



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2020
(UNAUDITED)



| Nishat Chunian Power Ltd

CONTENTS

03	Company Information
04	Directors' Review Report
08	Condensed Interim Statement of Financial Position
10	Condensed Interim Statement of Profit or Loss Account
11	Condensed Interim Statement of Comprehensive Income
12	Condensed Interim Statement of Changes in Equity
13	Condensed Interim Statement of Cash Flows
14	Selected Notes to the Condensed Interim Financial Information

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COMPANY INFORMATION

Board of Directors:

Mrs. Farhat Saleem
Chairperson
Mrs. Ayesha Shahzad
Director
Mr. Farrukh Ifzal
Chief Executive Officer
Mr. Aftab Ahmad Khan
Director
Mr. Muhammad Azam
Director
Mr. Muhammad Ashraf
Director
Mr. Babar Ali Khan
Director
Mr. Rehmat Naveed Elahi
Director

AUDIT COMMITTEE AND HR & R COMMITTEE:

Mr. Muhammad Azam
Chairman
Mr. Aftab Ahmad Khan
Member
Mr. Rehmat Naveed Elahi
Member

CHIEF EXECUTIVE OFFICER:

Mr. Farrukh Ifzal

CHIEF FINANCIAL OFFICER:

Mr. Muhammad Bilal

COMPANY SECRETARY:

Mr. Syed Tasawar Hussain

BANKERS TO THE COMPANY:

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited

Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Oman Investment Company Limited
Sindh Bank Limited
Summit Bank Limited
The Bank of Punjab

AUDITORS:

Riaz Ahmad & Company
Chartered Accountants

LEGAL ADVISERS:

Ahmad & Pansota
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.

DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Dear Shareholders,

The Board is pleased to present condensed interim un-audited financial information of the company for the quarter ended September 30, 2020. For the quarter ended, turnover was PKR 4.42 billion (2019: PKR 5.42 billion) with profit after-tax of PKR 960 million (2019: PKR 1.06 billion) and an Earning Per Share (EPS) of PKR 2.61 (2019: PKR 2.91).

Profitability

During the period ended September 30, 2020, the capacity factor of the plant was 56.69% (2019: 53.43%) with the availability factor of 98.80% (2019: 71.57%). During the period Company dispatched 244,980 MWH (2019: 230,883 MWH) to Power Purchaser.

The long-term loan of the company was for a period of ten (10) years from the Commercial Operations Date (July 21, 2010) and the tariff structure was such that principal payments were being received as part of the revenue during this period. Therefore, our profits for the first ten years were overstated in compliance with the accounting standards. The tariff component of long term loan ceased from July 21, 2020. We anticipate a drop in the profits from current financial year and onwards.

Circular Debt

Circular debt has always been a major issue for companies operating in the power sector. Liquidity management remained challenging during the period. As of September 30, 2020, our total receivables from Power Purchaser have amplified to PKR 20.77 billion, out of which PKR 14.26 billion were overdue which includes delayed payment invoices unpaid since August 2014.

The Power Purchaser has consistently failed to make timely payments to the company. The company continues to take up the matter of overdue receivables not only with Power Purchaser but also with the Ministry of Energy (Power Division) through Private Power & Infrastructure Board ('PPIB') by giving notices of default pursuant to provisions of Power Purchase and Implementation Agreements.

Pending Issues

Trade debts include an amount of Rs 966 million relating to capacity purchase price not acknowledged by Power Purchaser. Please refer to note 18 of Annual Financial Statements for the year ended June 30, 2020, for further details.

London Court of International Arbitration ('LCIA') has made an award in favour of the company, where it has entitled the company to claim delayed payment charges on delay payments receivables and the other deductions made by Power Purchaser under the terms

DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

of the PPA. Please refer to note 12.1.2 of Annual Financial Statements for the year ended June 30, 2020 for further details.

