

Nishat (Chunian) Limited



Interim Financial Information
Half Year Ended 31 December 2009
(Unaudited)



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Company Information

Board of Directors:	Mr. Muhammad Saleem Mrs. Farhat Saleem Mr. Shahzad Saleem Mr. Manzoor Ahmed Mr. Aftab Ahmad Khan Mr. Manzar Mushtaq Mr. Mehmood Akhtar	Chairman Chief Executive Nominee NIT
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Audit Committee:	Mr. Aftab Ahmad Khan Mr. Shahzad Saleem Mr. Manzar Mushtaq	Chairman Member Member
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Company Secretary:	Mr. Ahmad Subhani
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Bankers to the Company:	Allied Bank Limited Askari Bank Limited Atlas Bank Limited Bank Alfalah Limited Barclays Bank plc Citibank N.A. Dawood Islamic Bank Limited Deutsche Bank AG Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited HSBC Bank Middle East Ltd. Meezan Bank Limited National Bank of Pakistan NB Bank Limited Standard Chartered Bank Pakistan Limited The Bank of Punjab The Royal Bank of Scotland Limited United Bank Limited
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Auditors:	Riaz Ahmad & Company Chartered Accountants
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Registered Office:	31-Q, Gulberg-II, Lahore, Pakistan. Phone : 5761730-39 Fax : 5878696-97 Web : http://nishat.net & www.nishatchunian.com
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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. Home Textile Division 4th Kilometre, Manga Road, Raiwind.
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Directors' Report

We are pleased to present the un-audited financial results of Nishat (Chunian) Limited (the Company) for the half year ended 31 December 2009. Sales are Rs. 6,090 million as compared to Rs. 4,580 million during corresponding period last year. This shows an increase of 33%. Major reasons for increase in Sales are volume increase in sales along with higher sale rates and devaluation of Pak Rupee. Despite increase in sales, gross profit margin has dropped to 15% from 18% during corresponding period. Record high cotton prices, increase in power cost and increase in other costs of production have dropped the gross margin of the Company. Financial charges are increased by 10% in absolute terms however as a percentage of sales, financial charges are less as compared to the corresponding period. Company earned a before-tax profit of Rs. 202 million as compared to Rs. 183 million during corresponding period. After taxation of Rs. 61.50 million, the Company has earned a half yearly net profit of Rs. 140 million. We are hopeful to maintain this trend of profitability during rest of the year as well.

All major equipments of the subsidiary "Nishat Chunian Power Limited" including engines, generators and steam turbine have reached at project site. Majority civil works and installation has been completed. Commissioning of auxiliary equipment is underway and project is expected to come online within the target date of 30 June 2010 committed under the Power Purchase Agreement.

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 group companies.

On behalf of the Board

Muhammad Saleem
Chairman

Lahore: 24 February 2010



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

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of NISHAT (CHUNIAN) LIMITED as at 31 December 2009 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity together with the notes forming part thereof (herein after referred to as "unconsolidated condensed interim financial information"), for the half year then ended. Management is responsible for the preparation and presentation of this unconsolidated condensed 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 unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2009 and 31 December 2008 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2009.

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 unconsolidated condensed 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 unconsolidated condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore: 24 February 2009

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali



Unconsolidated Condensed Interim Balance Sheet

	Note	Un-audited 31 December 2009 Rupees	Audited 30 June 2009 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	<u>1,950,000,000</u>	<u>1,750,000,000</u>
Issued, subscribed and paid up share capital	6	1,654,418,440	1,240,813,830
Reserves		<u>1,965,855,231</u>	<u>1,861,657,101</u>
TOTAL EQUITY		3,620,273,671	3,102,470,931
NON-CURRENT LIABILITIES			
Long term financing	7	2,914,474,759	3,181,905,316
Deferred tax liability		-	1,552,252
		<u>2,914,474,759</u>	<u>3,183,457,568</u>
CURRENT LIABILITIES			
Trade and other payables		615,946,417	454,523,239
Accrued mark-up		146,161,620	171,523,906
Short term borrowings	8	4,896,580,337	3,500,578,041
Current portion of non-current liabilities		1,605,424,443	1,604,255,864
		<u>7,264,112,817</u>	<u>5,730,881,050</u>
TOTAL LIABILITIES		10,178,587,576	8,914,338,618
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>13,798,861,247</u>	<u>12,016,809,549</u>

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

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

This unconsolidated condensed interim financial information has 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 2009

	Note	Un-audited 31 December 2009 Rupees	Audited 30 June 2009 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	5,761,933,927	5,927,347,672
Investment in subsidiary - at cost	11	1,873,469,390	1,437,891,880
Long term loans		3,035,438	3,537,975
Long term security deposits		1,082,942	1,082,942
		<u>7,639,521,697</u>	<u>7,369,860,469</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		343,164,439	333,919,097
Stock-in-trade		3,937,404,176	2,183,103,730
Trade debts		997,989,313	1,516,728,987
Loans and advances		303,471,534	372,218,019
Short term deposits and prepayments		2,053,081	487,724
Other receivables		250,427,701	211,045,658
Cash and bank balances		74,829,306	29,445,865
		<u>5,909,339,550</u>	<u>4,646,949,080</u>
Non-current asset classified as held for sale - Investment in subsidiary	12	250,000,000	-
		<u>6,159,339,550</u>	<u>4,646,949,080</u>
TOTAL ASSETS		<u><u>13,798,861,247</u></u>	<u><u>12,016,809,549</u></u>

Director



Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the Half Year Ended 31 December 2009

