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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
Audit Committee:	Mr. Aftab Ahmad Khan Mr. Shahzad Saleem Mr. Manzar Mushtaq	Chairman Member Member
Chief Financial Officer:	Mr. Ahmad Subhani	
Company Secretary:	Mr. Farrukh Ifzal	
Bankers to the Company:	Allied Bank Limited Askari Bank Limited Atlas Bank Limited Bank Alfalah Limited 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 NIB Bank Limited Standard Chartered Bank Pakistan Limited The Bank of Punjab The Royal Bank of Scotland Limited 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 : http://nishat.net	
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 2008. Sales are Rs. 2,591.97 million as compared to Rs. 2,003.43 million during the corresponding quarter last year, which shows an increase of 29.38%. The profit after tax is Rs. 122.53 million as compared to Rs. 54.16 million during the corresponding quarter last year. Despite increase in overall cost of production, Company's gross margin is improved to 18.03% as compared to 14.17% during corresponding quarter last year. Major reason for improvement in profitability is the devaluation of Pak Rupee against US Dollar. We are well positioned to take full advantage of devaluation of Pak Rupee against US Dollar. Moreover recently cotton prices have come down significantly. This is also going to help us improve our profitability. We are hopeful to maintain this trend of profitability in the next quarter as well.

Letters of credit for our power project (Nishat Chunian Power Limited) have been opened and construction on site is in progress smoothly. Commercial operation date of the project is March 31, 2010.

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: 28 October 2008



Interim Condensed Balance Sheet

	Note	Unaudited 30 September 2008 Rupees	Audited 30 June 2008 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 130,000,000 (30 June 2008: 80,000,000) ordinary shares of Rupees 10 each		<u>1,300,000,000</u>	<u>800,000,000</u>
Issued, subscribed and paid up share capital 75,200,838 (30 June 2008: 75,200,838) ordinary shares of Rupees 10 each		752,008,380	752,008,380
Reserves		<u>1,974,079,632</u>	<u>1,848,185,650</u>
TOTAL EQUITY		2,726,088,012	2,600,194,030
NON-CURRENT LIABILITIES			
Long term financing	5	2,811,866,667	2,586,389,516
Deferred tax liability		6,453,028	4,640,017
		<u>2,818,319,695</u>	<u>2,591,029,533</u>
CURRENT LIABILITIES			
Trade and other payables		422,066,934	378,616,664
Accrued mark-up		166,297,300	119,822,439
Short term borrowings	6	3,583,683,132	3,190,716,138
Current portion of non-current liabilities		1,727,795,880	1,957,737,473
		<u>5,899,843,246</u>	<u>5,646,892,714</u>
TOTAL LIABILITIES		8,718,162,941	8,237,922,247
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		<u>11,444,250,953</u>	<u>10,838,116,277</u>

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

Chief Executive



as at 30 September 2008

	Note	Unaudited 30 September 2008 Rupees	Audited 30 June 2008 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	8	6,147,570,914	6,259,570,155
Investment in subsidiary - at cost	9	682,307,200	211,732,800
Long term loans		7,868,200	8,129,672
Long term security deposits		1,045,942	895,942
		<u>6,838,792,256</u>	<u>6,480,328,569</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		334,326,046	307,096,654
Stock in trade		2,357,776,054	2,447,462,949
Trade debts		1,567,639,756	1,311,338,154
Loans and advances		158,836,898	113,811,784
Short term deposits and prepayments		9,587,688	936,821
Other receivables		141,026,623	158,895,492
Cash and bank balances		36,265,632	18,245,854
		<u>4,605,458,697</u>	<u>4,357,787,708</u>
TOTAL ASSETS		<u><u>11,444,250,953</u></u>	<u><u>10,838,116,277</u></u>

Director



Interim Condensed Profit and Loss Account (Unaudited)

For the Quarter Ended 30 September 2008

	Note	30 September 2008	30 September 2007
		Rupees	Rupees
Sales		2,591,973,855	2,003,434,901
Cost of sales	10	2,124,733,924	1,719,536,578
Gross profit		467,239,931	283,898,323
Distribution cost		84,074,819	45,619,737
Administrative expenses		33,632,060	28,465,973
Other operating expenses		8,021,777	5,797,980
		125,728,656	79,883,690
		341,511,275	204,014,633
Other operating income		38,888,334	17,868,249
Profit from operations		380,399,609	221,882,882
Finance cost		232,872,646	147,723,717
Profit before taxation		147,526,963	74,159,165
Provision for taxation		25,000,000	20,000,000
Profit after taxation		122,526,963	54,159,165
Earnings per share - basic and diluted		1.63	0.72

