

## CONTENTS

Nishat Power Limited	Page No.
Corporate Profile	2
Directors' Report	3
Condensed Interim Balance Sheet	4-5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Selected Notes to the Condensed Interim Financial Information	10-16

# CORPORATE PROFILE

## BOARD OF DIRECTORS

Mian Hassan Mansha Chairman / Chief Executive  
Mr. Khalid Qadeer Qureshi  
Mr. Shahid Zulfiqar Khan  
Mr. Mahmood Akhtar  
Mr. Shahzad Ahmad Malik  
Mr. Saeed Ahmed Alvi  
Mr. Badar-ul-Hassan

## AUDIT COMMITTEE

Mr. Khalid Qadeer Qureshi Member / Chairman  
Mr. Shahzad Ahmad Malik Member  
Mr. Saeed Ahmed Alvi Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Hassan Mansha Member  
Mr. Shahid Zulfiqar Khan Member / Chairman  
Mr. Khalid Qadeer Qureshi Member

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  
Dubai Islamic Bank Pakistan Limited  
Burj Bank Limited  
Albaraka Bank Pakistan Limited  
First Women Bank Limited  
The Bank of Punjab  
MCB Bank Limited  
Pak Kuwait Investment Co. (Pvt) Limited  
Pak Brunei Investment Company 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](http://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 period ended March 31, 2014.

### FINANCIAL RESULTS:

During the period, the Company had turnover of Rs 20,739.715 million (March 2013: Rs 18,588.166 million), against operating cost of Rs 17,335.508 million (March 2013: Rs 14,753.394 million) resulting in a gross profit of Rs 3,404.207 million (March 2013: Rs 3,834.772 million). The Company earned profit before tax of Rs 2,143.422 million compared to Rs 2,067.571 million in the same period last year.

The current period's net profit after tax amounts to Rs 2,143.422 million resulting earnings per share of Rs 6.053 compared to profit after tax of Rs 2,060.92 million and earnings per share of Rs 5.820 in the same period last year.

Included in trade debts is an amount of Rs 816.041 million deducted by National Transmission & Dispatch Company Limited (NTDCL) from the Capacity Purchase Price (CPP) invoices, as the plant was not fully available for power generation. Please refer note 9 to this Condensed Interim Financial Information for further details. With the consent of NTDCL, the company has taken up this matter to the Expert as per dispute resolution mechanism envisaged in 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 Condensed Interim Financial Information.

Total receivables from NTDCL on March 31, 2014 stand at Rs 10,268.199 million, out of which overdue receivables are Rs 7,677.438 million.

The plant operated at optimal efficiency and dispatched 1,087.445 GWh of electricity to its customer (NTDCL) during the period, with 84.67% average capacity factor.

During the period the company also contributed Rs. 2.5 million to Prime Minister's Baluchistan Earthquake Relief Fund.

### KEY OPERATING AND FINANCIAL DATA:

	PERIOD ENDED	
	March 31, 2014	March 31, 2013
(Rupees in Million)		
Turnover	20,739.715	18,588.166
Profit after tax	2,143.422	2,060.920
Total non-current assets	13,509.225	14,180.288
Issued, subscribed and paid up capital	3,540.885	3,540.885
Long term financing	11,062.141	11,993.230
Short term financing	1,850.625	5,595.269
Generation (MWh)	1,087,445	946,635
Earnings per share-basic and diluted (Rs.)	6.053	5.820

### 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: April 23, 2014

# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2014

	Note	Un-audited March 31, 2014	Audited June 30, 2013
-----Rupees-----			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 500,000,000 (June 30, 2013: 500,000,000) ordinary shares of Rs 10 each		5,000,000,000	5,000,000,000
Issued, subscribed and paid up capital 354,088,500 (June 30, 2013: 354,088,500) ordinary shares of Rs 10 each		3,540,885,000	3,540,885,000
Revenue reserve: Un-appropriated profit		6,394,618,815	5,667,550,334
		9,935,503,815	9,208,435,334
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	6	9,979,794,828	10,806,632,070
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	6	1,082,346,265	966,796,170
Short term borrowings - secured		1,850,625,496	2,458,285,347
Trade and other payables		2,274,649,649	1,589,487,875
Accrued finance cost		398,659,533	479,067,116
		5,606,280,943	5,493,636,508
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		25,521,579,586	25,508,703,912