Note	Half Year Ended		Quarter Ended	
	31 December	31 December	31 December	31 December
	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees
Sales	6,089,929,710	4,580,142,271	3,234,736,346	1,988,168,416
Cost of sales	5,160,262,810	3,755,718,752	2,779,513,598	1,630,984,828
Gross profit	929,666,900	824,423,519	455,222,748	357,183,588
Distribution cost	176,587,130	141,550,602	98,569,572	57,475,783
Administrative expenses	63,539,265	69,901,298	31,565,965	36,269,238
Other operating expenses	13,965,883	14,517,513	6,682,957	6,495,736
	254,092,278	225,969,413	136,818,494	100,240,757
	675,574,622	598,454,106	318,404,254	256,942,831
Other operating income	59,262,824	94,937,068	32,612,078	56,048,734
Profit from operations	734,837,446	693,391,174	351,016,332	312,991,565
Finance cost	533,159,005	510,674,817	267,003,484	277,802,171
Profit before taxation	201,678,441	182,716,357	84,012,848	35,189,394
Provision for taxation	61,500,000	32,021,279	33,500,000	7,021,279
Profit after taxation	140,178,441	150,695,078	50,512,848	28,168,115
Earnings per share - basic	1.26	1.82	0.39	0.34
Earnings per share - diluted	1.10	-	0.38	-

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

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

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Director

Director



Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Half Year Ended 31 December 2009

Note	Half Year Ended		Quarter Ended	
	31 December	31 December	31 December	31 December
	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	140,178,441	150,695,078	50,512,848	28,168,115
Other comprehensive income				
Fair value of quanto interest rate swap entered into as part of cash flow hedge	(4,435,005)	12,099,771	(4,435,005)	8,732,752
Deferred income tax relating to quanto interest rate swap entered into as part of cash flow hedge	1,552,252	(2,643,689)	1,552,252	(2,643,689)
Other comprehensive income / (loss) for the period, net of tax	(2,882,753)	9,456,082	(2,882,753)	6,089,063
Total comprehensive income for the period	137,295,688	160,151,160	47,630,095	34,257,178

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

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Director

Director



Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the Half Year Ended 31 December 2009

	Note	31 December 2009	31 December 2008
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	14	(92,144,390)	(145,564,446)
Long term security deposits - net		-	(127,000)
Finance cost paid		(558,521,291)	(453,907,188)
Income tax paid		(64,313,186)	(22,485,566)
Net cash utilized in operating activities		(714,978,867)	(622,084,200)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(90,255,740)	(81,269,667)
Capital expenditure on intangible asset		(2,966,944)	-
Proceeds from sale of property, plant and equipment		1,953,397	9,795,424
Long term loans - net		502,537	(215,250)
Investment in subsidiary company		(685,577,510)	(497,124,041)
Net cash used in investing activities		(776,344,260)	(568,813,534)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		500,000,000	500,000,000
Repayment of long term financing		(735,011,978)	(978,870,238)
Repayment of long term musharika		(31,250,000)	-
Issue of ordinary share capital		411,782,359	-
Dividend paid		(4,816,109)	(32,938)
Net cash from / (used in) financing activities		140,704,272	(478,903,176)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,350,618,855)	(1,669,800,910)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15	(3,471,132,176)	(3,172,470,284)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15	(4,821,751,031)	(4,842,271,194)

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

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Director

Director



**Unconsolidated Condensed Interim
Statement of Changes in Equity (Un-audited)**
For the Half Year Ended 31 December 2009

	SHARE CAPITAL			RESERVES			TOTAL EQUITY	
	Ordinary Shares	Preference Shares	Total	Capital Reserve	Revenue Reserves			Total
				Hedging Reserve	General Reserve	Unappro- priated Profit		
..... R u p e e s								
Balance as on 30 June 2008 - (audited)	752,008,380	-	752,008,380	8,617,175	1,629,221,278	210,347,197	1,848,185,650	2,600,194,030
Bonus share issued @ 10%	75,200,840	-	75,200,840	-	-	(75,200,840)	(75,200,840)	-
Total comprehensive income for the half year ended 31 December 2008	-	-	-	9,456,082	-	150,695,078	160,151,160	160,151,160
Balance as on 31 December 2008 - (un-audited)	827,209,220	-	827,209,220	18,073,257	1,629,221,278	285,841,435	1,933,135,970	2,760,345,190
15% non-voting cumulative convertible preference shares issued	-	413,604,610	413,604,610	-	-	-	-	413,604,610
Shares issuance cost, net	-	-	-	-	-	(3,667,721)	(3,667,721)	(3,667,721)
Preference dividend for the year ended 30 June 2009	-	-	-	-	-	(5,269,209)	(5,269,209)	(5,269,209)
Total comprehensive income / (loss) for the half year ended 30 June 2009	-	-	-	(15,190,504)	-	(47,351,435)	(62,541,939)	(62,541,939)
Balance as on 30 June 2009 - (audited)	827,209,220	413,604,610	1,240,813,830	2,882,753	1,629,221,278	229,553,070	1,861,657,101	3,102,470,931
Ordinary shares issued	413,604,610	-	413,604,610	-	-	-	-	413,604,610
Share issuance cost	-	-	-	-	-	(1,822,251)	(1,822,251)	(1,822,251)
Preference dividend for the half year ended 31 December 2009	-	-	-	-	-	(31,275,307)	(31,275,307)	(31,275,307)
Total comprehensive income for the half year ended 31 December 2009	-	-	-	(2,882,753)	-	140,178,441	137,295,688	137,295,688
Balance as on 31 December 2009 - (un-audited)	1,240,813,830	413,604,610	1,654,418,440	-	1,629,221,278	336,633,953	1,965,855,231	3,620,273,671

The annexed notes form an integral part of this unconsolidated condensed interim financial information.

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

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Director

Director



Selected Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the Half Year Ended 31 December 2009

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 the 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 fiber and cloth, and to generate, accumulate, distribute, supply and sell electricity.

