



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTH
ENDED MARCH 31, 2020
(UNAUDITED)



| Nishat Chunian Power Ltd

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COMPANY INFORMATION

Board of Directors:

Mrs. Farhat Saleem

Chairperson

Mr. Shahzad Saleem

Director

Ms. Ayesha Shahzad

Director

Mr. Farrukh Ifzal

Chief Executive Officer

Mr. Syed Tariq Ali

Director

Mr. Aftab Ahmad Khan

Director

Mr. Muhammad Azam

Director

Mr. Muhammad Ashraf

Director

Mr. Shabbir Ahmad

Director

AUDIT COMMITTEE AND HR & R COMMITTEE:

Mr. Muhammad Azam

Chairman

Mr. Aftab Ahmad Khan

Director

Mr. Shabbir Ahmad

Director

CHIEF EXECUTIVE OFFICER:

Mr. Farrukh Ifzal

CHIEF FINANCIAL OFFICER:

Mr. Muhammad Bilal

COMPANY SECRETARY:

Mr. Syed Tasawar Hussain

BANKERS TO THE COMPANY:

Allied Bank Limited

Askari Bank Limited

Habib Bank Limited

MCB Bank Limited

United Bank Limited

National Bank of Pakistan

Faysal Bank Limited

Summit Bank Limited

Sindh Bank Limited

Bank Alfalah Limited

Habib Metropolitan Bank Limited

Al Baraka Bank (Pakistan) Limited

Meezan Bank Limited

The Bank of Punjab

Dubai Islamic Bank Pakistan Limited

Bank Islami Limited

Pak Oman Investment Company Limited

AUDITORS:

Riaz Ahmad & Company

Chartered Accountants

LEGAL ADVISERS:

Faisal & Partners

Advocates & Solicitors

Cornelius Lane & Mufti

Advocates & Solicitors

REGISTERED & HEAD OFFICE:

31-Q, Gulberg II,

Lahore, Pakistan.

Ph: 042-35761730

Fax: 042-35878696-97

www.nishat.net

SHARE REGISTRAR:

Hameed Majeed Associates (Pvt) Limited

1st Floor, H.M. House

7-Bank Square, Lahore

Ph: 042 37235081-2

Fax: 042 37358817

PLANT:

66-Km, Multan Raod, Pattoki

Kasur.

DIRECTOR'S REVIEW REPORT

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

Dear Shareholders,

The Board is pleased to present condensed interim un-audited financial information of the company for the quarter and nine month ended March 31, 2020. For the nine-months, turnover was PKR 10.59 billion (2019: PKR 11.32 billion) with an after-tax profit of PKR 3.40 billion (2019: PKR 2.61 billion) and an Earning Per Share (EPS) of PKR 9.26 (2019: PKR 7.09).

We would like to reiterate the significant aspect that the long-term loan for the company is for a period of 10 years from the Commercial Operations Date (July 21, 2010) and the tariff structure is such that principal payment is being received as part of the revenue. Therefore, our profit for the first ten years is overstated and we foresee a drop in the profit amount from the eleventh year onwards. Given our long-term loan will be fully paid by July 2020, we expect a drastic fall in our profits from the fiscal year 2021 and onwards. In the current period, profit after tax includes PKR 2.01 billion in respect of long term loan repayment.

Circular Debt

Circular debt continues to be a major issue and risk for companies operating in the power sector. Liquidity management remained challenging during the period. As of March 31, 2020, our total receivables from Power Purchaser have amplified to PKR 20.14 billion, out of which PKR 16.33 billion were overdue which includes unpaid delayed payment invoices since August 2014.

The Power Purchaser has consistently failed to make timely payments to the company. This matter has become critical enough that it is affecting the ability of the company to meet its commitments on time. The company continues to take up the matter of overdue receivables not only with Power Purchaser but also with the Ministry of Energy through Private Power & Infrastructure Board (PPIB) by giving notices of default pursuant to provisions of Power Purchase and Implementation Agreements.

Trade debts include an amount of PKR 966 million relating to capacity purchase price not acknowledged by NTDC. Please refer to note 18 of Annual Financial Statements for year ended June 30, 2019 for further details.

During the nine-month ended March 31, 2020, availability of the plant was 90.20% with a capacity factor of 24.02%.

Acknowledgement

The Directors would also like to express their deep appreciation for the services, loyalty, and effort rendered by the employees of the Company and hope that they will continue to do so in the future.

