

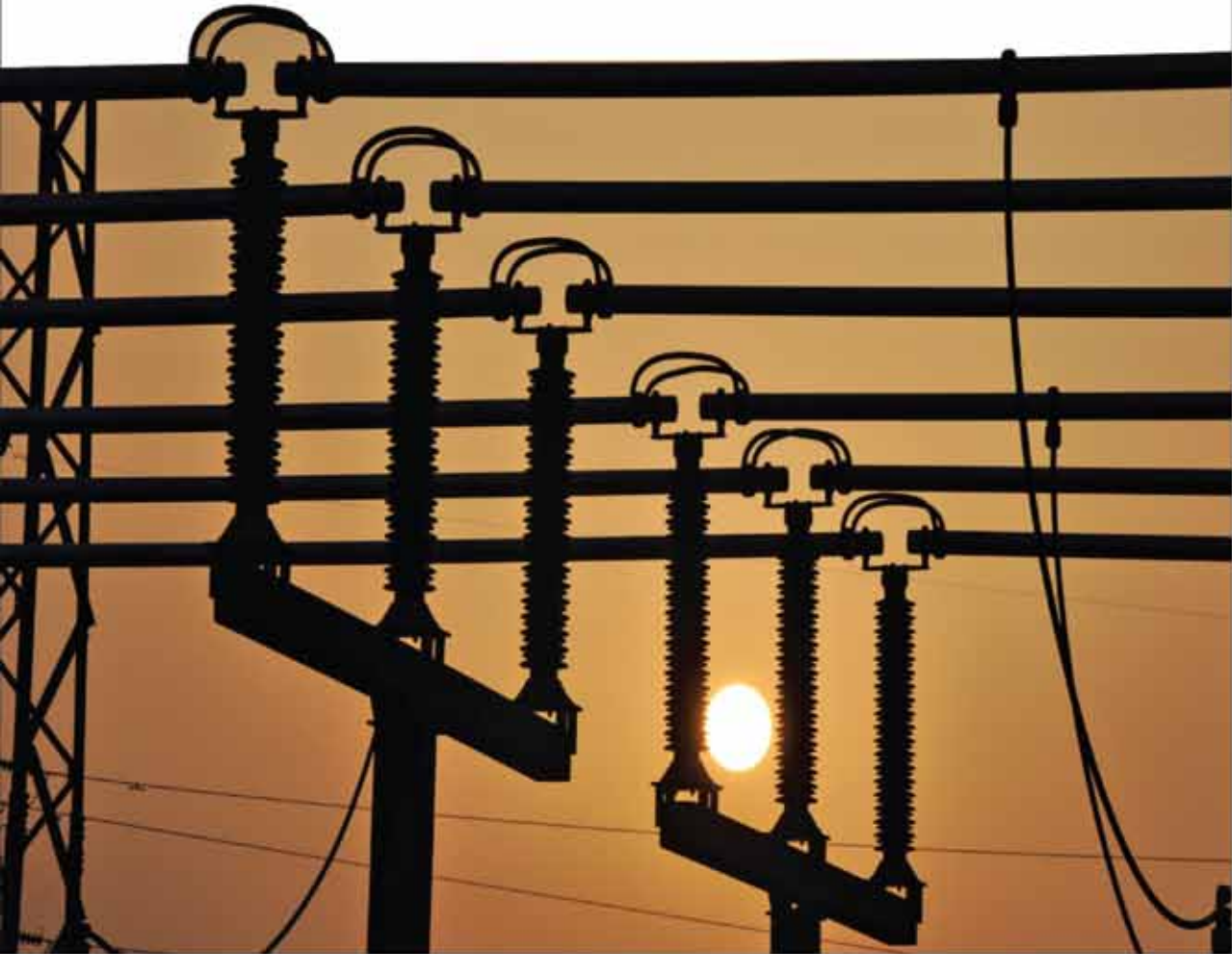


N I S H A T

Nishat Power Limited

Half Yearly Report

For the Half Year Ended December 31, 2012



CONTENTS

Nishat Power Limited

Corporate Profile	3
Directors' Report	4
Auditors' Report	5
Condensed Interim Balance Sheet	6-7
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Cash Flow Statement	11
Selected Notes to the Condensed Interim Financial Information	12-19