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This unconsolidated condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This unconsolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2009.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this unconsolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the company for the year ended 30 June 2009.

The following accounting policies have been adopted during the period:

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

The following amendments to published approved accounting standards and standards relevant to the company have been adopted in the current period:

IFRS 8 'Operating Segments' introduces the 'management approach' to segment reporting. It requires presentation and disclosure of segment information based on internal reports regularly reviewed by the Company's chief operating decision maker in order to assess each segment's performance and to allocate resources to them. The adoption of IFRS 8 has resulted in certain additional disclosures in the unconsolidated condensed interim financial information. Accounting policy of segment reporting stated above has been adopted during the period.

IAS 1 (Revised) 'Presentation of Financial Statements'. The revised standard prohibits



the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income). The company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. In this unconsolidated condensed interim financial information, comparative information has been re-presented in conformity with the revised standard. Since this change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

In addition to above, there are other new standards and amendments to published approved accounting standards which are mandatory for financial statements for annual periods beginning on or after 01 January 2009 and are also relevant to the company. However, the adoption of these new standards and amendments to standards did not have any significant impact on this unconsolidated condensed interim financial information of the company, therefore, are not analyzed in detail.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this unconsolidated condensed interim financial information, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the company for the year ended 30 June 2009.

5. AUTHORIZED SHARE CAPITAL

Un-audited 31 December 2009	Audited 30 June 2009		Un-audited 31 December 2009	Audited 30 June 2009
(Number of shares)			Rupees	Rupees
150,000,000	130,000,000	Ordinary shares of Rupees 10 each	1,500,000,000	1,300,000,000
45,000,000	45,000,000	15% non-voting cumulative convertible preference shares of Rupees 10 each	450,000,000	450,000,000
<u>195,000,000</u>	<u>175,000,000</u>		<u>1,950,000,000</u>	<u>1,750,000,000</u>

5.1 The company has increased its authorized share capital by Rupees 200,000,000 divided into 20 million ordinary shares of Rupees 10 each by way of special resolution of its members in the Extra Ordinary General Meeting dated 20 August 2009.



6. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 December 2009	Audited 30 June 2009		Un-audited 31 December 2009	Audited 30 June 2009
(Number of shares)			Rupees	Rupees
(Ordinary shares)				
53,360,461	12,000,000	Ordinary shares of Rupees 10 each fully paid in cash	533,604,610	120,000,000
69,496,657	69,496,657	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	694,966,570	694,966,570
1,224,265	1,224,265	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of arrangement as approved by the Honourable Lahore High Court, Lahore	12,242,650	12,242,650
<u>124,081,383</u>	<u>82,720,922</u>		<u>1,240,813,830</u>	<u>827,209,220</u>
(Preference shares)				
41,360,461	41,360,461	15% non-voting cumulative convertible preference shares of Rupees 10 each fully paid in cash	413,604,610	413,604,610
<u>165,441,844</u>	<u>124,081,383</u>		<u>1,654,418,440</u>	<u>1,240,813,830</u>

6.1 During the half year ended 31 December 2009, the company has made a right issue of 41,360,461 ordinary shares at par, amounting to Rupees 413,604,610.

	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
7. LONG TERM FINANCING		
From banking companies - secured		
Long term loans (Note 7.1)	2,758,224,759	2,994,405,316
Long term musharika (Note 7.2)	156,250,000	187,500,000
	<u>2,914,474,759</u>	<u>3,181,905,316</u>



	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
7.1 Long term financing		
Opening balance	4,536,161,180	4,294,126,989
Add: Obtained during the period / year	500,000,000	1,537,333,333
Less: Repaid during the period / year	(735,011,978)	(1,295,299,142)
Closing balance	4,301,149,202	4,536,161,180
Less: Current portion shown under current liabilities	(1,542,924,443)	(1,541,755,864)
	<u>2,758,224,759</u>	<u>2,994,405,316</u>
7.2 LONG TERM MUSHARIKA		
Opening balance	250,000,000	250,000,000
Less: Repaid during the period / year	(31,250,000)	-
Closing balance	218,750,000	250,000,000
Less: Current portion shown under current liabilities	(62,500,000)	(62,500,000)
	<u>156,250,000</u>	<u>187,500,000</u>
8. SHORT TERM BORROWINGS		
From banking companies - secured		
Short term running finances	1,205,441,233	1,212,392,470
Export finances - Preshipment / SBP refinance	2,342,139,104	1,008,185,571
Other short term finances	1,349,000,000	1,280,000,000
	<u>4,896,580,337</u>	<u>3,500,578,041</u>

9. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no changes in contingencies since the last annual audited financial statements of the company except for:

- i) The Company has given following guarantees on behalf of Nishat Chunian Power Limited - Subsidiary Company:
 - Performance guarantee of USD 1 million (Pak Rupees 84.30 million) [30 June 2009: USD 1 million (Pak Rupees 81.100 million)] in favour of Private Power and Infrastructure Board (Government of Pakistan) to secure performance of Nishat Chunian Power Limited under Implementation Agreement and Power Purchase Agreement.
 - The Company has issued irrevocable standby letters of credit of Rupees 642.406 million (30 June 2009: Rupees 888.876 million) for equity injection and NIL (30 June 2009: Rupees 147.120 million) for positive cost overrun, in accordance with Project Funds Agreement, in favour of security trustee of syndicated lenders of Nishat Chunian Power Limited.
- ii) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 27.386 million (30 June 2009: Rupees 24.689 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.