Dated: April 29, 2020
Lahore

Chief Executive Officer

Director

DIRECTOR'S REVIEW REPORT

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

مجلس نظامی کی رپورٹ

محترم حصص داران،

بورڈ 31 مارچ، 2020 کو ختم ہونے والی سہ ماہی اور نو ماہی کے لئے کمپنی کی غیر محاسب شدہ عبوری مالی معلومات پیش کرنے پر خوش ہے۔ نو ماہی کے لیے کل وصولی 10.59 ارب بورڈ 31 مارچ، 2020 کو ختم ہونے والی سہ ماہی اور نو ماہی کے لئے کمپنی کی غیر محاسب شدہ عبوری مالی معلومات پیش کرنے پر خوش ہے۔ نو ماہی کے لیے کل وصولی 10.59 ارب (2019: 11.32 ارب) معا بعد از ٹیکس منافع 3.40 ارب (2019: 2.61 ارب) اور فی شیئر آمدنی 9.26 روپے (2019: 7.09) تھی۔

ہم اس اہم پہلو کا اعادہ کرنا چاہیں گے کہ کمپنی کے لئے طویل مدتی قرض کمرشل آپریٹنگ تاریخ (21 جولائی، 2010) سے 10 سال کی مدت کے لئے ہے اور محصولات کا ڈھانچا نچلا طرح ہے کہ محصول کی وصولی کے طور پر ادائیگی وصول کی جا رہی ہے۔ لہذا، پہلے دس سالوں میں ہمارا منافع بڑھا ہوا ہے اور ہم گیارہویں سال کے بعد سے منافع کی رقم میں کمی کی پیش گوئی کرتے ہیں۔ ہمارے دیرینہ مدت کے قرض کو جولائی 2020 تک پوری ادائیگی کر دی جائے گی، ہم توقع کرتے ہیں کہ مالی سال 2021 اور اس کے بعد ہمارے منافع میں زبردست کمی واقع ہوگی۔ موجودہ مدت میں ٹیکس کے بعد منافع میں 2.01 ارب طویل مدتی قرض کی ادائیگی کے شامل ہیں۔

گردشی قرضے

گردشی قرضے بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ایک مسئلہ اور خطرہ ہے۔ اس مدت کے دوران سیالیت کے انتظامات ایک مسئلہ رہے ہیں۔ 31 مارچ، 2020 تک، پاور خریدار سے ہمارے وصول کردہ قابل حصول 20.14 ارب تک بڑھ گئے ہیں، جن میں سے 16.33 ارب کی واجب الادا رقم زائد المعیاد ہے۔ یہاں یہ امر قابل ذکر ہے کہ اگست 2014 سے تاخیر سے ادائیگی کی انوکس غیر معاوضہ ہیں۔

بجلی خریدار مسلسل کمپنی کو دقت پر ادائیگی کرنے میں ناکام رہا ہے۔ یہ معاملہ اس حد تک نازک ہو گیا ہے کہ اس سے کمپنی کی اپنے وعدوں کو بروقت پورا کرنے کی صلاحیت متاثر ہو رہی ہے۔ کمپنی واجب الادا رقم کا معاملہ نہ صرف پاور خریدار بلکہ وزارت پانی و بجلی بزرگ پائپ لائن PPIB سے بھی بزرگ پائپ لائن اٹھائے ہوئے ہے۔

تجارتی قرض میں شامل ہے 966 ملین روپے کی رقم جو کینیڈین پریویو پرائس سے متعلق ہے جس کا این ڈی سی نے اعتراف نہیں کیا۔ مزید تفصیلات کے لئے براہ کرم سالانہ مالی بیانات سال 2019 کے 18 نمبر نوٹ کو دیکھیں۔

مارچ، 2020 کو ختم ہونے والی نو ماہی کے دوران، پلائٹ کی دستیابی 90.20% تھی جس کی گنجائش محضر 24.02% ہے۔

اعتراف

ڈائریکٹر خدشات، وفاداری، اور کمپنی کے ملازمین کی طرف سے کی گئی کوششوں کے لئے ان کی گہری تعریف کا اظہار کرتے ہیں اور امید کرتے ہیں کہ آئندہ بھی وہ یہ کام جاری رکھیں گے۔