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

Chief Executive

Director



Interim Condensed Cash Flow Statement (Unaudited)

For the Quarter Ended 30 September 2008

	Note	30 September 2008	30 September 2007
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	338,067,053	70,196,336
Long term deposits - net		(150,000)	-
Finance cost paid		(186,397,785)	(135,458,933)
Taxes paid		(19,417,563)	(11,526,924)
		(205,965,348)	(146,985,857)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES		132,101,705	(76,789,521)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(34,685,631)	(45,592,413)
Long term loans - net		261,472	(524,985)
Long term Investment		(470,574,400)	(64,999,980)
Proceeds from sale of property, plant and equipment		2,430,860	1,402,000
NET CASH USED IN INVESTING ACTIVITIES		(502,567,699)	(109,715,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing and murabaha		500,000,000	326,628,963
Repayment of long term financing and murabaha		(504,464,442)	(518,176,738)
Dividend paid		(16,780)	(114,327)
NET CASH USED IN FINANCING ACTIVITIES		(4,481,222)	(191,662,102)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(374,947,216)	(378,167,001)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(3,172,470,284)	(2,562,922,044)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12	(3,547,417,500)	(2,941,089,045)

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

Chief Executive

Director



Interim Condensed Statement of Changes in Equity (Unaudited)

For the Quarter Ended 30 September 2008

	SHARE CAPITAL	HEDGING RESERVE	REVENUE RESERVES		TOTAL RESERVES	TOTAL EQUITY
			General Reserve	Accumulated Profit/(Loss)		
..... R u p e e s						
Balance as at 30 June 2007	752,008,380	-	1,629,221,278	304,968,709	1,934,189,987	2,686,198,367
Profit for the quarter ended 30 September 2007	-	-	-	54,159,165	54,159,165	54,159,165
Balance as at 30 September 2007	752,008,380	-	1,629,221,278	359,127,874	1,988,349,152	2,740,357,532
Final dividend for the year ended 30 June 2007 @ 1.5 per share	-	-	-	(112,801,257)	(112,801,257)	(112,801,257)
Net Loss for the nine months ended 30 June 2008	-	-	-	(35,979,420)	(35,979,420)	(35,979,420)
Fair value (Net of deferred tax) of quanto interest rate swap entered into as part of cash flow hedge	-	8,617,175	-	-	8,617,175	8,617,175
Balance as at 30 June 2008	752,008,380	8,617,175	1,629,221,278	210,347,197	1,848,185,650	2,600,194,030
Profit for the quarter ended 30 September 2008	-	-	-	122,526,963	122,526,963	122,526,963
Fair value (Net of deferred tax) of quanto interest rate swap entered into as part of cash flow hedge	-	3,367,019	-	-	3,367,019	3,367,019
Balance as at 30 September 2008	752,008,380	11,984,194	1,629,221,278	332,874,160	1,974,079,632	2,726,088,012

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

Chief Executive

Director



Selected Notes to the Interim Condensed Financial Information (Unaudited)

For the Quarter Ended 30 September 2008

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

This interim condensed financial information is unaudited and is being submitted to the shareholders, as required under section 245 of the 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 interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2008.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted for the preparation of this interim condensed financial information are the same as applied in the preparation of preceding annual published financial statements of the company for the year ended 30 June 2008.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended 30 June 2008.

	Unaudited 30 September 2008	Audited 30 June 2008
	Rupees	Rupees
5. LONG TERM FINANCING		
From Banking Companies-Secured		
Long term loans	4,539,662,547	4,544,126,989
Less: Current portion shown under current liabilities	(1,727,795,880)	(1,957,737,473)
Non-current portion	<u>2,811,866,667</u>	<u>2,586,389,516</u>
6. SHORT TERM BORROWINGS		
Short term running finances	386,069,818	627,434,495
Export finances-preshipment/SBP refinance	2,347,613,314	1,583,281,643
Other short term finances	850,000,000	980,000,000
	<u>3,583,683,132</u>	<u>3,190,716,138</u>



7. CONTINGENCIES AND COMMITMENTS

Contingencies

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

- i) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 27.239 million (30 June 2008: Rupees 23.793 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 88.912 million (30 June 2008: Rupees 171.090 million).
- ii) Letters of credit other than for capital expenditure are Rupees 34.051 million (30 June 2008: Rupees 151.583 million).
- iii) Outstanding forwards contracts of Rupees 274.050 million (30 June 2008: Rupees 439.705 million).

