



Contents

Company Information	2
Directors' Report	3
Balance Sheet	4-5
Profit and Loss Account	6
Cash Flow Statement	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 12
Consolidated Balance Sheet	14 - 15
Consolidated Profit and Loss Account	16
Consolidated Cash Flow Statement	17
Consolidated Statement of Changes in Equity	18
Notes to the Consolidated Financial Statements	19 - 21



Company Information

Board of Directors:	Mr. Muhammad Saleem Mrs. Farhat Saleem Mr. Shahzad Saleem Mr. Manzoor Ahmed Mr. Aftab Ahmad Khan Mr. Manzar Mushtaq Mrs. Nabiha Samad	Chairman Chief Executive Nominee NIT
----------------------------	---	--

Audit Committee:	Mr. Aftab Ahmad Khan Mr. Shahzad Saleem Mr. Manzar Mushtaq	Chairman Member Member
-------------------------	--	------------------------------

Company Secretary:	Mr. Farrukh Ifzal
---------------------------	-------------------

Bankers to the Company:	ABN AMRO Bank Pakistan Limited Allied Bank Limited Askari Commercial Bank Limited Atlas Bank Limited Bank Alfalah Limited Citibank N.A. Deutsche Bank AG Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Hong Kong & Shanghai Banking Corporation Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Standard Chartered Bank Pakistan Limited The Bank of Punjab United Bank Limited
--------------------------------	---

Auditors:	Riaz Ahmad & Company Chartered Accountants
------------------	---

Registered & Head Office:	31-Q, Gulberg-II, Lahore, Pakistan. Phone : 5761730-39 Fax : 5878696-97 Web : www.nishatchunian.com
--------------------------------------	---

Mills:	Spinning 1, 4 & 5 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Chunian, District Kasur. Spinning 2, 3 & Weaving 49th Kilometre, Multan Road, Kamogal, Tehsil Pattoki, District Kasur. Dyeing & Printing 4th Kilometre, Manga Road, Raiwind.
---------------	--



Directors' Report

We are pleased to present the un-audited financial results of the Company for the quarter ended 30 September 2007. Sales are Rs. 2,003.43 million as compared to Rs. 1,764.80 million during the corresponding quarter last year, which shows an increase of 13.52%. The profit after tax is Rs. 54.16 million as compared to Rs. 20.04 million during the corresponding quarter last year. Higher cost of production has decreased the gross profit margin of the company to 14.17%. However higher sales has resulted into higher net profit for the company as compared to the corresponding quarter last year. The Company's profitability has started to improve as a result of the measures taken in the past few months. We are hopeful to maintain this trend of profitability during the rest of the year.

As already mentioned in previous directors' reports, we are setting-up an Independent Power Project of 200 MW based on furnace oil, under Policy for Power Generation 2002, for this purpose we have established a subsidiary company named as Nishat Chunian Power Limited. Our power project is expected to achieve the financial close by the end of December this year. We have already signed an Implementation Agreement with Government of Pakistan. Power Purchase Agreement is expected to be signed in next few days.

The directors wish to express their appreciation to the team of dedicated managers, officers and staff, who continue to play pivotal role for the success and growth of the Company.

On behalf of the Board

Shahzad Saleem
Chief Executive

Lahore: 26 October 2007



Condensed Interim Balance Sheet

	Note	Unaudited 30 September 2007 Rupees	Audited 30 June 2007 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 80,000,000 (30 June 2007: 80,000,000) ordinary shares of Rupees 10 each		<u>800,000,000</u>	<u>800,000,000</u>
Issued, subscribed and paid up share capital 75,200,838 (30 June 2007: 75,200,838) ordinary shares of Rupees 10 each		752,008,380	752,008,380
Revenue reserves		<u>1,988,349,152</u>	1,934,189,987
Total Equity		<u>2,740,357,532</u>	2,686,198,367
NON-CURRENT LIABILITIES			
Long term financing	5	2,619,662,545	2,509,126,989
Long term murabaha	6	125,000,000	475,000,000
		<u>2,744,662,545</u>	2,984,126,989
CURRENT LIABILITIES			
Trade and other payables		372,933,198	322,773,709
Accrued mark-up		116,032,114	103,767,328
Short term borrowings	7	2,995,129,772	2,623,592,501
Current portion of non-current liabilities		1,082,740,478	1,034,823,810
		<u>4,566,835,562</u>	4,084,957,348
TOTAL LIABILITIES		<u>7,311,498,107</u>	7,069,084,337
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		<u>10,051,855,639</u>	<u>9,755,282,704</u>

The annexed notes form an integral part of these financial statements.