تاریخ: 29 اپریل، 2020

لاہور

NISHAT CHUNIAN POWER LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2020

		Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
	NOTE		
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
385,000,000 (2019: 385,000,000)			
ordinary shares of Rs 10 each		<u>3,850,000</u>	<u>3,850,000</u>
Issued, subscribed and paid up share capital			
367,346,939 (2019: 367,346,939)			
ordinary shares of Rs 10 each		3,673,469	3,673,469
Unappropriated profit		<u>14,088,636</u>	<u>10,686,701</u>
		17,762,105	14,360,170
NON-CURRENT LIABILITIES			
Long term financing-Secured	5	-	716,184
CURRENT LIABILITIES			
Current portion of long term financing - secured	5	1,406,000	2,610,585
Short term borrowings - secured		11,306,550	10,767,661
Short term loan from holding company - unsecured		1,000,000	-
Trade and other payables		541,052	382,449
Unclaimed dividend		19,048	318,554
Accrued finance cost		<u>500,717</u>	<u>415,160</u>
		14,773,367	14,494,409
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		<u>32,535,472</u>	<u>29,570,763</u>

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

Chief Executive

Director

CFO

NISHAT CHUNIAN POWER LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2020

		Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
	NOTE		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,695,431	11,486,081
Intangible assets		5,294	8,530
Long term loans to employees		2,562	3,048
Long term security deposits		100	105
		10,703,387	11,497,764
CURRENT ASSETS			
Stores and spares		485,614	562,217
Inventories		512,054	1,076,755
Trade debts	8	20,144,884	15,430,602
Loans, advances, deposits, prepayments and other receivables		634,830	814,584
Income tax receivable		46,725	42,425
Bank balances		7,978	146,416
		21,832,085	18,072,999
		32,535,472	29,570,763

Chief Executive

Director

CFO

NISHAT CHUNIAN POWER LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

Note	Quarter ended		Nine month ended	
	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)
Sales	2,806,611	2,836,526	10,588,940	11,318,100
Cost of sales	9 (965,404)	(1,555,188)	(5,461,792)	(7,510,855)
Gross profit	1,841,207	1,281,338	5,127,148	3,807,245
Administrative expenses	(33,705)	(65,444)	(109,874)	(153,630)
Other operating expenses	(226)	(106,503)	(825)	(110,688)
Other operating income	6,854	13,498	29,516	27,928
Finance cost	(510,046)	(371,622)	(1,644,029)	(965,280)
Profit before taxation	1,304,084	751,267	3,401,936	2,605,575
Taxation	-	-	-	-
Profit after taxation	1,304,084	751,267	3,401,936	2,605,575
Earnings per share-basic and diluted (Rupees)	3.55	2.05	9.26	7.09

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

Chief Executive

Director

CFO

NISHAT CHUNIAN POWER LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

	Quarter ended		Nine month ended	
	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)
Profit after taxation	1,304,084	751,267	3,401,936	2,605,575
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
Total comprehensive income	1,304,084	751,267	3,401,936	2,605,575

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

Chief Executive

Director

CFO

NISHAT CHUNIAN POWER LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

	Share capital	Revenue reserve: Un-appropriated profit (Rupees in thousand)	Total
Balance as on July 1, 2018 (audited)	3,673,469	8,555,857	12,229,326
Profit for the period		2,605,575	2,605,575
Other comprehensive income for the period	-	-	-
Total comprehensive income for the nine month ended March 31, 2019	-	2,605,575	2,605,575
Transactions with owners:			
Final dividend for the year ended June 30, 2018 @ Rs. 1.5 per share	-	(551,020)	(551,020)
Interim dividend for the half year ended December 31, 2018 @ Rs. 1 per share	-	(367,347)	(367,347)
Total contributions by and distributions to owners of the company recognized directly in equity	-	(918,367)	(918,367)
Balance as on March 31, 2019 (un-audited)	3,673,469	10,243,065	13,916,534
Balance as on July 1, 2019 (audited)	3,673,469	10,686,700	14,360,169
Profit for the period	-	3,401,936	3,401,936
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period ended March 31, 2020	-	3,401,936	3,401,936
Balance as on March 31, 2020 (un-audited)	3,673,469	14,088,636	17,762,105