CORPORATE PROFILE

BOARD OF DIRECTORS	Mian Hassan Mansha Mr. Khalid Qadeer Qureshi Mr. Shahid Zulfiqar Khan Mr. Mahmood Akhtar Mr. Shahzad Ahmad Malik Ms. Nabiha Shahnawaz Cheema Mr. Badar-ul-Hassan	Chairman /Chief Executive
AUDIT COMMITTEE	Mr. Khalid Qadeer Qureshi Mr. Shahzad Ahmad Malik Ms. Nabiha Shahnawaz Cheema	Member / Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian Hassan Mansha Mr. Shahid Zulfiqar Khan Mr. Khalid Qadeer Qureshi	Member Member / Chairman Member
CHIEF FINANCIAL OFFICER	Mr. Tanvir Khalid	
COMPANY SECRETARY	Mr. Khalid Mahmood Chohan	
BANKERS OF THE COMPANY	Habib Bank Limited United Bank Limited Allied Bank Limited National Bank of Pakistan Bank Alfalah Limited Faysal Bank Limited Askari Bank Limited Habib Metropolitan Bank Limited Soneri Bank Limited Silk Bank Limited BankIslami Pakistan Limited Meezan Bank Limited HSBC Bank Middle East Limited Burj Bank Limited Albaraka Bank Pakistan Limited First Women Bank Limited The Bank of Punjab Dubai Islamic Bank Pakistan Limited	
AUDITORS	A. F. Ferguson & Co. Chartered Accountants	
LEGAL ADVISOR	Cornelius, Lane & Mufti Advocates & Solicitors	
REGISTERED OFFICE	53 - A, Lawrence Road, Lahore - Pakistan UAN: 042-111-11-33-33	
HEAD OFFICE	1-B, Aziz Avenue, Canal Bank, Gulberg-V, Lahore - Pakistan Tel: +92-42-35717090-96, 35717159-63 Fax: +92-42-35717239 Website: www.nishatpower.com	
SHARE REGISTRAR	Hameed Majeed Associates (Pvt.) Ltd. Financial & Management Consultants H.M. House, 7-Bank Square, Lahore - Pakistan. Tel: 042-37235081-2	
PLANT	66-K.M, Multan Road, Jambar Kalan, Tehsil Pattoki, District Kasur, Punjab - Pakistan	

DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Information of the Company for the half year ended December 31, 2012 subject to limited review by external auditors.

FINANCIAL RESULTS:

During the period, the Company had turnover of Rs 12,619.408 million (Dec 2011: Rs 10,477.522 million), against operating cost of Rs 10,025.868 million (Dec 2011: Rs 8,096.360 million) resulting in a gross profit of Rs 2,593.539 million (Dec 2011: Rs 2,381.161 million). The Company earned profit before tax of Rs 1,342.464 million compared to Rs 856.245 million in the same period last year.

The current period's net profit after tax amounts to Rs 1,336.875 million resulting earnings per share of Rs 3.776 compared to profit after tax of Rs 848.848 million and earnings per share of Rs 2.397 in the same period last year.

The Company's receivables from National Transmission & Dispatch Company Limited (NTDCL) increased to Rs 11,087.428 million (Dec 2011: Rs 10,113.822 million), out of which overdue receivables were Rs. 6,430.729 million (Dec 2011: Rs 8,840.836 million). The Company has taken up the matter of overdue receivables at appropriate forums and has issued notices under Sovereign Guarantee (the Guarantee) to Government of Pakistan (GOP). However, NTDCL, the Company's sole customer, and GOP continues to default on the notices served under the Guarantee.

Alongwith 07 other IPPs, the Company has filed petition in Supreme Court for recoverability of dues. Consequent to petition filed in Supreme Court for recovery of debts, NTDCL has been directed to make the current payments strictly in accordance with the Power Purchase Agreement (PPA). Case is still pending in Supreme Court for final decision.

