



NISHAT POWER LIMITED

# First Quarter Report

For the Period Ended  
September 30, 2015



---

---

## CONTENTS

<b>Nishat Power Limited</b>	<b>Page No.</b>
Corporate Profile	3
Directors' Report	5
Condensed Interim Balance Sheet	6-7
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Selected Notes to the Condensed Interim Financial Information	12-20



# CORPORATE PROFILE

## BOARD OF DIRECTORS

Mian Hassan Mansha	Chief Executive/Director
Mr. Khalid Qadeer Qureshi	Chairman
Mr. Ahmad Aqeel	
Mr. Asad Farooq	
Mr. Saeed Ahmed Alvi	
Mr. Mahmood Akthar	
Mr. Shahzad Ahmad Malik	

## AUDIT COMMITTEE

Mr. Khalid Qadeer Qureshi	Member
Mr. Shahzad Ahmad Malik	Member / Chairman
Mr. Ahmad Aqeel	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Saeed Ahmad Alvi	Member/Chairman
Mian Hassan Mansha	Member
Mr. Khalid Qadeer Qureshi	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  
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. Limited  
Pak Brunei Investment Co. 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 for the period ended Sept 30, 2015.

## FINANCIAL AND OPERATIONAL RESULTS:

During the period, the Company had turnover of Rs 4,529 million (Sept 2014: Rs 7,016 million), against operating cost of Rs 3,312 million (September 2014: Rs 5,759 million) resulting in a gross profit of Rs 1,217 million (September 2014: Rs 1,258 million). The Company earned profit before tax of Rs 930 million compared to Rs 792 million in the same period last year.

The current period's net profit after tax amounts to Rs 930 million resulting earnings per share of Rs 2.63 compared to profit after tax of Rs 792 million and earnings per share of Rs 2.24 in the same period last year.

Included in trade debts is an amount of Rs 816 million deducted by National Transmission & Dispatch Company Limited ('NTDCL') from the Capacity Purchase Price invoices. Please refer note 10 to this Condensed Interim Financial Information for further details. Based on the advice of the company's legal counsel and Expert's determination, management feels that such amounts are likely to be recovered. Consequently, no provision for the abovementioned amount has been made in this Condensed Interim Financial Information.

NTDCL continues to default on its payment obligations. The Company took up the matter with NTDCL and Private Power & Infrastructure Board ('PPIB') by giving notices of default pursuant to provisions of Power Purchase Agreement and Implementation Agreement. Total receivables from NTDCL on Sept 30, 2015 stand at Rs 7,833 million (June 2015: Rs 8,050 million), out of which overdue receivables are Rs 5,034 million (June 2015: Rs 5,584 million).

The plant operated at optimal efficiency and dispatched 333 GWh of electricity to its customer NTDCL during the period, with 77.19% average capacity factor.

## DIVIDENDS

The directors have recommended an interim cash dividend of 10% i.e. Rupee 1 per ordinary share, amounting to Rs 354.089 million.

## ACKNOWLEDGEMENTS

The board appreciates the efforts of the Company's workforce.



**Chief Executive Officer**

Lahore: October 26, 2015

# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at September 30, 2015

	Note	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised share capital 500,000,000 (June 30, 2015: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid up share capital 354,088,500 (June 30, 2015: 354,088,500) ordinary shares of Rs 10 each		3,540,885	3,540,885
Revenue reserve: Un-appropriated profit		9,001,736	8,072,183
		12,542,621	11,613,068
<b>NON-CURRENT LIABILITY</b>			
Long term financing - secured	6	7,697,607	8,376,351
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	6	1,356,528	1,306,427
Short term borrowings - secured		-	932,163
Trade and other payables		432,858	531,198
Accrued finance cost		241,690	270,493
		2,031,076	3,040,281
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	22,271,304	23,029,700