	Unaudited 30 September 2008	Audited 30 June 2008
	Rupees	Rupees
8. FIXED ASSETS		
Property, plant and equipment		
Operating assets	5,953,373,073	6,067,386,394
Capital work in progress (Note 8.2)	192,878,841	190,864,761
	<u>6,146,251,914</u>	6,258,251,155
Intangible assets in progress	1,319,000	1,319,000
	<u>6,147,570,917</u>	<u>6,259,570,155</u>
8.1 Operating Assets		
Opening book value	6,067,386,394	6,389,949,755
Additions during the period / year (Note 8.1.1)	32,671,551	309,087,531
	<u>6,100,057,945</u>	6,699,037,286
Book value of deletions during the period / year (Note 8.1.2)	2,257,477	5,320,536
Less: Depreciation charged during the period / year	144,427,395	626,330,356
Closing book value	<u>5,953,373,073</u>	<u>6,067,386,394</u>



	Unaudited 30 September 2008	Audited 30 June 2008
	Rupees	Rupees
8.1.1 Cost of additions during the period/year		
Building on freehold land	30,296,936	95,068,296
Plant and Machinery	-	192,238,853
Electric Installations	-	1,350,102
Factory Equipment	-	5,000,667
Furniture and fixtures	130,000	2,802,852
Office Equipment	661,535	3,182,627
Motor Vehicles	1,583,080	9,444,134
	<u>32,671,551</u>	<u>309,087,531</u>
8.1.2 Cost of deletions during the period/year		
Machinery and Electric Installation	-	-
Furniture, fixtures and office equipment	-	834,619
Office Equipment	-	31,979
Vehicles	4,210,498	11,987,470
	<u>4,210,498</u>	<u>12,854,068</u>
Total Cost of Deletions	4,210,498	12,854,068
Less Accumulated Depreciation	(1,953,021)	(7,533,532)
	<u>2,257,477</u>	<u>5,320,536</u>
8.2 Capital work in progress		
Plant, Machinery and Equipment	162,354,644	147,861,191
Civil Works on Freehold Land	30,221,183	42,187,474
Mobilization Advance	303,014	816,096
	<u>192,878,841</u>	<u>190,864,761</u>
9. INVESTMENT IN SUBSIDIARY - AT COST		
Nishat Chunian Power Limited-Unquoted 68,230,720 (30 June 2008: 21,173,280) fully paid ordinary shares of Rs. 10 each. Equity held 80% (30 June 2008: 80%)	<u>682,307,200</u>	<u>211,732,800</u>



	Unaudited 30 September 2008	Unaudited 30 September 2007
	Rupees	Rupees
10. COST OF SALES		
Raw material consumed	1,500,961,670	1,161,433,249
Packing materials consumed	57,767,273	65,217,443
Stores, spare parts and loose tools	147,895,279	54,389,672
Salaries, wages and other benefits	133,237,645	143,735,132
Fuel and power	171,449,588	129,732,676
Insurance	6,576,047	4,748,257
Postage and telephone	169,718	135,242
Travelling and conveyance	2,268,823	3,298,265
Vehicle running	2,839,377	2,239,896
Entertainment	331,659	224,628
Depreciation	141,739,478	150,296,002
Repair and maintenance	4,558,265	2,032,095
Other factory overheads	11,675,290	12,842,052
	<u>2,181,470,112</u>	<u>1,730,324,609</u>
Work-in-process		
Opening stock	195,443,205	268,870,213
Closing stock	(200,399,594)	(230,927,759)
	<u>(4,956,389)</u>	<u>37,942,454</u>
Cost of goods manufactured	2,176,513,723	1,768,267,063
Finished goods and waste-opening stocks		
Finished goods	421,026,976	513,446,035
Waste	25,100,317	12,493,371
	<u>446,127,293</u>	<u>525,939,406</u>
	<u>2,622,641,016</u>	<u>2,294,206,469</u>
Finished goods and waste-closing stocks		
Finished goods	(490,158,095)	(561,523,592)
Waste	(26,307,112)	(17,410,505)
	<u>(516,465,207)</u>	<u>(578,934,097)</u>
Cost of goods sold-own manufactured	2,106,175,809	1,715,272,372
Opening stock of purchased finished goods	6,412,705	1,670,072
Add: Finished goods purchased	12,205,232	6,857,745
Less: Closing stock of purchased finished goods	(59,822)	(4,263,611)
Cost of sales-purchased finished goods	18,558,115	4,264,206
	<u>2,124,733,924</u>	<u>1,719,536,578</u>