Included in trade debts is an amount of Rs 813.679 million deducted by the Power Purchaser from the Capacity Purchase Price (CPP) Invoices owing to under-utilization of plant capacity due to non-availability of fuel on account of non-payment by National Transmission & Dispatch Company Limited (NTDCL). Management believes that company cannot be penalized in the form of payment deductions due to NTDCL's default of making timely payments under the Power Purchase Agreement. Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and such amounts are likely to be recovered. Consequently, no provision for the abovementioned amount has been made in this interim financial information.

The plant operated at optimal efficiency and dispatched 649.651 GWh of electricity to its customer (NTDCL) during the period, with 75.35% average capacity factor.

KEY OPERATING AND FINANCIAL DATA:

Half Year Ended December 31,	2012	2011
	(Rupees in Million)	
Turnover	12,619.408	10,477.522
Profit after tax	1,336.875	848.848
Total non-current assets	14,417.494	15,377.517
Issued, subscribed and paid up capital	3,540.885	3,540.885
Long term financing	12,204.914	13,229.734
Short term financing	4,732.780	7,111.752
Generation (MWH)	649,651	567,090
Earnings per share-basic and diluted (Rs.)	3.776	2.397

DIVIDENDS

The directors have recommended an interim cash dividend of 10% i.e. Rupee 1 per ordinary share, amounting to Rs. 354.088 million.



CHIEF EXECUTIVE OFFICER

Lahore: February 18, 2013

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Nishat Power Limited as at December 31, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2011 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 10 to the interim financial information, which describes the matter regarding recoverability of certain trade debts.



Chartered Accountants,

Lahore, February 18, 2013

Engagement Partner: Muhammad Masood

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2012

	Note	Un-audited December 31, 2012	Audited June 30, 2012
-----Rupees-----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 2012: 500,000,000) ordinary shares of Rs 10 each		<u>5,000,000,000</u>	<u>5,000,000,000</u>
Issued, subscribed and paid up share capital 354,088,500 (June 30, 2012: 354,088,500) ordinary shares of Rs 10 each		<u>3,540,885,000</u>	3,540,885,000
Revenue reserve: Un-appropriated profit		<u>4,619,046,258</u>	<u>3,636,260,004</u>
		<u>8,159,931,258</u>	<u>7,177,145,004</u>
NON-CURRENT LIABILITIES			
Long term financing - secured	6	11,308,213,252	11,773,428,241
Subordinated loan - unsecured	7	-	218,220,000
		<u>11,308,213,252</u>	<u>11,991,648,241</u>
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	896,700,447	831,686,882
Short term borrowings - secured		4,732,779,642	6,623,680,369
Trade and other payables		1,779,596,923	861,822,586
Accrued finance cost		490,214,855	646,875,211
Provision for taxation		20,183,259	18,872,706
		<u>7,919,475,126</u>	<u>8,982,937,754</u>
CONTINGENCIES AND COMMITMENTS	8	<u>27,387,619,636</u>	<u>28,151,730,999</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Hassan Mahmood
Chief Executive

	Note	Un-audited December 31, 2012	Audited June 30, 2012
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	14,417,494,288	14,930,587,851
CURRENT ASSETS			
Stores, spares and loose tools		427,461,023	405,774,356
Inventories		1,197,013,520	710,143,863
Trade debts	10	11,087,428,211	10,723,457,000
Advances, deposits, prepayments and other receivables		239,134,178	1,320,362,050
Cash and bank balances		19,088,416	61,405,879
		12,970,125,348	13,221,143,148
		 <u>27,387,619,636</u>	 <u>28,151,730,999</u>