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

*Hosain Murtaza*  
CHIEF EXECUTIVE

	Note	Un-audited March 31, 2014	Audited June 30, 2013
-----Rupees-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	13,509,224,521	13,990,852,039
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		545,125,677	528,523,805
Inventories		700,443,649	718,694,960
Trade debts	9	10,268,198,929	5,794,382,448
Advances, deposits, prepayments and other receivables		336,829,849	504,285,754
Income tax receivable		27,865,604	24,791,049
Cash and bank balances		133,891,357	3,947,173,857
		12,012,355,065	11,517,851,873
		<u>25,521,579,586</u>	<u>25,508,703,912</u>

  
DIRECTOR

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

	Note	Quarter ended		Period ended	
		March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
Sales		6,957,100,961	5,968,758,593	20,739,714,752	18,588,166,426
Cost of sales	10	(5,701,469,328)	(4,727,526,066)	(17,335,508,240)	(14,753,394,421)
<b>Gross profit</b>		1,255,631,633	1,241,232,527	3,404,206,512	3,834,772,005
Administrative expenses		(34,173,071)	(19,934,288)	(88,518,759)	(66,793,979)
Other expenses		-	-	(15,997,011)	(8,967,527)
Other income		5,672,561	8,450,021	27,671,312	24,050,698
Finance cost		(419,091,192)	(504,641,531)	(1,183,939,573)	(1,715,490,303)
<b>Profit before taxation</b>		808,039,931	725,106,729	2,143,422,481	2,067,570,894
Taxation		-	(1,061,437)	-	(6,650,848)
<b>Profit after taxation</b>		808,039,931	724,045,292	2,143,422,481	2,060,920,046
Earnings per share - basic and diluted		2.282	2.045	6.053	5.820

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

  
CHIEF EXECUTIVE

  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2014

Nishat Power Limited  
3rd Quarterly Report 2014

	Quarter ended		Period ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
Profit after taxation	808,039,931	724,045,292	2,143,422,481	2,060,920,046
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	808,039,931	724,045,292	2,143,422,481	2,060,920,046

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

  
CHIEF EXECUTIVE

  
DIRECTOR

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2014

	Note	Period ended	
		March 31, 2014	March 31, 2013
-----Rupees-----			
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	139,208,271	4,478,620,630
Finance cost paid		(1,264,347,156)	(1,913,168,118)
Taxes paid		(3,074,555)	(5,922,332)
Retirement benefits paid		(3,031,093)	(2,503,386)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(1,131,244,533)</b>	<b>2,557,026,794</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(326,301,256)	(41,824,111)
Proceeds from disposal of operating fixed assets		367,170	1,137,966
Profit on bank deposits received		24,090,126	18,318,733
<b>Net cash outflow from investing activities</b>		<b>(301,843,960)</b>	<b>(22,367,412)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term financing		(711,287,147)	(611,885,119)
Repayment of subordinated loans		-	(218,220,000)
Dividend paid		(1,061,247,009)	(708,802,297)
<b>Net cash outflow from financing activities</b>		<b>(1,772,534,156)</b>	<b>(1,538,907,416)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,205,622,649)</b>	<b>995,751,966</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,488,888,510</b>	<b>(6,562,274,490)</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>(1,716,734,139)</b>	<b>(5,566,522,524)</b>

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

  
CHIEF EXECUTIVE

  
DIRECTOR



## CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

	Share capital	Revenue reserve: Un-appropriated profit	Total
	..... Rupees .....		
<b>Balance as on July 01, 2012 (audited)</b>	3,540,885,000	3,636,260,004	7,177,145,004
Profit for the period	-	2,060,920,046	2,060,920,046
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	2,060,920,046	2,060,920,046
Dividend to equity holders of the company: Final dividend for the year ended June 30, 2012 @ Rupee 1 per share	-	(354,088,500)	(354,088,500)
Interim dividend for the half year ended December 31, 2012 @ Rupee 1 per share	-	(354,088,500)	(354,088,500)
<b>Total contributions by and distributions to owners of the company recognised directly in equity</b>	-	(708,177,000)	(708,177,000)
<b>Balance as on March 31, 2013 (un-audited)</b>	<u>3,540,885,000</u>	<u>4,989,003,050</u>	<u>8,529,888,050</u>
<b>Balance as on July 01, 2013 - audited</b>	3,540,885,000	5,667,550,334	9,208,435,334
Profit for the period	-	2,143,422,481	2,143,422,481
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	2,143,422,481	2,143,422,481
Dividend to equity holders of the company: Final dividend for the year ended June 30, 2013 @ Rupees 2 per ordinary share	-	(708,177,000)	(708,177,000)
Interim dividend for the period ended September 30, 2013 @ Rupee 1 per ordinary share	-	(354,088,500)	(354,088,500)
Interim dividend for the half year ended December 31, 2013 @ Rupee 1 per ordinary share	-	(354,088,500)	(354,088,500)
<b>Total contributions by and distributions to owners of the company recognised directly in equity</b>	-	(1,416,354,000)	(1,416,354,000)
<b>Balance as on March 31, 2014 (un-audited)</b>	<u>3,540,885,000</u>	<u>6,394,618,815</u>	<u>9,935,503,815</u>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2014

## 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 ('PPA') 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. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2013.