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

  
CHIEF EXECUTIVE

	Note	Un-audited September 30, 2015	Audited June 30, 2015
<b>(Rupees in thousand)</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	12,087,052	12,318,559
Long term investment	9	578	1,299
Long term loans and advances		3,242	1,264
		12,090,872	12,321,122
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		640,097	605,756
Inventories		644,372	1,268,908
Trade debts	10	7,832,944	8,049,605
Advances, deposits, prepayments and other receivables		625,788	671,874
Income tax receivable		10,717	8,954
Cash and bank balances		426,514	103,481
		10,180,432	10,708,578
		22,271,304	23,029,700

  
**DIRECTOR**



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note	Quarter ended	
		September 30, 2015	September 30, 2014
(Rupees in thousand)			
Sales		4,528,593	7,016,380
Cost of sales	11	(3,311,718)	(5,758,659)
<b>Gross profit</b>		1,216,875	1,257,721
Administrative expenses		(51,099)	(45,679)
Other expenses		-	(588)
Other income		6,869	3,324
Finance cost		(242,371)	(423,178)
Share of loss of associate		(721)	-
<b>Profit before taxation</b>		929,553	791,600
Taxation		-	-
<b>Profit for the period</b>		929,553	791,600
Earnings per share - basic and diluted (in Rupees)	12	2.625	2.236

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended	
	September 30, 2015	September 30, 2014
Profit for the period	929,553	791,600
<b>Other comprehensive income:</b>		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
<b>Total comprehensive income for the period</b>	<b>929,553</b>	<b>791,600</b>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

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

### FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note	Quarter ended	
		September 30, 2015	September 30, 2014
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	2,157,208	831,257
Finance cost paid		(271,174)	(436,223)
Income tax (paid)/refunded		(1,763)	21,792
Long term loans and advances - net		(1,978)	-
Retirement benefits paid		(1,542)	(862)
<b>Net cash inflow from operating activities</b>		<b>1,880,751</b>	<b>415,964</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(4,257)	(206)
Proceeds from disposal of operating fixed assets		48	-
Profit on bank deposits received		12,462	3,726
<b>Net cash inflow from investing activities</b>		<b>8,253</b>	<b>3,520</b>
<b>Cash flows from financing activities</b>			
Repayment of long term financing		(628,643)	(265,308)
Dividend paid		(5,165)	(295,719)
<b>Net cash outflow from financing activities</b>		<b>(633,808)</b>	<b>(561,027)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,255,196</b>	<b>(141,543)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(828,682)</b>	<b>(2,002,604)</b>
<b>Cash and cash equivalents at the end of the period</b>	14	<b>426,514</b>	<b>(2,144,147)</b>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

## CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

### FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Share capital	Revenue reserve: Un-appropriated profit	Total
(Rupees in thousand)			
<b>Balance as on July 01, 2014 (audited)</b>	3,540,885	6,814,438	10,355,323
Profit for the period	-	791,600	791,600
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	791,600	791,600
<b>Total contributions by and distributions to owners of the company recognised directly in equity</b>	-	-	-
<b>Balance as on September 30, 2014 (un-audited)</b>	3,540,885	7,606,038	11,146,923
Balance as on July 01, 2015 (audited)	3,540,885	8,072,183	11,613,068
Profit for the period	-	929,553	929,553
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	929,553	929,553
<b>Total contributions by and distributions to owners of the company recognised directly in equity</b>	-	-	-
<b>Balance as on September 30, 2015 (un-audited)</b>	3,540,885	9,001,736	12,542,621

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

  
CHIEF EXECUTIVE

  
DIRECTOR

# SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

---

---

## 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 Limited and Lahore Stock Exchange 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, 2015.

## 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, 2015.

### **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 year 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, 2015 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, 2015.

#### 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, 2015.

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 condensed 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 September 30, 2015 (Rupees in thousand)	Audited June 30, 2013
Opening balance	9,682,778	10,806,632
Less: Repayments during the period / year	628,643	1,123,854
	9,054,135	9,682,778
Less: Current portion shown under current liabilities	1,356,528	1,306,427
	7,697,607	8,376,351

---

---

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

- (i) National Electric Power Regulatory Authority ('NEPRA') issued an order dated 8th February, 2013 through which it raised a demand of Rs 290.423 million payable by the company to NTDC for the period up to 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 up to 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 up to 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) In financial year 2014, a sales tax demand of Rs 1,218.132 million was raised against the company through order dated December 11, 2013 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the company. Against the aforesaid order, the company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the company's other grounds of appeal. Consequently, the company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication.