Chief Executive



as at 30 September 2007

	Note	Unaudited 30 September 2007 Rupees	Audited 30 June 2007 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	9	6,270,829,051	6,389,949,755
Capital work-in-progress		164,824,739	154,277,062
		6,435,653,790	6,544,226,817
Long term investment		64,999,980	-
Long term loans		7,458,214	6,933,229
Long term deposits		718,942	718,942
		6,508,830,926	6,551,878,988
CURRENT ASSETS			
Stores, spare parts and loose tools		236,499,900	233,274,317
Stock in trade		1,571,513,238	1,799,902,361
Trade debts		1,283,153,657	842,112,885
Loans and advances		270,285,423	144,611,284
Short term deposits and prepayments		6,259,606	2,126,498
Other receivables		121,272,162	120,705,915
Cash and bank balances		54,040,727	60,670,456
		3,543,024,713	3,203,403,716
TOTAL ASSETS		10,051,855,639	9,755,282,704

Director



Condensed Interim Profit and Loss Account (Unaudited)

For the Quarter Ended 30 September 2007

	Note	30 September 2007	30 September 2006
		Rupees	Rupees
Sales		2,003,434,901	1,764,798,909
Cost of sales	10	1,719,536,578	1,498,927,470
Gross profit		283,898,323	265,871,439
Distribution cost		45,619,737	48,177,853
Administrative expenses		28,465,973	26,515,372
Other operating expenses		5,797,980	5,380,354
		79,883,690	80,073,579
		204,014,633	185,797,860
Other operating income		17,868,249	12,594,491
Profit from operations		221,882,882	198,392,351
Finance cost		147,723,717	155,350,633
Profit before taxation		74,159,165	43,041,718
Provision for taxation		20,000,000	23,000,000
Profit after taxation		54,159,165	20,041,718
Earnings per share - basic		0.72	0.27

The annexed notes form an integral part of these financial statements.

Chief Executive

Director



Condensed Interim Cash Flow Statement (Unaudited)

For the Quarter Ended 30 September 2007

	Note	30 September 2007	30 September 2006
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	70,196,336	525,363,078
Long term deposits - net		-	10,004
Finance cost paid		(135,458,933)	(146,144,597)
Taxes paid		(11,526,924)	(18,342,221)
Net cash (used in) / generated from operating activities		(76,789,521)	360,886,264
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(45,592,413)	(50,149,596)
Long term loans - net		(524,985)	191,867
Long term Investment		(64,999,980)	-
Proceeds from sale of property, plant and equipment		1,402,000	-
Net cash used in investing activities		(109,715,378)	(49,957,729)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing and murabaha obtained		326,628,963	-
Long term financing and murabaha repaid		(518,176,738)	(148,511,834)
Dividend paid		(114,327)	(55,244)
Net cash used in financing activities		(191,662,102)	(148,567,078)
Net (decrease)/increase in cash and cash equivalents		(378,167,001)	162,361,457
Cash and cash equivalents at beginning of the quarter		(2,562,922,044)	(2,263,942,634)
Cash and cash equivalents at end of the quarter		(2,941,089,045)	(2,101,581,177)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director



Condensed Interim Statement of Changes in Equity (Unaudited)

For the Quarter Ended 30 September 2007

	SHARE CAPITAL	REVENUE RESERVES		TOTAL RESERVES	SHARE HOLDERS' EQUITY
		General Reserve	Unappro- priated Profit		
..... R u p e e s					
Balance as at 30 June 2006	752,008,380	1,492,221,278	544,613,079	2,036,834,357	2,788,842,737
Transfer to general reserve	-	137,000,000	(137,000,000)	-	-
Net profit for the quarter ended 30 September 2006	-	-	20,041,718	20,041,718	20,041,718
Balance as at 30 September 2006	752,008,380	1,629,221,278	427,654,797	2,056,876,075	2,808,884,455
Dividend for the year ended 30 June 2006	-	-	(112,801,257)	(112,801,257)	(112,801,257)
Net loss for the nine months ended 30 June 2007	-	-	(9,884,831)	(9,884,831)	(9,884,831)
Balance as at 30 June 2007	752,008,380	1,629,221,278	304,968,709	1,934,189,987	2,686,198,367
Net profit for the quarter ended 30 September 2007	-	-	54,159,165	54,159,165	54,159,165
Balance as at 30 September 2007	<u>752,008,380</u>	<u>1,629,221,278</u>	<u>359,127,874</u>	<u>1,988,349,152</u>	<u>2,740,357,532</u>

The annexed notes form an integral part of these financial statements..