	Unaudited 30 September 2008	Unaudited 30 September 2007
	Rupees	Rupees
11. CASH GENERATED FROM OPERATIONS		
Profit before taxation	147,526,963	74,159,165
Add / (less) adjustment for non cash charges and other items:		
Depreciation	144,427,395	153,337,647
Gain on sale of operating fixed assets	(173,384)	(574,206)
Finance cost	232,872,646	147,723,717
Cash flows from operating activities before working capital changes	524,653,621	374,646,323
(Increase)/decrease in current assets		
- Stores, spare parts and loose tools	(27,229,393)	(3,225,583)
- Stock in trade	89,686,895	228,389,123
- Trade debts	(256,301,602)	(441,040,772)
- Loans and advances	(45,025,115)	(125,674,139)
- Short term deposits and prepayments	(8,650,867)	(4,133,108)
- Other receivables	17,466,464	(8,819,324)
Increase in current liabilities		
- Trade and other payables	43,467,051	50,053,816
Cash generated from operations	338,067,053	70,196,336
12. CASH AND CASH EQUIVALENTS		
Cash and bank balances	36,265,632	54,040,727
Short term borrowings	(3,583,683,132)	(2,995,129,772)
	(3,547,417,500)	(2,941,089,045)
13. 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	24,599,856	215,903
Sale of goods and services	10,218,564	44,121,179
Insurance premium paid	15,347,065	8,509,797
Insurance claim received	603,230	1,614,561
Contribution to employees' provident fund	4,217,897	4,320,436
Long term investment in subsidiary	470,574,400	64,999,980



14. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on 08 October 2008 has proposed 10% bonus issue and cash dividend of Rupees Nil in respect of the year ended 30 June 2008. The appropriation will be approved by the members in the forthcoming Annual General Meeting. This financial information do not include the effect of this appropriation. The board of directors also approved right issue of 1 share for 2 shares held including bonus shares.

15. AUTHORISED FOR ISSUE

This financial information was approved by the Board of Directors and authorised for issue on 28 October 2008.

16. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangement / regrouping have been made.

17. GENERAL

Figures have been rounded off to nearest of Rupee.

Chief Executive

Director

NISHAT (CHUNIAN) LIMITED

**Interim Condensed Consolidated
Financial Information
Quarter ended 30 September 2008
(Unaudited)**



Interim Condensed Consolidated Balance Sheet

	Note	Unaudited 30 September 2008 <u>Rupees</u>	Audited 30 June 2008 <u>Rupees</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 130,000,000 (30 June 2008: 80,000,000) ordinary shares of Rupees 10 each		<u>1,300,000,000</u>	<u>800,000,000</u>
Issued, subscribed and paid up share capital 75,200,838 (30 June 2008: 75,200,838) ordinary shares of Rupees 10 each		752,008,380	752,008,380
Reserves		<u>1,974,079,632</u>	1,848,185,650
Minority interest		<u>2,726,088,012</u> 167,901,800	2,600,194,030 52,933,200
TOTAL EQUITY		<u>2,893,989,812</u>	2,653,127,230
NON-CURRENT LIABILITIES			
Long term financing		2,811,866,667	2,586,389,516
Long term murabaha		3,357,844,542	1,048,318,127
Deferred tax liability		6,453,028	4,640,017
		<u>6,176,164,237</u>	3,639,347,660
CURRENT LIABILITIES			
Trade and other payables		425,525,041	382,825,333
Accrued mark-up		220,666,704	151,730,763
Short term borrowings		3,583,683,133	3,190,716,138
Current portion of non-current liabilities		<u>1,727,795,880</u>	1,957,737,473
		<u>5,957,670,758</u>	5,683,009,707
TOTAL LIABILITIES		<u>12,133,834,995</u>	9,322,357,367
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL EQUITY AND LIABILITIES		<u>15,027,824,807</u>	<u>11,975,484,597</u>