Furthermore, during the financial year 2015, the Deputy Commissioner Inland Revenue ('DCIR') has issued a show cause notice dated August 19, 2014 whereby intentions have been shown to raise a sales tax demand of Rs 1,722.811 million by disallowing input sales tax claimed by the company for the tax periods from July 2009 to June 2013 on the above mentioned grounds of the ACIR. Aggrieved by this show cause notice, the company filed a writ petition before the Lahore High Court ('LHC'), whereby the LHC through its latest order dated July 23, 2015 has provided interim relief to the company to the extent that no final order shall be passed by the DCIR until the next hearing.

Based on the advice of the company's legal counsel, management believes that there are meritorious grounds to defend the company's stance in respect of the above mentioned input sales tax claimed by the company. Consequently, no provision has been made in this condensed interim financial information.

- (iii) 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 million (June 30, 2015: Rs 45 million) as required under the terms of the Operation and Maintenance Agreement.
  - (b) Letter of guarantee of Rs 6.5 million (June 30, 2015: Rs 5.5 million) 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 540.514 million (June 30, 2015: 350 million) in favor of a fuel supplier.

## 7.2 Commitments

- (i) Letters of credit and contracts for capital expenditure aggregating Rs 80.541 million (June 30, 2015: 78.998 million).
- (ii) Letters of credit and contracts other than for capital expenditure aggregating Rs 2.014 million (June 30, 2015: Rs 178.745 million).
- (iii) The amount of future payments under operating lease and the period in which these payments will become due are as follows:

	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
Not later than one year	15,577	15,577
Later than one year and not later than five years	72,692	77,640
	88,268	93,217

- (iv) In previous year, the company extended the agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance ('O&M') of the power station, effective from November 01, 2014, until the earlier of December 31, 2015 or the last day of the month in which running hours of the first Generator Set reach 42,500 hours. 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 Consumer Price Index.



	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets - note 8.1	12,058,413	12,292,319
Capital work-in-progress - advance to suppliers	9,062	5,227
Major spare parts and standby equipment	19,577	21,013
	12,087,052	12,318,559
<b>8.1 Operating fixed assets</b>		
Opening book value	12,292,320	13,239,575
Additions during the period/year - note 8.1.1	1,855	67,273
Book value of deletions during the period/year	(8)	(591)
Depreciation charged during the period/year	(235,754)	(1,013,937)
Closing book value	12,058,413	12,292,320
<b>8.1.1 Additions during the period / year</b>		
Plant and machinery	1,436	6,755
Computer equipment	310	19,840
Furniture and fixtures	-	1,887
Office equipment	45	594
Vehicles	64	38,197
	1,855	67,273
<b>9. LONG TERM INVESTMENT</b>		
<b>Related party - Associate</b>		
<b>Unquoted:</b>		
<b>Nishat Energy Limited</b>		
250,000 (June 30, 2015: 250,000) fully paid ordinary shares of Rs 10 each [Equity held 25% (June 30, 2015 : 25%)] - Cost	2,500	2,500
Opening accumulated share of loss	(1,201)	-
Share of loss for the period/year	(721)	(1,201)
	(1,922)	(1,201)
	578	1,299

The company directly holds 25% ordinary shares in Nishat Energy Limited ('NEL'). NEL is an unquoted public limited company incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The investment in NEL is accounted for using equity method. Share of loss of associate is based on the un-audited financial statements of NEL for the period ended September 30, 2015.