Chief Executive

Director



Selected Notes to the Condensed Interim Financial Statements (Unaudited)

For the Quarter Ended 30 September 2007

1. THE COMPANY AND ITS OPERATIONS

Nishat (Chunian) Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the Lahore and Karachi Stock Exchanges. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Company is engaged in business of spinning, weaving, dyeing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabric and made-ups made from raw cotton, synthetic fibre and cloth and to generate electricity for internal use.

2. STATEMENT OF COMPLIANCE

These financial statements are unaudited and being submitted to the shareholders, as required under Section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the International Accounting Standard (IAS) - 34 "Interim Financial Reporting".

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of preceding annual published financial statements of the company for the year ended 30 June 2007, except for the following:

3.1 Long term investment:

Long term investment in subsidiary is accounted for at cost as per IAS - 27 "Consolidated and Separate Financial Statements".

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the annual financial statements for the year ended 30 June 2007.

5. LONG TERM FINANCING

From banking companies - secured
Opening balance
Add: Obtained during the period/year
Less: Repaid during the period/year

Unaudited 30 September 2007	Audited 30 June 2007
-----------------------------------	----------------------------

Rupees	Rupees
--------	--------

Closing balance	3,702,403,023	3,537,700,799
Less: Current portion shown under current liabilities	(1,082,740,478)	(1,028,573,810)
Non-current portion	2,619,662,545	2,509,126,989



	Unaudited 30 September 2007	Audited 30 June 2007
	Rupees	Rupees
6. LONG TERM MURABAHA		
From banking companies - secured		
Opening balance	481,250,000	318,750,000
Add: Obtained during the period/year	-	475,000,000
Less: Repaid during the period/year	(356,250,000)	(312,500,000)
Closing balance	125,000,000	481,250,000
Less: Current portion shown under current liabilities	-	(6,250,000)
Non-current portion	<u>125,000,000</u>	<u>475,000,000</u>
7. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances	637,977,408	612,349,121
Export finances-preshipment/SBP refinance	1,271,330,000	1,331,243,380
Other short term finances	1,085,822,364	680,000,000
	<u>2,995,129,772</u>	<u>2,623,592,501</u>
8. CONTINGENCIES AND COMMITMENTS		
Contingencies		
There is no change in contingencies since the last audited financial statements.		
Commitments		
i) Commitments in respect of capital expenditure are Rupees 93.466 million (30 June 2007: Rupees 133.068 million).		
ii) Letters of credit other than for capital expenditure are Rupees 103.036 million (30 June 2007: Rupees 55.913 million).		
9. OPERATING FIXED ASSETS		
Opening book value	6,389,949,755	6,680,266,277
Additions during the period/year (Note 9.1)	35,044,737	388,035,146
	<u>6,424,994,492</u>	<u>7,068,301,423</u>
Book value of deletions during the period/year (Note 9.2)	827,794	16,961,353
Depreciation charged during the period/year	153,337,647	661,390,315
Closing book value	<u>6,270,829,051</u>	<u>6,389,949,755</u>
9.1 Additions during the period/year		
Building on freehold land	5,269,142	149,250,488
Machinery and Electric Installation	23,253,843	206,238,021
Furniture, fixtures and office equipment	3,611,242	11,291,961
Vehicles	2,910,510	21,254,676
	<u>35,044,737</u>	<u>388,035,146</u>



	Unaudited 30 September 2007	Audited 30 June 2007
	Rupees	Rupees
9.2 Book value of deletions during the period/year		
Machinery and Electric Installation	-	12,197,429
Furniture, fixtures and office equipment	-	20,702
Vehicles	827,794	4,743,222
	<u>827,794</u>	<u>16,961,353</u>