## 3. SIGNIFICANT ACCOUNTING POLICIES

**3.1** The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2013.

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

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

#### **3.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period**

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

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after January 1, 2014 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in this condensed interim financial information.

#### 4. ACCOUNTING ESTIMATES

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2013.

#### 5. FINANCIAL RISK MANAGEMENT

##### 5.1 Financial risk factors

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at June 30, 2013.

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

##### 5.2 Liquidity risk

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

##### 5.3 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the interim financial information 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.

#### 6. LONG TERM FINANCING - SECURED

	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
Opening balance	11,773,428,240	12,605,115,123
Less: Repayments during the period / year	711,287,147	831,686,883
	11,062,141,093	11,773,428,240
Less: Current portion shown under current liabilities	1,082,346,265	966,796,170
	9,979,794,828	10,806,632,070

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

- (i) National Electric Power Regulatory Authority ('NEPRA') issued an order dated 8th February, 2013 through which it has raised a demand of Rs 290.423 million payable by the company to NTDC for the period upto June 30, 2011 in respect of Calorific Value ('CV') adjustment on fuel consumed for power generation as per the terms of the PPA and various CV adjustment mechanisms prescribed by NEPRA. The first such CV adjustment mechanism was announced by NEPRA in March 2009 and as per this mechanism, the company has already made a provision of Rs 20.332 million in its financial statements for the above CV adjustment. In July 2011, NEPRA revised its CV adjustment mechanism and directed all Independent Power Producers ('IPPs') to maintain consignment-wise CV record of the fuel received and consumed for power generation. Consequently, the company started maintaining such CV record after such direction was received from NEPRA.

NEPRA directed the company to submit consignment-wise record of CV for the period upto June 30, 2011. The company disputed such direction as it was not required to maintain consignment-wise record prior to July 2011. However, NEPRA computed retrospectively and determined Rs 290.423 million payable by the company to NTDC for the period upto June 30, 2011 in respect of CV adjustment on the basis of the mechanism directed by it in July 2011. The company filed a Motion for Leave for Review before NEPRA requesting it to reconsider its decision, which was decided against the company. Consequently, the company filed a writ petition before the Islamabad High Court against NEPRA's decision on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and credible information is also not available from any source upon which CV adjustment computations can be made. The case is pending adjudication before Islamabad High Court.

Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and the aforesaid NEPRA's decision is likely to be revoked. Under these circumstances, no provision of the balance amount of Rs 270.092 million has been made in this condensed interim financial information.

- (ii) The banks have issued the following on behalf of the company:
- (a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (June 30, 2013: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.
- (b) Letter of guarantee of Rs 3,500,000 (June 30, 2013: Rs 1,500,000) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

### 7.2 Commitments in respect of

	Un-audited March 31, 2013 Rupees	Audited June 30, 2013 Rupees
(i) Letters of credit and contracts for capital expenditure	88,143,004	16,015,799
(ii) Letters of credit and contracts other than for capital expenditure	-	200,327,496

- (iii) The amount of future payments under operating lease and the period in which these payments will become due are as follows:

	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
Not later than one year	15,576,750	13,499,850
Later than one year and not later than five years	70,744,406	67,499,250
	86,321,156	80,999,100

- (iv) The company also has an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance ('O&M') of the power station for a five years period starting from the Commercial Operations Date of the power station i.e. 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.

	Note	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	13,509,224,521	13,841,219,695
Capital work-in-progress - advance to supplier		-	149,632,344
		13,509,224,521	13,990,852,039
<b>8.1 Operating fixed assets</b>			
Opening book value		13,841,219,695	14,930,587,851
Additions during the period / year	8.1.1	475,933,600	139,490,627
Book value of deletions during the period / year		(367,170)	(454,879)
Depreciation/Impairment charged for the period / year		(807,561,604)	(1,228,403,904)
Closing book value		13,509,224,521	13,841,219,695
<b>8.1.1 Additions during the period / year</b>			
Plant and machinery		472,372,731	131,294,585
Computer equipment		434,575	196,600
Furniture and fixtures		365,000	13,000
Office equipment		426,866	214,804
Vehicles		2,334,428	7,771,638
		475,933,600	139,490,627

9. Included in trade debts is an amount of Rs 816.041 million relating to capacity purchase price not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDC, therefore, management believes that company cannot be penalized in the form of payment deductions due to NTDC's default of making timely payments under the PPA. Hence, the company had taken up this issue at appropriate forums and with consultation of NTDC, appointed an Expert under the PPA, for resolution of this dispute. The proceedings before Expert are under process. Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and such amounts are likely to be recovered. Consequently, no provision for the above mentioned amount has been made in this condensed interim financial information.