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

Chief Executive



as at 30 September 2008

	Note	Unaudited 30 September 2008 Rupees	Audited 30 June 2008 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	6	10,232,818,465	7,595,030,770
Long term loans		9,968,432	9,706,688
Long term security deposits		1,045,942	895,942
		<u>10,243,832,839</u>	<u>7,605,633,400</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		334,326,046	307,096,654
Stock in trade		2,357,776,054	2,447,462,949
Trade debts		1,567,639,756	1,311,338,154
Loans and advances		158,836,898	114,414,578
Short term deposits and prepayments		9,587,688	936,821
Other receivables		143,647,010	159,147,351
Cash and bank balances		212,178,516	29,454,690
		<u>4,783,991,968</u>	<u>4,369,851,197</u>
TOTAL ASSETS		<u><u>15,027,824,807</u></u>	<u><u>11,975,484,597</u></u>

Director



Interim Condensed Consolidated Profit and Loss Account (Unaudited)

For the Quarter Ended 30 September 2008

	30 September 2008	30 September 2007
	Rupees	Rupees
Sales	2,591,973,855	2,003,434,901
Cost of sales	2,124,733,924	1,719,536,578
Gross profit	467,239,931	283,898,323
Distribution cost	84,074,819	45,619,737
Administrative expenses	33,632,060	28,465,973
Other operating expenses	8,021,777	5,797,980
	125,728,656	79,883,690
	341,511,275	204,014,633
Other operating income	38,888,334	17,868,249
Profit from operations	380,399,609	221,882,882
Finance cost	232,872,646	147,723,717
Profit before taxation	147,526,963	74,159,165
Provision for taxation	25,000,000	20,000,000
Profit after taxation	122,526,963	54,159,165
Earnings per share - basic and diluted	1.63	0.72

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

Chief Executive

Director



Interim Condensed Consolidated Cash Flow Statement (Unaudited)

For the Quarter Ended 30 September 2008

	Note	30 September 2008	30 September 2007
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	358,011,836	91,204,786
Long term security deposits - net		(150,000)	-
Finance cost paid		(186,397,785)	(135,458,933)
Taxes paid		(19,417,563)	(11,526,924)
		(205,965,348)	(146,985,857)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		152,046,488	(55,781,071)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,784,472,566)	(130,815,493)
Long term loans - net		(261,744)	(524,985)
Proceeds from sale of property, plant and equipment		2,430,861	1,402,000
NET CASH USED IN INVESTING ACTIVITIES		(2,782,303,449)	(129,938,478)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing and murabaha		2,809,526,415	326,628,963
Repayment of long term financing and murabaha		(504,464,442)	(518,176,738)
Shares issued to Minority Shareholders		114,968,600	-
Dividend paid		(16,781)	(114,327)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES		2,420,013,792	(191,662,102)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(210,243,169)	(377,381,651)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(3,161,261,448)	(2,561,922,044)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8	(3,371,504,617)	(2,940,303,695)

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

Chief Executive

Director



Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended 30 September 2008

	HOLDING COMPANY'S EQUITY						MINORITY INTEREST	TOTAL EQUITY
	SHARE CAPITAL	HEDGING RESERVE	REVENUE RESERVES		TOTAL RESERVES	TOTAL EQUITY OF HOLDING COMPANY		
			General Reserve	Accumulated Profit/(Loss)				
..... Rupees								
Balance as at 30 June 2007	752,008,380	-	1,629,221,278	304,968,709	1,934,189,987	2,686,198,367	-	2,686,198,367
Profit for the quarter ended 30 September 2007	-	-	-	54,159,165	54,159,165	54,159,165	-	54,159,165
Balance as at 30 September 2007	752,008,380	-	1,629,221,278	359,127,874	1,988,349,152	2,740,357,532	-	2,740,357,532
Final dividend for the year ended 30 June 2007 @ 1.5 per share	-	-	-	(112,801,257)	(112,801,257)	(112,801,257)	-	(112,801,257)
Net Loss for the nine months ended 30 June 2008	-	-	-	(35,979,420)	(35,979,420)	(35,979,420)	-	(35,979,420)
Fair value (Net of deferred tax) of quanto interest rate swap entered into as part of cash flow hedge	-	8,617,175	-	-	8,617,175	8,617,175	-	8,617,175
Minority interest arising on investment in subsidiary company	-	-	-	-	-	-	52,933,200	52,933,200
Balance as at 30 June 2008	752,008,380	8,617,175	1,629,221,278	210,347,197	1,848,185,650	2,600,194,030	52,933,200	2,653,127,230
Profit for the quarter ended 30 September 2008	-	-	-	122,526,963	122,526,963	122,526,963	-	122,526,963
Fair value (Net of deferred tax) of quanto interest rate swap entered into as part of cash flow hedge	-	3,367,019	-	-	3,367,019	3,367,019	-	3,367,019
Minority interest arising on investment in subsidiary company	-	-	-	-	-	-	114,968,600	114,968,600
Balance as at 30 September 2008	752,008,380	11,984,194	1,629,221,278	332,874,160	1,974,079,632	2,726,088,012	167,901,800	2,893,989,812