Commitments

- i) Contracts for capital expenditure are amounting to Rupees 312.154 million (30 June 2009: Rupees 19.499 million).
- ii) Letters of credit other than for capital expenditure are amounting to Rupees 367.454 million (30 June 2009: Rupees 291.489 million).
- iii) Enterprise Resource Planning (ERP) system implementation agreement amounting to Rupees 3.375 million (30 June 2009: NIL).
- iv) Agreement for subordinated loan to the subsidiary company amounting to Rupees 800 million (30 June 2009: NIL).
- v) Outstanding foreign currency forward contracts of Rupees 1,568.72 million (30 June 2009: Rupees 1,131.288 million).

	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
10. FIXED ASSETS		
Property, plant and equipment:		
Operating assets (Note 10.1)	5,670,452,137	5,905,713,184
Capital work in progress (Note 10.2)	87,730,042	20,711,188
	<u>5,758,182,179</u>	<u>5,926,424,372</u>
Intangible asset:		
Computer software	784,804	923,300
Intangible asset in progress - ERP system	2,966,944	-
	<u>3,751,748</u>	<u>923,300</u>
	<u>5,761,933,927</u>	<u>5,927,347,672</u>
10.1 Operating assets		
Opening book value	5,905,713,184	6,067,386,394
Add: Cost of additions during the period / year (Note 10.1.1)	23,236,886	386,194,676
	<u>5,928,950,070</u>	<u>6,453,581,070</u>
Less: Book value of deletions during the period / year (Note 10.1.2)	940,861	10,707,695
	<u>5,928,009,209</u>	<u>6,442,873,375</u>
Less: Depreciation charge during the period / year	257,557,072	537,160,191
	<u>5,670,452,137</u>	<u>5,905,713,184</u>



	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
10.1.1 Cost of additions during the period / year		
Building on freehold land	5,885,758	50,229,330
Plant and machinery	12,474,618	306,220,996
Electric installations	111,900	9,694,793
Factory equipment	1,110,832	78,100
Furniture, fixtures and equipment	12,200	1,110,918
Office equipment	1,949,071	3,279,498
Motor vehicles	1,692,507	15,581,041
	<u>23,236,886</u>	<u>386,194,676</u>
10.1.2 Book Value of deletions during the period / year		
Plant and machinery	-	13,491,708
Motor vehicles	3,219,587	16,111,871
	<u>3,219,587</u>	<u>29,603,579</u>
Less: Accumulated depreciation	2,278,726	18,895,884
	<u>940,861</u>	<u>10,707,695</u>
10.2 Capital work in progress		
Plant and machinery	55,066,640	2,245,715
Civil works on freehold land	28,385,499	18,162,458
Mobilization advance	4,277,903	303,015
	<u>87,730,042</u>	<u>20,711,188</u>
11. INVESTMENT IN SUBSIDIARY - AT COST		
Nishat Chunian Power Limited - quoted 187,346,939 (30 June 2009: 143,789,188) fully paid ordinary shares of Rupees 10 each. Equity held 57.81% (30 June 2009: 80%)	<u>1,873,469,390</u>	<u>1,437,891,880</u>
11.1 The Company has to maintain at least 51% holding in the share capital of Nishat Chunian Power Limited (NCPL) during the period of first six years from the date of commercial operations of NCPL. Moreover, the Company has pledged its 187,354,914 (30 June 2009: 13,497,966) shares to lenders of NCPL for the purpose of securing finance. NCPL will be engaged in production and dispatch of electricity to WAPDA.		
12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE - INVESTMENT IN SUBSIDIARY		
This represents investment in 25,000,000 ordinary shares of Nishat Chunian Power Limited - subsidiary company which is non-strategic and is over and above 51% stake in the subsidiary company. The Company expects to complete the sale transaction within next twelve months.		



	Un-audited Half Year Ended		Un-audited Quarter Ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	Rupees	Rupees	Rupees	Rupees
13. COST OF SALES				
Raw materials consumed	3,567,076,483	2,575,682,070	2,015,801,835	1,074,720,400
Packing materials consumed	191,278,660	111,330,311	94,464,846	53,563,038
Stores, spare parts and loose tools	366,309,511	280,942,626	186,100,898	133,047,347
Salaries, wages and other benefits	357,678,478	291,170,011	183,878,545	157,932,366
Fuel and power	490,127,500	372,817,543	252,344,882	201,367,955
Insurance	11,458,849	13,349,398	5,788,145	6,773,351
Postage and telephone	154,442	291,094	74,840	121,376
Travelling and conveyance	3,541,555	4,303,206	2,022,903	2,034,383
Vehicles' running and maintenance	5,417,853	5,674,879	2,837,589	2,835,502
Entertainment	968,892	873,400	509,573	541,741
Depreciation	252,492,930	285,797,219	126,379,834	144,057,741
Repair and maintenance	6,514,292	8,912,848	2,510,099	4,354,583
Other factory overheads	37,505,470	21,540,086	19,807,288	9,864,796
	<u>5,290,524,915</u>	<u>3,972,684,691</u>	<u>2,892,521,277</u>	<u>1,791,214,579</u>
Work-in-process:				
Opening stock	304,749,505	195,443,205	351,539,799	200,399,594
Closing stock	(342,036,854)	(188,987,211)	(342,036,854)	(188,987,211)
	<u>(37,287,349)</u>	<u>6,455,994</u>	<u>9,502,945</u>	<u>11,412,383</u>
Cost of goods manufactured	5,253,237,566	3,979,140,685	2,902,024,222	1,802,626,962
Finished goods and waste opening stocks:				
Finished goods	361,764,128	421,026,976	329,249,381	490,158,095
Waste	22,083,974	25,100,317	25,077,553	26,307,112
	<u>383,848,102</u>	<u>446,127,293</u>	<u>354,326,934</u>	<u>516,465,207</u>
	<u>5,637,085,668</u>	<u>4,425,267,978</u>	<u>3,256,351,156</u>	<u>2,319,092,169</u>
Finished goods and waste - closing stocks:				
Finished goods	(450,623,800)	(647,649,894)	(450,623,800)	(647,649,894)
Waste	(26,256,943)	(40,569,890)	(26,256,943)	(40,569,890)
	<u>(476,880,743)</u>	<u>(688,219,784)</u>	<u>(476,880,743)</u>	<u>(688,219,784)</u>
Cost of sales - own manufactured	5,160,204,925	3,737,048,194	2,779,470,413	1,630,872,385
Opening stock of purchased finished goods	-	6,412,705	79,500	59,822
Finished goods purchased	137,388	12,257,853	43,188	52,621
Closing stock of purchased finished goods	(79,503)	-	(79,503)	-
Cost of sales - purchased finished goods	57,885	18,670,558	43,185	112,443
	<u>5,160,262,810</u>	<u>3,755,718,752</u>	<u>2,779,513,598</u>	<u>1,630,984,828</u>