Director

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2012**

	Note	Quarter ended		Half year ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		-----Rupees-----			
Sales		6,873,536,449	4,213,219,365	12,619,407,833	10,477,521,537
Cost of sales	11	(5,479,289,773)	(3,028,779,805)	(10,025,868,355)	(8,096,360,480)
Gross profit		1,394,246,676	1,184,439,560	2,593,539,478	2,381,161,057
Administrative expenses		(18,611,521)	(19,640,628)	(46,859,691)	(39,341,546)
Other operating expenses		(9,004,394)	-	(9,336,596)	-
Other operating income		1,911,945	8,762,386	15,969,746	10,569,332
Finance cost		(540,067,610)	(749,879,692)	(1,210,848,772)	(1,496,143,877)
Profit before taxation		828,475,096	423,681,626	1,342,464,165	856,244,966
Taxation		(669,181)	(5,469,068)	(5,589,411)	(7,396,937)
Profit for the period		827,805,915	418,212,558	1,336,874,754	848,848,029
Earnings per share - basic and diluted		2.338	1.181	3.776	2.397

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Hasan Mansoor
Chief Executive

[Signature]
Director

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2012**

	Quarter ended		Half year ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	-----Rupees-----			
Profit for the period	827,805,915	418,212,558	1,336,874,754	848,848,029
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	827,805,915	418,212,558	1,336,874,754	848,848,029

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Hassan Mansoor
Chief Executive

[Signature]
Director

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Share capital	Revenue reserve: Un-appropriated profit	Total
	-----Rupees-----		
Balance as on July 1, 2012 (audited)	3,540,885,000	3,636,260,004	7,177,145,004
Profit for the period	-	1,336,874,754	1,336,874,754
Other comprehensive income for the period	-	-	-
Total comprehensive income for the half year ended December 31, 2012	-	1,336,874,754	1,336,874,754
Dividend to equity holders of the company	-	(354,088,500)	(354,088,500)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(354,088,500)	(354,088,500)
Balance as on December 31, 2012 (un-audited)	3,540,885,000	4,619,046,258	8,159,931,258
Balance as on July 1, 2011 (audited)	3,540,885,000	1,953,460,494	5,494,345,494
Profit for the period	-	848,848,029	848,848,029
Other comprehensive income for the period	-	-	-
Total comprehensive income for the half year ended December 31, 2011	-	848,848,029	848,848,029
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-
Balance as on December 31, 2011 (un-audited)	3,540,885,000	2,802,308,523	6,343,193,523

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Hassan Mansoor
Chief Executive

[Signature]
Director

**CONDENSED INTERIM
CASH FLOW STATEMENT(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Note	July 01 to December 31	
		2012	2011
-----Rupees-----			
Cash flows from operating activities			
Cash generated from / (used) in operations	12	4,199,060,899	(1,626,636,562)
Finance cost paid		(1,367,509,128)	(1,437,466,577)
Taxes paid		(4,278,858)	(2,428,008)
Retirement benefits paid		(1,666,749)	(882,631)
Net cash inflow / (outflow) from operating activities		2,825,606,164	(3,067,413,778)
Cash flows from investing activities			
Fixed capital expenditure		(20,289,466)	(34,159,403)
Proceeds from disposal of operating fixed assets		-	1,697,683
Profit on bank deposits received		15,969,746	9,898,039
Net cash outflow from investing activities		(4,319,720)	(22,563,681)
Cash flows from financing activities			
Repayment of long term financing		(400,201,424)	(210,588,938)
Repayment of subordinated loans		(218,220,000)	(600,000,000)
Dividend paid		(354,281,756)	-
Net cash outflow from financing activities		(972,703,180)	(810,588,938)
Net increase / (decrease) in cash and cash equivalents		1,848,583,264	(3,900,566,397)
Cash and cash equivalents at the beginning of the period		(6,562,274,490)	(3,181,988,901)
Cash and cash equivalents at the end of the period	13	(4,713,691,226)	(7,082,555,298)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Hassan Mahmood
Chief Executive

[Signature]
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2012

1. The company and its activities

Nishat Power Limited (the 'company') is a public limited company incorporated in Pakistan. The company is a subsidiary of Nishat Mills Limited. The company's ordinary shares are listed on the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited.

