066,278	984,074
Entertainment	203,020	122,532	326,849	213,964
Fee and subscription	1,240,976	1,949,712	4,855,629	4,064,090
Depreciation on operating fixed assets	300,137,364	285,938,927	589,003,139	530,944,648
Miscellaneous	13,327,698	3,580,944	26,787,545	2,890,794
	5,969,197,753	5,576,686,261	11,520,523,236	9,599,357,853

	(Un-audited) Half year ended	
	Dec 31, 2013	Dec 31, 2012
	Rupees	Rupees Restated-note 15
11. Cash (used in)/ generated from operations		
Profit before taxation	1,197,339,340	1,400,966,191
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	590,967,876	532,385,514
- Amortization on intangible asset	238,500	238,500
- Profit on bank deposits	(342,068)	(67,548)
- Profit on loan to executives	(45,969)	(101,926)
- Unrealised loss/(gain) on derivative financial instruments	3,347,892	(39,918,418)
- Provision for employee retirement benefits	1,202,704	875,088
- Finance cost	870,712,710	1,306,899,174
Profit before working capital changes	2,663,420,985	3,201,276,575
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(164,476,808)	(54,791,977)
- Increase in inventories	(154,663,028)	(389,363,579)
- (Increase)/decrease in trade debts	(3,388,703,629)	1,068,845,563
- Decrease/(increase) in loans, advances, deposits, prepayments and other receivables	181,937,384	(330,426,257)
- Increase in trade and other payables	222,602,721	701,744,303
	(3,303,303,360)	996,008,053
	(639,882,375)	4,197,284,628

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the Quarter and Half year ended December 31, 2013

	(Un-audited)	
	Dec 31, 2013	Dec 31, 2012
	Rupees	Rupees
12. Cash and cash equivalents		
Cash and bank balances	156,285,559	3,307,737
Short term borrowings - secured	(3,709,624,326)	(5,349,897,420)
	(3,553,338,767)	(5,346,589,683)

13 TRANSACTIONS WITH RELATED PARTIES

Relationship with the Company	Nature of transactions	(Un-audited)	
		Half year ended	
		Dec 31, 2013	Dec 31, 2012
		Rupees	Rupees
(i) Holding Company	Short term loan acquired	-	810,000,000
	Short term loan repaid	-	1,942,500,000
	Mark up on short term loan	-	15,175,265
	Purchases of goods and services	9,000,000	900,000
(ii) Associated companies	Donations	41,848,000	1,746,978
	Insurance premium	98,473,092	80,826,073
(iii) Key management personnel	Salaries and other employee benefits	26,362,968	29,294,135
(iv) Post employment benefit plan	Expense charged in respect of retirement benefit plan	1,202,704	875,088
		Un-audited	Audited
		Dec 31, 2013	Jun 30, 2013
		Rupees	Rupees
Period end balances:			
Due to holding company		-	1,507,000
Due to associated companies		112,269,381	46,241,756
Due from associated companies		2,278,223	93,267

For the Quarter and Half year ended December 31, 2013

14 Date of authorisation for issue

This condensed interim financial information was authorised for issue on February 18th, 2014 by the Board of Directors of the company.

14.1 Events after the balance sheet date

The Board of Directors has declared an interim dividend of Rupees 1.5 (31 December 2012: Rs 2) per ordinary share, amounting to Rs. 551,020,409 (31 December 2012: Rs. 734,693,878) at its meeting held on 18 February 2014. 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.

Furthermore, in order to ensure consistent and relevant information, the corresponding figures for the quarter and half year ended December 31, 2012 have been restated since the company retrospectively changed its accounting policy for valuation of furnace oil inventory at last year end, after the interim financial information for the quarter and half year ended December 31, 2012 had been circulated, figures of which were based on the previous accounting policy for valuation of furnace oil inventory.

Chief Executive

Director

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