	Un-audited 31 December 2009	Un-audited 31 December 2008
	Rupees	Rupees
14. CASH GENERATED FROM OPERATIONS		
Profit before taxation	201,678,441	182,716,357
Adjustment for non cash charges and other items:		
Depreciation / amortization	257,695,569	291,039,847
Gain on sale of property, plant and equipment	(1,012,538)	(52,063)
Finance cost	533,159,005	510,674,817
Working capital changes (Note 14.1)	(1,083,664,867)	(1,129,943,404)
	<u>(92,144,390)</u>	<u>(145,564,446)</u>
14.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(9,245,342)	(42,640,630)
Stock-in-trade	(1,754,300,446)	(915,769,238)
Trade debts	518,739,674	15,869,433
Loans and advances	68,746,485	(173,455,820)
Short term deposits and prepayments	(1,565,357)	(6,511,605)
Other receivables	(30,993,374)	(35,310,546)
	<u>(1,208,618,360)</u>	<u>(1,157,818,406)</u>
Increase in current liabilities:		
Trade and other payables	124,953,493	27,875,002
	<u>(1,083,664,867)</u>	<u>(1,129,943,404)</u>
	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	74,829,306	29,445,865
Short term borrowings	(4,896,580,337)	(3,500,578,041)
	<u>(4,821,751,031)</u>	<u>(3,471,132,176)</u>

16. SEGMENT INFORMATION

16.1 The company has four reportable operating segments. The following summary describes the operation in each of the company's reportable segments:

Spinning:	Production of different quality of yarn using natural and artificial fibers.
Weaving:	Production of different quality of greige fabric using yarn.
Home Textile:	Processing of greige fabric for production of dyed fabric and manufacturing of home textile articles.
Captive Power:	Generation and distribution of power.

Transactions among the operating segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.



	Spinning		Weaving		Home Textile		Captive Power		Elimination of Inter-segment transactions		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December	Half year ended	31 December
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
16.2												
Sales	4,110,594,395	3,237,876,941	1,823,974,871	1,779,394,340	1,979,162,791	860,744,761	454,690,961	389,770,520	(2,278,493,308)	(1,687,644,291)	6,089,929,710	4,580,142,271
Cost of sales	(3,590,158,059)	(2,753,254,194)	(1,636,655,345)	(1,506,869,392)	(1,757,349,140)	(793,525,801)	(454,593,574)	(389,713,654)	2,278,493,308	1,687,644,291	(5,160,262,810)	(3,755,718,752)
Gross profit	520,436,336	484,622,747	187,319,526	272,524,948	221,813,651	67,218,960	97,387	56,866	-	-	929,666,900	824,423,519
Distribution cost	(85,224,834)	(55,936,726)	(26,806,870)	(55,689,869)	(64,555,426)	(29,924,008)	-	-	-	-	(176,587,130)	(141,550,602)
Administrative expenses	(34,016,012)	(38,929,040)	(13,015,593)	(14,905,117)	(14,081,367)	(13,601,520)	(2,426,293)	(2,465,621)	-	-	(63,539,265)	(69,901,298)
Finance cost	(234,874,643)	(260,431,162)	(67,159,106)	(77,002,029)	(97,001,994)	(103,042,004)	(55,195,762)	(41,673,953)	-	-	(454,231,505)	(482,149,148)
	(354,115,489)	(355,296,928)	(106,981,569)	(147,597,015)	(175,638,787)	(146,567,532)	(57,822,055)	(44,139,574)	-	-	(694,357,900)	(693,601,048)
Profit before taxation and unallocated income and expenses	166,320,847	129,325,819	80,337,957	124,927,933	46,174,864	(79,348,572)	(57,524,668)	(44,082,708)	-	-	235,309,000	130,822,471
Unallocated income and expenses:												
Finance cost											(78,927,500)	(28,525,669)
Other operating expenses											(13,965,883)	(14,517,513)
Other operating income											59,262,824	94,937,068
Taxation											(61,500,000)	(32,021,279)
Profit after taxation											140,178,441	150,695,078
16.3 Segment assets												
Segment assets	5,918,326,098	4,852,059,313	1,719,737,572	1,804,893,843	2,306,794,243	1,841,668,577	760,082,287	774,970,508	10,704,940,200	9,273,592,241	3,093,921,047	2,743,217,308
Unallocated assets											13,798,861,247	12,016,809,549



17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, associated undertakings, other related companies and key management personnel. The Company in the normal course of business carried out transactions with various related parties. Details of transactions with related parties are as follows:

	Un-audited 31 December 2009	Un-audited 31 December 2008
	Rupees	Rupees
Purchase of goods and services	88,143,309	33,994,468
Sale of goods and services	111,839,902	47,450,726
Contribution to employees provident fund	9,393,865	10,285,679
Investment in subsidiary company	685,577,510	497,124,041
Remuneration paid to key management personnel	22,380,284	20,246,479
	Unaudited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
Period end balances:		
Bank balances	46,842,996	9,460,653
Trade debts	49,731	51,000
Loans and advances	74,410	-
Trade and other payables	1,023,366	1,196,263

18. FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2009.

19. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / re-grouped wherever necessary for the purpose of comparison. However, no significant re-arrangements / re-groupings have been made.