	Unaudited 30 September 2007	Unaudited 30 September 2006
	Rupees	Rupees
10. COST OF SALES		
Raw material consumed	1,161,433,249	1,123,491,389
Packing materials consumed	65,217,443	44,099,266
Stores, spare parts and loose tools	54,389,672	41,115,091
Salaries, wages and other benefits	143,735,132	121,344,360
Fuel and power	129,732,676	136,706,628
Insurance	4,748,257	4,334,847
Postage and telephone	135,242	182,589
Travelling and conveyance	3,298,265	2,787,241
Vehicle running	2,239,896	2,126,546
Entertainment	224,628	242,708
Depreciation	150,296,002	159,141,479
Repair and maintenance	2,032,095	2,412,282
Other factory overheads	12,842,052	7,816,387
	<u>1,730,324,609</u>	<u>1,645,800,813</u>
Work-in-process		
Opening stock	268,870,213	179,358,235
Closing stock	(230,927,759)	(192,597,443)
Cost of goods manufactured	1,768,267,063	1,632,561,605
Finished goods and waste-opening stocks		
Finished goods	513,446,035	342,593,878
Waste	12,493,371	18,305,043
	<u>525,939,406</u>	<u>360,898,921</u>
	<u>2,294,206,469</u>	<u>1,993,460,526</u>
Finished goods and waste-closing stocks		
Finished goods	(561,523,592)	(473,698,196)
Waste	(17,410,505)	(26,873,912)
	<u>(578,934,097)</u>	<u>(500,572,108)</u>
Cost of goods sold-own manufactured	1,715,272,372	1,492,888,418
Opening stock of purchased finished goods	1,670,072	4,625,201
Add: Finished goods purchased	6,857,745	14,671,204
Less: Closing stock of purchased finished goods	(4,263,611)	(13,257,353)
Cost of sales-purchased finished goods	4,264,206	6,039,052
	<u>1,719,536,578</u>	<u>1,498,927,470</u>



	Unaudited 30 September	Unaudited 30 September 2006
	Rupees	Rupees
11. CASH GENERATED FROM OPERATIONS		
Profit before taxation	74,159,165	43,041,718
Add/(less) adjustment for non cash charges and other items:		
Depreciation	153,337,647	162,109,221
Gain on sale of operating fixed assets	(574,206)	-
Finance costs	147,723,717	155,350,633
Cash flows from operating activities before working capital changes	374,646,323	360,501,572
(Increase)/decrease in current assets		
- Stores, spare parts and loose tools	(3,225,583)	(3,004,149)
- Stock in trade	228,389,123	296,775,638
- Trade debts	(441,040,772)	(89,241,141)
- Loans and advances	(125,674,139)	(47,302,644)
- Short term deposits and prepayments	(4,133,108)	(14,808,905)
- Other receivables	(8,819,324)	(28,817,407)
Increase in current liabilities		
- Trade and other payables	50,053,816	51,260,114
Cash (used in) / generated from working capital	(304,449,987)	164,861,506
Cash generated from Operations	70,196,336	525,363,078

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary, associated undertakings, other related parties, key management personnel and provident fund trust. The company in the normal course of business carries out transactions with related parties.

Purchase of goods and services	215,903	2,109,642
Sale of goods and services	44,121,179	20,623,473
Insurance premium paid	8,509,797	6,786,941
Insurance claim received	1,614,561	760,312
Contribution to employees' provident fund	4,320,436	3,501,341
Long term investment in subsidiary	64,999,980	-

13. PROPOSED DIVIDEND

The Board of Directors of the Company in its meeting held on 05 October 2007 has proposed a cash dividend in respect of the year ended 30 June 2007 of Rupees 1.5 per share (30 June 2006: Rupees 1.5 per share). The appropriation will be approved by the members in the forthcoming Annual General Meeting. These financial statements do not include the effect of these appropriations which should be accounted for subject to the approval of the members at the Meeting.

14. AUTHORISED FOR ISSUE

These financial statements were approved by the Board of Directors and authorised for issue on 26 October 2007.

Chief Executive

Director

NISHAT (CHUNIAN) LIMITED

Consolidated Interim Financial Statements
Quarter ended 30 September 2007
(Unaudited)



Condensed Consolidated Interim Balance Sheet

	Note	30 September 2007 Rupees	30 June 2007 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 80,000,000 (30 June 2007: 80,000,000) ordinary shares of Rupees 10 each		800,000,000	800,000,000
Issued, subscribed and paid up share capital		752,008,380	752,008,380
Revenue reserves		1,988,349,152	1,934,189,987
Total Equity		2,740,357,532	2,686,198,367
NON-CURRENT LIABILITIES			
Long term financing		2,619,662,545	2,509,126,989
Long term murabaha		125,000,000	475,000,000
		2,744,662,545	2,984,126,989
CURRENT LIABILITIES			
Trade and other payables		373,189,811	322,773,709
Accrued mark-up		116,032,114	103,767,328
Short term borrowings		2,995,129,772	2,623,592,501
Current portion of non-current liabilities		1,082,740,478	1,034,823,810
		4,567,092,175	4,084,957,348
TOTAL LIABILITIES		7,311,754,720	7,069,084,337
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL EQUITY AND LIABILITIES		10,052,112,252	9,755,282,704