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

Chief Executive

Director

CFO

NISHAT CHUNIAN POWER LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

Note	Nine Month		
	March 31, 2020	March 31, 2019	
	(Rupees in thousand)		
Cash flows from operating activities			
Cash generated from operations	10	1,878,646	4,261,483
Retirement benefits paid		(6,458)	(6,243)
Finance cost paid		(1,558,472)	(944,566)
Net income tax paid		(4,300)	(24,934)
Profit on bank deposits received		8,226	956
Decrease in long term security deposits		5	-
Net decrease in long term loans to executives		486	693
Net cash inflow from operating activities		318,133	3,287,389
Cash flows from investing activities			
Fixed capital expenditure		(51,582)	(784,081)
Proceeds from sale of property, plant and equipment		276,397	6,521
Net cash inflow / (outflow) from investing activities		224,815	(777,559)
Cash flows from financing activities			
Repayment of long term financing		(1,920,769)	(1,653,139)
Receipt of short term loans from holding company		7,619,618	1,830,000
Repayment of short term loans from holding company		(6,619,618)	(1,410,000)
Dividend paid		(299,506)	(548,870)
Net cash outflow from financing activities		(1,220,275)	(1,782,009)
Net (decrease)/increase in cash and cash equivalents		(677,327)	727,820
Cash and cash equivalents at the beginning of the period		(10,621,245)	(7,557,696)
Cash and cash equivalents at the end of the period	11	(11,298,572)	(6,829,874)

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

Chief Executive

Director

CFO

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

1. The company and its operations

Nishat Chunian Power Limited (the 'company') is a public company limited by shares incorporated in Pakistan on February 23, 2007 under the Companies Ordinance, 1984 (now Companies Act, 2017). The company is a subsidiary of Nishat (Chunian) Limited. The company's ordinary shares are listed on the Pakistan 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 and net capacity of 195,722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 31-Q, Gulberg II, Lahore. The Company has a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty five years which commenced from 21 July 2010.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant accounting policies

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019. The Company has adopted IFRS 16 'Leases' from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The Securities and Exchange Commission of Pakistan ('SECP') vide SRO 986(I)/2019 dated 02 September 2019 has extended the earlier exemption from the requirements of International Financial Reporting Interpretation Committee (IFRIC) 4 'Determining Whether an Arrangement Contains a Lease', now IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before 01 January 2019. Therefore, the Company is not required to account for the portion of its Power Purchase Agreement (PPA) with NTDC as a lease under IFRS 16 'Leases'. Further, the Company has only short-term operating leases. Hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

4. Critical Accounting Estimates And Judgments

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
5 Long term financing-Secured		
Senior facility	1,097,226	2,676,419
Term finance facility	308,774	650,350
	1,406,000	3,326,769
Less: Current portion shown under current liabilities	1,406,000	2,610,585
	-	716,184

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

6 Contingency and Commitments

6.1 Contingencies

There are no significant changes in contingencies from the preceding annual published financial statements of the company for the year ended June 30, 2019, except for the following:

For the period July 2015 to June 16 the company's case was selected for sales tax audit. The department conducted the audit and the DCIR-Audit 9, Zone-II, Large Taxpayers Unit, Lahore issued the audit report dated 18th September, 2019 in which observations involving sales tax amounting to PKR 530.21 million was raised and comments were sought thereon. The main observation was apportionment of sales tax that is already decided in favour of the Company by the Honorable Lahore High Court, Lahore in the previous case. The company submitted the detailed reply on all the observations. The DCIR-Audit further issued a show cause notice dated 8th October, 2019 with the same amount without taking into consideration the reply of the audit report. The company submitted the detailed reply of the show cause but the DCIR-Audit issued final order dated 27-November-2019 involving sales tax amounting to PKR 530.21 million without taking into consideration the company's reply. The company filed appeal before the CIR(Appeals) against the order of the DCIR-Audit. The CIR(Appeals) has passed an order dated 4th March 2020 in which the company's stance was accepted and the major demand of PKR 484.84 million was deleted. Now, the company is in the process to file an appeal before the ATIR in this case.

The management of the company considers that there exist meritorious grounds to defend the company's stance and the ultimate decision from the appellate authorities would be in the company's favour. Consequently, no provision has been made in these financial statements.

6.2 Commitments

Letters of credit and contracts other than for capital expenditure aggregate to Rs. 16.970 million (June 30, 2019: Rs 19.663 million).

7 Fixed Assets

Operating fixed assets
Capital work-in-progress
Major spare parts and standby equipment

Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
10,529,080	11,188,998
1,907	1,908
164,443	293,926
10,695,431	11,486,081

7.1 Operating fixed assets

Opening written down value
Add: Additions during the period/year

7.1.1

11,188,998	11,372,422
182,315	898,791
11,371,313	12,271,213
269,817	813
11,101,496	12,270,400
572,416	1,081,402
10,529,080	11,188,998

Less: Disposals during the period/year

Less: Depreciation charged during the period/year

7.1.1 Following is the detail of additions during the period/year

Electric Installations	-	-
Buildings on freehold land	-	1,891
Plant & machinery	178,047	888,298
Office equipment	-	-
Computer equipment	664	1,662
Vehicles	3,604	6,940
	182,315	898,791

8 Trade debts

These represent trade receivables from NTDC and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the period on outstanding amounts ranged from 10.64% to 18.41% per annum.