The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the company is 53-A, Lawrence Road, Lahore. The company has a Power Purchase Agreement with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from June 09, 2010.

2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended December 31, 2012 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2012.

3. Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2012.

3.2 Initial application of standards, amendments or an interpretation to existing standards.

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

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

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

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

4. Accounting estimates

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2012.

5. Financial risk management

5.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at June 30, 2012.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

	Un-audited	Audited
	December 31,	June 30,
	2012	2012
	-----Rupees-----	
6. Long term financing - secured		
Opening balance	12,605,115,123	13,222,103,221
Less: Repayments during the period/year	400,201,424	616,988,098
	12,204,913,699	12,605,115,123
Less: Current portion shown under current liabilities	896,700,447	831,686,882
	11,308,213,252	11,773,428,241
7. Subordinated loan - unsecured		
Opening balance	218,220,000	818,220,000
Less: Repayment during the period/year	218,220,000	600,000,000
	-	218,220,000
8. Contingencies and commitments		
8.1 Contingencies		
The banks have issued the following on behalf of the company:		
(a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (June 30, 2012: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.		
(b) Letter of guarantee of Rs 500,000 (June 30, 2012: Rs 500,000) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.		
(c) Letter of guarantee of Rs 100,000,000 (June 30, 2012: Rs 100,000,000) in favour of Chevron Pakistan Limited for procurement of multiple fuel/oils.		
(d) Letter of guarantee of Rs 100,000,000 (June 30, 2012: Rs 100,000,000) in favour of Pak Arab Refinery Limited ('PARCO') for procurement of multiple fuel/oils.		

<u>Un-audited</u>	<u>Audited</u>
December 31,	June 30,
2012	2012
-----Rupees-----	

8.2 Commitments in respect of

- (i) Letters of credit other than for capital expenditure **23,473,867** 1,156,993
- (ii) The amount of future payments under operating lease and the period in which these payments will become due are as follows:

	<u>Un-audited</u>	<u>Audited</u>
	December 31,	June 30,
	2012	2012
	-----Rupees-----	
Not later than one year	12,461,400	12,461,400
Later than one year and not later than five years	61,787,775	49,845,600
	<u>74,249,175</u>	<u>62,307,000</u>

- (iii) The company has an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance ('O&M') of the power station for a period of five years starting from the Commercial Operations Date of the power station i.e. June 09, 2010. Under the terms of the O&M agreement, the company is required to pay a monthly fixed O&M fee and a variable O&M fee depending on the net electrical output, both of which are adjustable according to the Wholesale Price Index.

	<u>Un-audited</u>	<u>Audited</u>
Note	December 31,	June 30,
	2012	2012
	-----Rupees-----	

9. Property, plant and equipment

Operating fixed assets	- note 9.1	14,413,720,288	14,930,587,851
Capital work-in-progress - advance to supplier		3,774,000	-
		<u>14,417,494,288</u>	<u>14,930,587,851</u>

	Note	Un-audited	Audited
		December 31, 2012	June 30, 2012
-----Rupees-----			
9.1 Operating fixed assets			
Opening book value		14,930,587,851	15,843,065,046
Additions during the period/year	- note 9.1.1	16,515,466	60,471,301
Book value of deletions during the period/year		-	(1,738,097)
Depreciation charged during the period/year		(533,383,029)	(971,210,399)
Closing book value		14,413,720,288	14,930,587,851

9.1.1 Additions during the period/year

Buildings and roads on freehold land	-	6,844,098
Plant and machinery	14,050,648	33,726,673
Improvements on leasehold property	-	5,503,601
Computer equipment	173,800	260,838
Furniture and fixtures	13,000	486,050
Office equipment	214,804	10,063,041
Vehicles	2,063,214	3,587,000
	16,515,466	60,471,301

10. Included in trade debts is an amount of Rs 813.679 million relating to capacity purchase price not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