## 10. TRADE DEBTS

- 10.1 Included in trade debts is an amount of Rs 816.033 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. On June 28, 2013, the company entered into a Memorandum of Understanding ('MoU') for cooperation on extension of credit terms with NTDC whereby it was agreed that the constitutional petition filed by the company before the Supreme Court of Pakistan on the abovementioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, the company applied for withdrawal of the aforesaid petition which is pending adjudication before Supreme Court of Pakistan. During the financial year 2014, the company in consultation with NTDC, appointed an Expert for dispute resolution under the PPA.

During the period, the Expert has given his determination whereby the aforesaid amount has been determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company has demanded the payment of the aforesaid amount of Rs 816.033 million from NTDC.

Based on the advice of the company's legal counsel and Expert's determination, management feels that the above amount is likely to be recovered by the company. Consequently, no provision for the above mentioned amount has been made in this condensed interim financial information.

## 11. COST OF SALES

	Un-audited September 30, 2015	Un-audited September 30, 2014
		(Rupees in thousand)
Raw materials consumed	2,773,109	5,308,185
Salaries and other benefits	14,281	12,546
Operation and maintenance	83,477	93,937
Stores, spares and loose tools consumed	166,564	33,149
Insurance	40,814	41,159
Travelling and conveyance	1	169
Printing and stationery	90	104
Postage and telephone	38	171
Vehicle running expenses	353	449
Entertainment	256	44
Depreciation on operating fixed assets	231,283	266,784
Fee and subscription	931	792
Miscellaneous	521	1,170
	3,311,718	5,758,659

	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
--	---	-------------------------------------

## 12. EARNINGS PER SHARE

### 12.1 Basic earnings per share

Net profit for the period	Rs in '000	929,553	791,600
Weighted average number of ordinary shares	Number in '000	354,089	354,089
Earnings per share	in Rupees	2.625	2.236

### 12.2 Diluted earnings per share

A diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at September 30, 2015 and September 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
--	---	-------------------------------------

## 13. CASH GENERATED FROM OPERATIONS

Profit before taxation	929,553	791,600
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	235,756	269,238
Profit on bank deposits	(5,689)	(3,324)
Finance cost	242,371	423,178
Provision for employee retirement benefits	1,542	1,553
Share of loss of associate	721	-
Gain on disposal of operating fixed assets	(40)	-
Profit before working capital changes	1,404,214	1,482,245
Effect on cash flow due to working capital changes:		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(34,341)	(239,183)
Inventories	624,536	(363,016)
Trade debts	216,661	(374,310)
Advances, deposits, prepayments and other receivables	39,313	(168,321)
	846,169	(1,144,830)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(93,175)	493,842
	752,994	(650,988)
	2,157,208	831,257

#### 14. CASH AND CASH EQUIVALENTS

	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
Cash and bank balances	426,514	808,773
Short term borrowings - secured	-	(2,952,920)
	<u>426,514</u>	<u>(2,144,147)</u>

#### 15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the holding company, subsidiaries and associates of holding company, associated undertakings, directors and key management personnel of the company and its holding company and post employment benefit plan (provident fund). The company in the normal course of business carries out transactions with various related parties.

	Relationship with the company	Nature of transactions	Un-audited Period ended	
			September 30, 2015 Rupees	September 30, 2014 Rupees
i.	Associated undertakings	Purchases of goods and services	11,269	10,419
		Rental expense	3,115	3,115
		Insurance premium	41,325	41,463
		Share deposit money against purchase of shares	-	2,500
ii.	Post employment benefit plan	Expense charged in respect of retirement benefit plan	1,542	1,553
iii.	Key management personnel	Salaries and other employee benefits	37,998	32,041
	<b>Period end balances</b>			
	Net payable to related parties		13,580	13,738

---

---

**16. DATE OF AUTHORISATION FOR ISSUE**

This condensed financial information was authorized for issue on October 26, 2015 by the Board of Directors of the Company.

**17. EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Directors have proposed an interim cash dividend of Rupee 1 per ordinary share, amounting to Rs 354.089 million at their meeting held on October 26, 2015. 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.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



53-A, Lawrence Road, Lahore.  
Te: 042-6367812-16 Fax: 042-6367414  
UAN: 042-111-11-33-33