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive



as at 30 September 2007 (Unaudited)

	Note	30 September 2007 Rupees	30 June 2007 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	6,270,829,051	6,389,949,755
Capital work-in-progress		250,047,820	154,277,062
		<u>6,520,876,871</u>	6,544,226,817
Long term loans		7,458,214	6,933,229
Long term deposits		718,942	718,942
		<u>6,529,054,027</u>	6,551,878,988
CURRENT ASSETS			
Stores, spare parts and loose tools		236,499,900	233,274,317
Stock in trade		1,571,513,238	1,799,902,361
Trade debts		1,283,153,657	842,112,885
Loans and advances		271,593,774	144,611,284
Short term deposits and prepayments		6,259,606	2,126,498
Other receivables		99,211,973	120,705,915
Cash and bank balances		54,826,077	60,670,456
		<u>3,523,058,225</u>	3,203,403,716
TOTAL ASSETS		<u><u>10,052,112,252</u></u>	<u><u>9,755,282,704</u></u>

Director



Condensed Consolidated Interim Profit and Loss Account (Unaudited)

For the Quarter Ended 30 September 2007

	30 September 2007	30 September 2006
	Rupees	Rupees
Sales	2,003,434,901	1,764,798,909
Cost of sales	1,719,536,578	1,498,927,470
Gross profit	283,898,323	265,871,439
Distribution cost	45,619,737	48,177,853
Administrative expenses	28,465,973	26,515,372
Other operating expenses	5,797,980	5,380,354
	79,883,690	80,073,579
	204,014,633	185,797,860
Other operating income	17,868,249	12,594,491
Profit from operations	221,882,882	198,392,351
Finance cost	147,723,717	155,350,633
Profit before taxation	74,159,165	43,041,718
Provision for taxation	20,000,000	23,000,000
Profit after taxation	54,159,165	20,041,718
Earnings per share - basic	0.72	0.27

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director



Condensed Consolidated Interim Cash Flow Statement (Unaudited)

For the Quarter Ended 30 September 2007

	Note	30 September 2007	30 September 2006
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	91,204,786	525,363,078
Long term deposits - net		-	10,004
Finance cost paid		(135,458,933)	(146,144,597)
Taxes paid		(11,526,924)	(18,342,221)
Net cash (used in)/generated from operating activities		(55,781,071)	360,886,264
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(130,815,493)	(50,149,596)
Long term loans - net		(524,985)	191,867
Proceeds from sale of property, plant and equipment		1,402,000	-
Net cash used in investing activities		(129,938,478)	(49,957,729)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing and murabaha obtained		326,628,963	-
Long term financing and murabaha repaid		(518,176,738)	(148,511,834)
Dividend paid		(114,327)	(55,244)
Net Cash used in financing activities		(191,662,102)	(148,567,078)
Net (decrease)/increase in cash and cash equivalents		(377,381,651)	162,361,457
Cash and cash equivalents at beginning of the quarter		(2,562,922,044)	(2,263,942,634)
Cash and cash equivalents at end of the quarter		(2,940,303,695)	(2,101,581,177)

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director



Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the Quarter Ended 30 September 2007

	SHARE CAPITAL	REVENUE RESERVES		TOTAL RESERVES	SHARE HOLDERS' EQUITY
		General Reserve	Unappro- priated Profit		
..... R u p e e s					
Balance as at 30 June 2006	752,008,380	1,492,221,278	544,613,079	2,036,834,357	2,788,842,737
Transfer to general reserve	-	137,000,000	(137,000,000)	-	-
Net profit for the quarter ended 30 September 2006	-	-	20,041,718	20,041,718	20,041,718
Balance as at 30 September 2006	752,008,380	1,629,221,278	427,654,797	2,056,876,075	2,808,884,455
Dividend for the year ended 30 June 2006	-	-	(112,801,257)	(112,801,257)	(112,801,257)
Net loss for the nine months ended 30 June 2007	-	-	(9,884,831)	(9,884,831)	(9,884,831)
Balance as at 30 June 2007	752,008,380	1,629,221,278	304,968,709	1,934,189,987	2,686,198,367
Net profit for the quarter ended 30 September 2007	-	-	54,159,165	54,159,165	54,159,165
Balance as at 30 September 2007	<u>752,008,380</u>	<u>1,629,221,278</u>	<u>359,127,874</u>	<u>1,988,349,152</u>	<u>2,740,357,532</u>

The annexed notes form an integral part of these consolidated financial statements.