	Un-audited Quarter ended		Un-audited Period ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
<b>10. COST OF SALES</b>				
Raw materials consumed	5,171,816,428	4,324,312,940	15,768,877,240	13,516,660,507
Salaries and other benefits	7,000,378	7,228,344	25,459,384	21,523,678
Operation and maintenance	74,247,766	72,008,590	243,754,452	231,662,658
Stores, spares and loose tools consumed	135,038,318	25,153,198	357,287,437	72,471,469
Electricity consumed in-house	43,410	36,130	126,117	248,419
Insurance	41,574,274	37,722,500	126,700,743	114,798,183
Traveling and conveyance	449,781	961,136	3,031,938	1,825,217
Rent, rates and taxes	191,142	135,000	461,142	405,000
Printing and stationery	118,439	89,235	353,739	242,766
Postage and telephone	51,568	75,543	166,712	213,496
Vehicle running expenses	721,526	725,596	2,132,971	1,384,252
Entertainment	49,007	150,236	286,349	495,042
Depreciation on operating fixed assets	267,644,086	255,796,117	801,021,766	784,636,380
Fee and subscription	1,363,034	1,556,863	3,298,999	3,582,863
Miscellaneous	1,160,171	1,574,638	2,549,251	3,244,491
	<u>5,701,469,328</u>	<u>4,727,526,066</u>	<u>17,335,508,240</u>	<u>14,753,394,421</u>

	Un-audited July 01 to March 31	
	2014 Rupees	2013 Rupees
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	2,143,422,481	2,067,570,894
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	807,561,604	791,669,223
- Profit on bank deposits	(24,368,240)	(18,318,733)
- Finance cost	1,183,939,573	1,715,490,303
- Provision for employee retirement benefits	3,031,093	2,503,386
- Profit on disposal of operating fixed assets	-	(683,691)
Profit before working capital changes	4,113,586,511	4,558,231,382
Effect on cash flow due to working capital changes:		
- Increase in stores, spares and loose tools	(16,601,872)	(367,209,838)
- Decrease / (increase) in inventories	18,251,311	(163,615,748)
- Increase in trade debts	(4,473,816,481)	(1,441,680,730)
- Decrease in advances, deposits, prepayments and other receivables	167,734,019	1,016,368,952
- Increase in trade and other payables	330,054,783	876,526,612
	(3,974,378,240)	(79,610,752)
	139,208,271	4,478,620,630

	Un-audited	
	March 31, 2014 Rupees	March 31, 2013 Rupees
<b>12. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	133,891,357	28,746,891
Short term borrowings - secured	(1,850,625,496)	(5,595,269,415)
	(1,716,734,139)	(5,566,522,524)

### 13. TRANSACTIONS WITH RELATED PARTIES

Relationship with the company	Nature of transactions	Un-audited July 01 to March 31	
		2014 Rupees	2013 Rupees
i. Holding company	Mark-up on subordinated loans	-	11,925,454
	Subordinated loan repaid	-	218,220,000
ii. Associated undertakings	Purchases of goods and services	11,170,481	-
	Rental expense	9,865,276	-
	Insurance premium	127,056,826	-
ii. Post employment benefit plan	Expense charged in respect of retirement benefit plan	3,031,093	2,503,386
iii. Key management personnel	Salaries and other employee benefits	44,991,495	38,474,363

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

	Un-audited March 31, 2014 Rupees	Audited June 30, 2013 Rupees
<b>Period end balances:</b>		
Payable to related parties	10,427,592	-

### 14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 23, 2014 by the Board of Directors of the company.

#### 14.1 Event after the balance sheet date

The Board of Directors have declared an interim dividend of Rupee 1 per ordinary share, amounting to Rupees 354,088,500 at their meeting held on April 23, 2014. This condensed interim financial information does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

### 15. CORRESPONDING FIGURES

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

  
CHIEF EXECUTIVE

  
DIRECTOR