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

	Un-audited Quarter ended		Un-audited Half year ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	-----Rupees-----			
11. Cost of sales				
Raw materials consumed	5,043,689,872	2,615,867,309	9,192,347,567	7,211,467,648
Salaries and other benefits	5,682,057	7,414,873	14,295,334	12,468,684
Operation and maintenance	88,450,211	66,478,962	159,654,068	146,026,005
Stores, spares and loose tools consumed	26,601,646	69,321,300	47,318,271	146,048,063
Electricity consumed in-house	32,829	1,819,845	212,289	2,576,466
Insurance	38,592,031	39,097,037	77,075,683	76,705,767
Travelling and conveyance	608,215	272,030	864,081	525,864
Rent, rates and taxes	135,000	160,002	270,000	320,004
Printing and stationery	87,332	93,700	153,531	198,186
Postage and telephone	74,589	80,292	137,953	206,581
Vehicle running expenses	418,499	429,388	658,656	715,707
Entertainment	126,889	52,981	344,806	81,965
Depreciation on operating fixed assets	272,308,967	225,771,079	528,840,263	495,701,217
Fee and subscription	1,487,950	1,189,146	2,026,000	1,887,092
Miscellaneous	993,686	731,861	1,669,853	1,431,231
	5,479,289,773	3,028,779,805	10,025,868,355	8,096,360,480

Un-audited July 01 to December 31	
2012	2011
-----Rupees-----	

12. Cash generated from / (used) in operations

Profit before taxation	1,342,464,165	856,244,966
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	533,383,029	499,742,829
- Profit on bank deposits	(15,969,746)	(9,898,039)
- Finance cost	1,210,848,772	1,496,143,877
- Provision for employee retirement benefits	1,666,749	882,631
- Profit on disposal of operating fixed assets	-	(54,331)
Profit before working capital changes	3,072,392,969	2,843,061,933

Effect on cash flow due to working capital changes:

- (Increase)/decrease in stores, spares and loose tools	(21,686,667)	37,792,190
- (Increase)/decrease in inventories	(486,869,657)	399,987,492
- Increase in trade debts	(363,971,211)	(3,739,614,105)
- Decrease/(increase) in advances, deposits, prepayments and other receivables	1,081,227,872	(1,250,643,650)
- Increase in trade and other payables	917,967,593	82,779,578
	1,126,667,930	(4,469,698,495)
	4,199,060,899	(1,626,636,562)

	Un-audited	
	December 31, 2012	December 31, 2011
-----Rupees-----		
13. Cash and cash equivalents		
Cash and bank balances	19,088,416	29,196,505
Short term borrowings - secured	(4,732,779,642)	(7,111,751,803)
	<u>(4,713,691,226)</u>	<u>(7,082,555,298)</u>

	Un-audited	
	July 01 to December 31 2012	2011
-----Rupees-----		
14. Transactions with related parties		
Relationship with the company	Nature of transactions	
i. Holding company	Markup on subordinated loan	11,925,454
	Purchases of goods and services	- 488,601
ii. Associate of the holding company	Purchases of goods and services	- 1,246,505
	Sale of goods	- 448,790
iii. Key management personnel	Salaries and other employee benefits	26,889,590 15,919,145
iv. Post employment benefit plan	Expense charged in respect of retirement benefit plan	1,666,749 882,631

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

	Un-audited	Audited
	December 31, 2012	June 30, 2012
-----Rupees-----		
Period end balance		
Mark up payable to holding company	4,271,938	7,588,591

15. Date of authorisation for issue

This condensed interim financial information was authorised for issue on February 18, 2013 by the Board of Directors of the company.

16. Event after the balance sheet date

The Board of Directors have declared an interim dividend of Rupee 1 per share, amounting to Rupees 354,088,500 at their meeting held on February 18, 2013. This condensed interim financial information does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

17. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. Significant re-arrangement made is of sludge sales of Rs 10,564,774 previously classified as scrap sales in other operating income now reclassified in cost of sales and netted-off from raw materials consumed. The above figure has been re-arranged as the reclassification made is considered more appropriate for the purpose of presentation.


Chief Executive


Director



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