Chief Executive

Director



Selected Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

For the Quarter Ended 30 September 2007

1. GROUP INFORMATION

The Group Comprises of Nishat (Chunian) Limited as holding company and Nishat Chunian Power Limited as its wholly owned subsidiary.

Nishat (Chunian) Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the Lahore and Karachi Stock Exchanges. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Company is engaged in business of spinning, weaving, dyeing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabric and made-ups made from raw cotton, synthetic fibre and cloth and to generate electricity for internal use.

Nishat Chunian Power Limited is an unlisted public limited company incorporated under the Companies Ordinance, 1984. The main object of the company is to set up and operate 200 MW power plant and to sell electricity to National Transmission and Despatch Company Limited. The Company has not started its commercial operation and hence no profit & loss accounts has been drawn for incorporation in group's consolidated profit loss account. The expected project commissioning date is June 2010.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements are unaudited and being submitted to the shareholders, as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the International Accounting Standard (IAS) - 34 "Interim Financial Reporting".

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted for the preparation of these condensed consolidated interim financial statements are the same as applied in the preparation of preceding annual published financial statements of the holding company for the year ended 30 June 2007.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates made by the management in the preparation of these condensed consolidated interim financial statements are the same as those applied to the annual financial statements of the holding company for the year ended 30 June 2007.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in contingencies since the last audited financial statements.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 93.466 million (30 June 2007: Rupees 133.068 million).
- ii) Letters of credit other than for capital expenditure are Rupees 103.036 million (30 June 2007: Rupees 55.913 million).



	30 September 2007	30 June 2007
	Rupees	Rupees
6. OPERATING FIXED ASSETS		
Opening book value	6,389,949,755	6,680,266,277
Additions during the period/year (Note 6.1)	35,044,737	388,035,146
	<u>6,424,994,492</u>	<u>7,068,301,423</u>
Book value of deletions during the period/year (Note 6.2)	827,794	16,961,353
Depreciation charged during the period/year	153,337,647	661,390,315
	<u>6,270,829,051</u>	<u>6,389,949,755</u>
6.1 Additions during the period/year		
Building on freehold land	5,269,142	149,250,488
Machinery and Electric Installation	23,253,843	206,238,021
Furniture, fixtures and office equipment	3,611,242	11,291,961
Vehicles	2,910,510	21,254,676
	<u>35,044,737</u>	<u>388,035,146</u>
6.2 Book value of deletions during the period/year		
Machinery and Electric Installation	-	12,197,429
Furniture, fixtures and office equipment	-	20,702
Vehicles	827,794	4,743,222
	<u>827,794</u>	<u>16,961,353</u>
	<u>30 September 2007</u>	<u>30 September 2006</u>
	Rupees	Rupees
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	74,159,165	43,041,718
Add/(less) adjustment for non cash charges and other items:		
Depreciation	153,337,647	162,109,221
(Gain) on sale of operating fixed assets	(574,206)	-
Finance costs	147,723,717	155,350,633
	<u>374,646,323</u>	<u>360,501,572</u>
Cash flows from operating activities before working capital changes	374,646,323	360,501,572



	30 September 2007	30 September 2006
	Rupees	Rupees
(Increase)/decrease in current assets		
- Stores, spare parts and loose tools	(3,225,583)	(3,004,149)
- Stock in trade	228,389,123	296,775,638
- Trade debts	(441,040,772)	(89,241,141)
- Loans and advances	(104,627,301)	(47,302,644)
- Short term deposits and prepayments	(4,133,108)	(14,808,905)
- Other receivables	(9,114,325)	(28,817,407)
Increase in current liabilities		
- Trade and other payables	50,310,429	51,260,114
Cash used in working capital	(283,441,537)	164,861,506
Cash generated from Operations	91,204,786	525,363,078

8 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related parties, key management personnel and provident fund trust. The company in the normal course of business carries out transactions with related parties.

Purchase of goods and services	215,903	2,109,642
Sale of goods and services	44,121,179	20,623,473
Insurance premium paid	8,509,797	6,786,941
Insurance claim received	1,614,561	760,312
Contribution to employees' provident fund	4,320,436	3,501,341

9 AUTHORISED FOR ISSUE

These financial statements were approved by the Board of Directors and authorised for issue on 26 October 2007.

Chief Executive

Director