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

Chief Executive

Director



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

For the Quarter Ended 30 September 2008

1. THE GROUP AND ITS OPERATIONS

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 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

Nishat Chunian Power Limited is an unlisted public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The principal activity of the Company is 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. Nishat (Chunian) Limited holds 80% of the share capital of Nishat Chunian Power Limited.

2. STATEMENT OF COMPLIANCE

This interim condensed consolidated financial information is unaudited and is being submitted to the shareholders, as required under section 245 of the 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 interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2008.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted for the preparation of this interim condensed consolidated financial information are the same as applied in the preparation of preceding annual published financial statements of the group for the year ended 30 June 2008.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates made by the management in the preparation of this interim condensed consolidated financial information are the same as those applied to the preceding published consolidated annual financial statements for the year ended 30 June 2008.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

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

- i) Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 27.239 million (30 June 2008: Rupees 23.793 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 13,109.526 million (30 June 2008: Rupees 13,191.704 million).
- ii) Letters of credit other than for capital expenditure are Rupees 34.051 million (30 June 2008: Rupees 151.583 million).
- iii) Outstanding forwards contracts of Rupees 274.050 million (30 June 2008: Rupees 439.705 million).

	Unaudited 30 September 2008	Audited 30 June 2008
	Rupees	Rupees
6. FIXED ASSETS		
Property, plant and equipment		
Operating assets	6,022,947,424	6,139,633,290
Capital work in progress	4,208,552,041	1,454,078,480
	<u>10,231,499,465</u>	<u>7,593,711,770</u>
Intangible assets in progress	1,319,000	1,319,000
	<u>10,232,818,465</u>	<u>7,595,030,770</u>
	Unaudited 30 September 2008	Unaudited 30 September 2007
	Rupees	Rupees
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	147,526,963	74,159,165
Add / (less) adjustment for non cash charges and other items:		
Depreciation	144,427,395	153,337,647
Gain on sale of operating fixed assets	(173,384)	(574,206)
Finance costs	232,872,646	147,723,717
	<u>524,653,620</u>	<u>374,646,323</u>
Cash flows from operating activities before working capital changes		
(Increase) / decrease in current assets		
- Stores, spare parts and loose tools	(27,229,392)	(3,225,583)
- Stock in trade	89,686,895	228,389,123
- Trade debts	(256,301,602)	(441,040,772)
- Loans and advances	(45,025,116)	(104,627,301)
- Short term deposits and prepayments	(8,650,867)	(4,133,108)
- Other receivables	15,700,729	(9,114,325)
Increase in current liabilities		
- Trade and other payables	65,177,569	50,310,429
	<u>(166,641,784)</u>	<u>(283,441,537)</u>
Cash used in working capital		
Cash generated from operations	<u>358,011,836</u>	<u>91,204,786</u>



	Unaudited 30 September 2008	Unaudited 30 September 2007
	Rupees	Rupees
8. CASH AND CASH EQUIVALENTS		
Cash and bank balances	212,178,516	54,826,077
Short term borrowings	(3,583,683,133)	(2,995,129,772)
	<u>(3,371,504,617)</u>	<u>(2,940,303,695)</u>

9. 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	24,599,856	215,903
Sale of goods and services	10,218,564	44,121,179
Insurance premium paid	15,347,065	8,509,797
Insurance claim received	603,230	1,614,561
Contribution to employees' provident fund	4,217,897	4,320,436

10. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on 08 October 2008 has proposed 10% bonus issue and cash dividend of Rupees Nil in respect of the year ended 30 June 2008. The appropriation will be approved by the members in the forthcoming Annual General Meeting. This financial information do not include the effect of this appropriation. The board of directors also approved right issue of 1 share for 2 shares held including bonus shares.

11. AUTHORISED FOR ISSUE

This financial information was approved by the Board of Directors and authorised for issue on 28 October 2008.

12. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangement / regrouping have been made.

13. GENERAL

Figures have been rounded off to nearest of Rupee.

Chief Executive

Director