Included in trade debts is an amount of Rs 966.166 million relating to capacity purchase price not acknowledged by NTDC. There are no significant changes in proceedings of this case from the preceding annual published financial statements of the company for the year ended June 30, 2019.

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

	Un-audited Quarter ended		Un-audited Nine month ended	
	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)
9 Cost of sales				
Raw material consumed	626,626	1,132,383	4,388,286	6,249,264
Salaries and other benefits	42,004	32,621	112,095	103,010
Store, spares and loose tools consumed	31,507	81,244	131,841	189,359
Electricity consumed in - house	6,537	6,123	14,152	11,326
Insurance	62,650	53,537	187,281	162,388
Travelling and conveyance	5,214	4,630	15,554	14,468
Postage and telephone	875	853	2,697	2,417
Repair & Maintenance	5,405	15,675	23,791	34,988
Entertainment	9	16	82	38
Depreciation on operating fixed assets	178,899	222,298	569,821	726,793
Amortization on Intangible	903	903	2,710	2,710
Fee & Subscription	1,646	1,705	3,375	3,279
Miscellaneous	3,129	3,199	10,107	10,816
	965,404	1,555,188	5,461,792	7,510,855

10 Cash generated from operations

Profit before taxation	3,401,936	2,605,575
Adjustment for non-cash charges and other items:		
- Depreciation on operating fixed assets	572,416	735,142
- Amortization on intangible assets	3,235	3,235
- Gain on disposal of operating fixed assets	(6,581)	(5,707)
- Profit on bank deposits	(8,226)	(956)
- Provision for employee retirement benefits	6,458	6,243
- Finance cost	1,644,029	965,280
Profit before working capital changes	5,613,267	4,308,811
Effect on cash flow due to working capital changes:		

(Increase)/ decrease in current assets:

- Stores and spares	76,603	142,457
- Inventories	564,701	517,486
- Trade debts	(4,714,282)	(763,318)
- Loans, advances, deposits, prepayments and other receivables	179,754	438,123
	(3,893,224)	334,748

Increase/(decrease) in current liabilities:

Trade and other payables	158,603	(382,076)
	(3,734,621)	(47,328)
	1,878,646	4,261,483

11 Cash and cash equivalents

Cash and bank balances	7,978	29,537
Short term borrowings - secured	(11,306,550)	(6,859,410)
	(11,298,572)	(6,829,874)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

12 Transactions with related parties

The related parties include the holding company, subsidiaries and associates of the holding company, related parties on the basis of common directorship, key management personnel of the Company and its holding company and post employment benefit plan (Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties are as follows:

i) Transactions	Un-audited Quarter ended		Un-audited Nine month ended	
	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)	March 31, 2019 (Rupees in thousand)
Holding Company				
Dividend Paid	-	187,586	-	468,965
Common facilities cost	4,950	4,500	13,950	13,500
Reimbursement of expenses	189	3,270	856	5,476
Disbursement of loans	3,099,860	1,580,192	7,619,618	1,830,000
Repayment of loans	2,099,860	1,160,191	6,619,618	1,410,000
Mark up on loans	4,083	891	21,355	959
Associated undertaking				
Donations	-	101,086	445	102,513
Key management personnel				
Remuneration	13,520	33,145	67,593	46,994
Dividend paid	-	375,172	-	290
Long term loan repayment	183,567	42,706	702,100	125,746
Markup pay	64,608	44,333	187,375	126,876
Post employment benefit plan				
Company's contribution to provident fund trust	2,083	2,047	6,458	6,243
ii) Period end balances:				
Holding company				
Short term loan from holding company - unsecured			1,000,000	420,000
Accrued mark-up			4,083	448
Other related parties				
Loan to key management personnel			3,271	4,199

13 Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with balances of audited annual published financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows 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 purpose of comparison, however, no significant re-arrangements and reclassifications have been made in these condensed interim financial statements.

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2020

14 Recognized fair value measurements - Financial instruments

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

15 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

16 Date of authorization for issue

This condensed interim financial information was authorized for issue on April 29, 2020 by the Board of Directors of the company.

17 General

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

Chief Executive

Director

CFO



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