20. AUTHORIZED FOR ISSUE

This unconsolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on 24 February 2010.

21. STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

This unconsolidated condensed interim financial information has 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

NISHAT (CHUNIAN) LIMITED AND ITS
SUBSIDIARY COMPANY

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

HALF YEAR ENDED 31 DECEMBER 2009
(UNAUDITED)



Interim Condensed Consolidated Balance Sheet

	Note	Un-audited 31 December 2009 Rupees	Audited 30 June 2009 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		1,950,000,000	1,750,000,000
Issued, subscribed and paid up share capital		1,654,418,440	1,240,813,830
Reserves		1,964,528,355	1,859,810,971
Minority Interest		3,618,946,795 1,535,842,767	3,100,624,801 359,011,447
TOTAL EQUITY		5,154,789,562	3,459,636,248
NON-CURRENT LIABILITIES			
Long term financing		2,914,474,758	3,106,953,655
Long term murabaha		12,505,685,659	7,189,436,030
Deferred tax liability		-	1,552,252
		15,420,160,417	10,297,941,937
CURRENT LIABILITIES			
Trade and other payables		620,576,720	459,619,896
Accrued mark-up		625,672,719	412,461,194
Short term borrowings		4,896,580,337	3,500,578,041
Current portion of non-current liabilities		1,907,531,027	1,679,207,525
		8,050,360,803	6,051,866,656
TOTAL LIABILITIES		23,470,521,220	16,349,808,593
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		28,625,310,782	19,809,444,841

The annexed notes form an integral part of this consolidated condensed interim financial information.

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

This consolidated condensed interim financial information has 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 2009

	Note	Un-audited 31 December 2009 Rupees	Audited 30 June 2009 Rupees
ASSETS			
Fixed Assets	6	22,422,739,032	15,145,261,812
Long term loans		3,201,354	3,537,975
Long term security deposits		1,187,942	1,187,942
		<u>22,427,128,328</u>	<u>15,149,987,729</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		559,216,521	333,919,097
Stock in trade		3,955,609,314	2,183,103,730
Trade debts		997,989,313	1,516,728,987
Loans and advances		308,985,486	374,538,500
Short term deposits and prepayments		2,116,083	487,724
Other receivables		263,353,120	216,500,366
Cash and bank balances		110,912,617	34,178,708
		<u>6,198,182,454</u>	<u>4,659,457,112</u>
TOTAL ASSETS		<u><u>28,625,310,782</u></u>	<u><u>19,809,444,841</u></u>

Director



Interim Condensed Consolidated Profit and Loss Account (Un-audited)
For the Half Year Ended 31 December 2009

	Half Year Ended		Quarter Ended	
	31 December	31 December	31 December	31 December
	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees
Sales	6,089,929,710	4,580,142,271	3,234,736,346	1,988,168,416
Cost of sales	5,160,262,810	3,755,718,752	2,779,513,598	1,630,984,828
Gross profit	929,666,900	824,423,519	455,222,748	357,183,588
Distribution and selling expenses	176,587,130	141,550,602	98,569,572	57,475,783
Administrative expenses	65,068,443	70,802,105	33,095,143	36,773,836
Other operating expenses	13,965,883	14,517,513	6,682,957	6,495,736
	255,621,456	226,870,220	138,347,672	100,745,355
	674,045,444	597,553,299	316,875,076	256,438,233
Other operating income	61,687,053	95,032,537	35,036,308	56,048,734
Profit from operations	735,732,497	692,585,836	351,911,384	312,486,967
Finance cost	533,159,005	510,674,817	267,003,484	277,802,171
Profit before taxation	202,573,492	181,911,019	84,907,900	34,684,796
Provision for taxation	61,500,000	32,021,279	33,500,000	7,021,279
Profit after taxation	141,073,492	149,889,740	51,407,900	27,663,517
Earnings per share - basic	1.27	1.74	0.41	0.33
Earnings per share - diluted	1.10	-	0.39	-
Attributable to:				
The holding company				
- Nishat (Chunian) Limited	140,697,695	150,050,808		
Minority interest	375,797	(161,068)		
	141,073,492	149,889,740		

The annexed notes form an integral part of this consolidated condensed interim financial information.

Statement under section 241(2) of the companies ordinance, 1984

This consolidated condensed interim financial information has 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



Interim Condensed Consolidated Statement of Comprehensive Income (Un-audited)

For the Half Year Ended 31 December 2009

	Half Year Ended		Quarter Ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	141,073,492	149,889,740	51,407,900	27,663,517
Other comprehensive income				
Fair value of quanto interest rate swap entered into as part of cash flow hedge	(4,435,005)	12,099,771	(4,435,005)	8,732,752
Deferred income tax relating to quanto Interest rate swap entered into as part of cash flow hedge	1,552,252	(2,643,689)	1,552,252	(2,643,689)
Other comprehensive Income / (loss) for the period, net of tax	(2,882,753)	9,456,082	(2,882,753)	6,089,063
Total comprehensive Income for the period	138,190,739	159,345,822	48,525,147	33,752,580
Share of profit attributable to:				
Equity holders of parent	137,814,942	159,506,890		
Minority interest	375,797	(161,068)		
	138,190,739	159,345,822		

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Director

Director



Interim Condensed Consolidated Cash Flow Statement (Un-audited)

For the Half Year Ended 31 December 2009

	Note	31 December 2009 Rupees	31 December 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	7	(326,766,045)	(34,755,758)
Long term security deposits - net		-	(127,000)
Finance cost paid		(1,145,588,081)	(453,907,188)
Taxes paid		(74,744,815)	(22,485,566)
		(1,220,332,896)	(476,519,754)
Net cash used in operating activities		(1,547,098,941)	(511,275,512)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6,710,404,942)	(3,291,928,291)
Long term loans - net		766,089	(709,397)
Proceeds from sale of property, plant and equipment		1,953,399	9,795,425
Net cash used in investing activities		(6,707,685,454)	(3,282,842,263)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing and murabaha		6,118,356,213	2,975,966,078
Repayment of long term financing and murabaha		(766,261,978)	(978,870,238)
Ordinary share capital issued of the Holding Company		411,782,359	-
Shares issued to Minority Shareholders		1,176,455,523	123,281,020
Dividend paid		(4,816,109)	(32,938)
Net cash generated from financing activities		6,935,516,008	2,120,343,922
Net decrease in cash and cash equivalents		(1,319,268,387)	(1,673,773,853)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(3,466,399,333)	(3,161,261,448)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8	(4,785,667,720)	(4,835,035,301)

The annexed notes form an integral part of this consolidated condensed interim financial information.

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

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Director

Director



Interim Condensed Consolidated Statement of Changes in Equity (Un-audited) For the Half Year Ended 31 December 2009

	HOLDING COMPANY'S EQUITY								MINORITY INTEREST	TOTAL EQUITY
	SHARE CAPITAL			RESERVES			Total Reserves	Total Equity of Holding Company		
	Share Capital	Preference Shares	Total	Capital Reserves	Revenue Reserves					
				Hedging Reserve	General Reserve	Unappropriated Profit/(Loss)				
R u p e e s										
Balance as at 30 June 2008	752,008,380	-	752,008,380	8,617,175	1,629,221,278	209,736,894	1,847,575,347	2,599,583,727	52,780,624	2,652,364,351
Total comprehensive income for the half year ended 31 December 2008	-	-	-	9,456,082	-	150,050,808	159,506,890	159,506,890	(161,068)	159,345,822
Minority interest arising investment in subsidiary company	-	-	-	-	-	-	-	-	114,968,600	114,968,600
Balance as at 31 December 2008	752,008,380	-	752,008,380	18,073,257	1,629,221,278	359,787,702	2,007,082,237	2,759,090,617	167,588,156	2,926,678,773
Bonus share issued @ 10%	75,200,840	-	75,200,840	-	-	(75,200,840)	(75,200,840)	-	-	-
15% non-voting cumulative convertible preference shares issued	-	413,604,610	413,604,610	-	-	-	-	413,604,610	-	413,604,610
Shares issuance cost, net	-	-	-	-	-	(3,667,721)	(3,667,721)	(3,667,721)	-	(3,667,721)
Total comprehensive income for the half year ended 30 June 2009	-	-	-	(15,190,504)	-	(47,942,992)	(63,133,496)	(63,133,496)	147,889	(63,281,385)
Preference dividend for the year ended 30 June 2009	-	-	-	-	-	(5,269,209)	(5,269,209)	(5,269,209)	-	(5,269,209)
Minority interest arising on investment in Subsidiary Company	-	-	-	-	-	-	-	-	191,571,180	191,571,180
Balance as at 30 June 2009	827,209,220	413,604,610	1,240,813,830	2,882,753	1,629,221,278	227,706,940	1,859,810,971	3,100,624,801	359,011,447	3,459,636,248
Issuance of ordinary share capital	413,604,610	-	413,604,610	-	-	-	-	413,604,610	-	413,604,610
Shares issuance cost	-	-	-	-	-	(1,822,251)	(1,822,251)	(1,822,251)	-	(1,822,251)
Preference dividend	-	-	-	-	-	(31,275,307)	(31,275,307)	(31,275,307)	-	(31,275,307)
Total comprehensive income for the half year ended 31 December 2009	-	-	-	(2,882,753)	-	140,697,695	137,814,942	137,814,942	375,797	138,190,739
Minority interest arising investment in subsidiary company	-	-	-	-	-	-	-	-	1,176,455,523	1,176,455,523
Balance as at 31 December 2009	1,240,813,830	413,604,610	1,654,418,440	-	1,629,221,278	335,307,077	1,964,528,355	3,618,946,795	1,535,842,767	5,154,789,562

The annexed notes form an integral part of this consolidated condensed interim financial information.

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

This consolidated condensed interim financial information has 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



Selected Notes to the Interim Condensed Consolidated Financial Information (Un-audited)

For the Quarter Ended 30 September 2009

1. GROUP INFORMATION

The Group consists of:

Holding Company	-	Nishat (Chunian) Limited
Subsidiary Company	-	Nishat Chunian Power Limited

Nishat (Chunian) Limited

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 the 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, accumulate, distribute, supply and sell electricity.

Nishat Chunian Power Limited

Nishat Chunian Power Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the Lahore and Karachi Stock Exchanges. The principal activity of the Company will be to build, own, operate and maintain a fuel fired power station based on Reciprocating Engine Technology having gross capacity of 200 MW ISO in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The expected project commissioning date is 31 March 2010. Its registered office is situated at 31-Q, Gulberg II, Lahore.

2. STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information is unaudited and being submitted to the shareholders, as required under Section 245 of Companies Ordinance, 1984 and has been prepared in accordance with the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This consolidated condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2009.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding annual published financial statements of the holding company for the year ended 30 June 2009.

The following accounting policies have been adopted during the period:

IAS 1 (Revised) 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income). The group has preferred to present two statements; a profit and loss account and a statement of comprehensive income. In this consolidated condensed interim financial information, comparative information has been re-presented in conformity with the revised standard. Since this change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.



In addition to above, there are other new standards and amendments to published approved accounting standards which are mandatory for financial statements for annual periods beginning on or after 01 January 2009 and are also relevant to the group. However, the adoption of these new standards and amendments to standards did not have any significant impact on this consolidated condensed interim financial information of the group, therefore, are not analyzed in detail.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the group for the year ended 30 June 2009.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in contingencies since the last audited financial statements except for:

Holding Company

- i) The Holding Company has given following guarantees on behalf of Nishat Chunian Power Limited - Subsidiary Company:
 - Performance guarantee of USD 1 million (Pak Rupees 84.30 million) [30 June 2009: USD 1 million (Pak Rupees 81.100 million)] in favour of Private Power and Infrastructure Board (Government of Pakistan) to secure performance of Nishat Chunian Power Limited under Implementation Agreement and Power Purchase Agreement.
 - The Company has issued irrevocable standby letters of credit of Rupees 642.406 million (30 June 2009: Rupees 888.876 million) for equity injection and NIL (30 June 2009: Rupees 147.120 million) for positive cost overrun, in accordance with Project Funds Agreement, in favour of security trustee of syndicated lenders of Nishat Chunian Power Limited.

Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 27.386 million (30 June 2009: Rupees 24.689 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable.

Commitments

- i) Commitments in respect of capital expenditure are Rupees 312.154 million (30 June 2009: Rupees 19.499 million).
- ii) Letters of credit other than for capital expenditure are Rupees 367.454 million (30 June 2009: Rupees 291.489 million).
- iii) Enterprise Resource Planning (ERP) system implementation agreement amounting to Rupees 3.375 million (30 June 2009: NIL)



- iv) Agreement for subordinated loan to the subsidiary company amounting to Rupees 800 million (30 June 2009: NIL)
- v) Outstanding foreign currency forward contracts of Rupees 1,568.72 million (30 June 2009: Rupees 1.131.288 million)

Subsidiary Company

Contingencies

Irrevocable letter of credit of USD 5,369,650 (30 June 2009: USD 5,369,650) equivalent to Rupees 452,661,495 (30 June 2009: Rupees 436,552,545) in favour of National Transmission and Despatch Company as required under the Power Purchase Agreement.

Payment guarantee of USD 3,844,080 (30 June 2009: USD 3,844,080) equivalent to Rupees 324,055,944 (30 June 2009: Rupees 312,139,296) in favour of Wartsila Pakistan (Private) Limited to secure payment obligation by the Company under construction services contract.

	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
Commitments		
Equipment supply contract with Wartsila Finland OY EURO 5,918,400 (30 June 2009: EURO 54,936,404)	716,718,240	6,307,797,907
Construction supply contract with Wartsila Pakistan (Private) Limited USD 4,036,284 (30 June 2009: 9,225,792)	339,855,113	749,134,310
Other contractors	12,871,113	18,754,894
6. FIXED ASSETS		
Property, plant and equipment		
Operating assets	5,746,160,450	5,981,577,203
Capital work in progress	16,675,793,778	9,162,761,309
	22,421,954,228	15,144,338,512
Computer software	784,804	923,300
	<u>22,422,739,032</u>	<u>15,145,261,812</u>



	Un-audited 31 December 2009	Un-audited 31 December 2008
	Rupees	Rupees
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	202,573,492	147,526,963
Add/(less) adjustment for non cash charges and other items:		
Depreciation	257,627,459	144,427,395
Gain on sale of operating fixed assets	(1,012,538)	(173,384)
Finance costs	533,159,005	232,872,646
Cash flows from operating activities before working capital changes	992,347,418	524,653,620
(Increase)/decrease in current assets		
- Stores, spare parts and loose tools	(225,297,424)	(27,229,392)
- Stock in trade	(1,772,505,584)	89,686,895
- Trade debts	518,739,674	(256,301,602)
- Loans and advances	65,123,549	(45,025,116)
- Short term deposits and prepayments	(1,565,357)	(8,650,867)
- Other receivables	(38,105,946)	15,700,729
Increase in current liabilities		
- Trade and other payables	134,497,625	65,177,569
Cash used in working capital	(1,319,113,463)	(166,641,784)
Cash (used in)/generated from operations	(326,766,045)	358,011,836
	Un-audited 31 December 2009	Audited 30 June 2009
	Rupees	Rupees
8. CASH AND CASH EQUIVALENTS		
Cash and bank balances	110,912,617	34,178,708
Short term borrowings	(4,896,580,337)	(3,500,578,041)
	(4,785,667,720)	(3,466,399,333)
9. TRANSACTIONS WITH RELATED PARTIES		
Related parties comprise of subsidiary, associated undertakings, other related parties, key management personnel and provident fund trust. The group in the normal course of business carries out transactions with related parties.		
Purchase of goods and services	88,143,309	32,975,021
Sale of goods and services	111,839,902	47,450,726
Contribution to employees' provident fund	9,852,250	10,648,850
Remuneration to key management personnel	31,985,246	26,786,179
10. FINANCIAL RISK MANAGEMENT		
The group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the group for the year ended 30 June 2009.		



11. SEGMENT INFORMATION

As the subsidiary company has not started its operations, there are no operating results to be reported under IFRS-8 "Operating Segments". The operating results remain the same as disclosed in note 16 of separate interim condensed financial information of the holding company.

12. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / regrouped for the purpose of comparison. However, no significant re-arrangements / re-groupings have been made.

13. AUTHORISED FOR ISSUE

This financial information was approved by the Board of Directors and authorised for issue on 24 February 2010.

14. STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

This consolidated condensed interim financial information has 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