Future Outlook

On 13 August 2020, the Company in larger national interest signed a Memorandum of Understanding ("MoU") with GoP. The terms of this MoU are subject to the necessary approvals, and thereafter formal agreements will be signed in this respect.

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: October 28, 2020

Lahore

Chief Executive Officer

Director

DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

مجلس نظاماء کی جائزہ رپورٹ

محترم حصص داران،

بورد 30 ستمبر، 2020 کو ختم ہونے والی سرمایہ کے لئے غیر آڈٹ شدہ منجمد عبوری مالیاتی گوشوارے پیش کرنے پر خوش ہے۔ سرمایہ کے دوران، وصولی 4.42 ارب (2019: 5.42 ارب) بیکس کے بعد منافع 0.96 ارب (2019: 1.06 ارب) اور فی شیئر آمدنی 2.61 (2019: 2.91) ہے۔

منافع

30 ستمبر، 2020 کو ختم ہونے والی سرمایہ کے دوران، پلانٹ کی صلاحیت کا عنصر 56.69% (2019: 53.43%) تھا جبکہ موجودگی کا عنصر 98.80% (2019: 71.57%) تھا۔ سرمایہ کے دوران کمپنی نے 244,098 میگا واٹ (2019: 230,883 میگا واٹ) پاور خریدار کو بیچیں۔

کمپنی کا طویل مدتی قرض کمرشل آپریشنز کی تاریخ (21 جولائی، 2010) سے دس (10) سال کی مدت کے لئے تھا اور محصولات کا ڈھانچہ اس طرح تھا کہ اس عرصے کے دوران محصولات کے حصے کے طور پر اصل ادائیگیاں وصول کی جا رہی تھیں۔ لہذا، اکاؤنٹنگ شیڈرڈ کے مطابق ابتدائی دس سالوں میں ہمارا منافع بڑھا ہوا تھا۔ طویل مدتی قرض کے ٹیرف کا جزو 21 جولائی 2020 کو ختم ہو گیا ہے۔ ہم موجودہ مالی سال اور اس کے بعد کے آنے والے سالوں میں منافع میں کمی کی توقع کرتے ہیں۔

گردشی قرضے

سرکھڈ بیٹ بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ہمیشہ ایک اہم مسئلہ رہا ہے۔ سرمایہ کے دوران لیکویڈیٹی مینجمنٹ چیلنج رہا۔ 30 ستمبر، 2020 تک، پاور خریدار سے ہمارے وصول کردہ قابل وصولات 20.77 ارب روپے تھے، جن میں سے 14.26 ارب واجب الادا ہے جس میں اگست 2014 سے تاخیر سے ادائیگی کے انوائس بلا معاوضہ شامل ہیں۔

پاور خریدار مسلسل کمپنی کو بروقت ادائیگی کرنے میں ناکام رہا ہے۔ یہ معاملہ اس حد تک نازک ہو گیا ہے کہ اس سے کمپنی کے اپنے وعدوں کو بروقت پورا کرنے کی اہلیت متاثر ہو رہی ہے۔

کمپنی طے شدہ ڈیفائنڈ ٹرمز کے ذریعے اس معاملے کو مسلسل نہ صرف بجلی خریدار بلکہ وزارت توانائی (پاور ڈویژن) اور انٹرنیٹریکوپورڈ (پلی پی آئی بی) کے ساتھ اٹھائے ہوئے ہے۔

زیر التواء مسائل

تجارتی قرضوں میں 96.6 ملین روپے کی رقم شامل ہے جو کہ بجلی کی خریدار نے تسلیم نہیں کی ہے۔ مزید تفصیلات کے لئے براہ کرم 30 جون 2020 کو ختم ہونے والے سال کے مالی بیانات میں سے 18 نمبر نوٹ سے رجوع کریں۔

لندن کورٹ آف انٹرنیشنل ٹرائی (ایل سی آئی اے) نے کمپنی کے حق میں ایک ایوارڈ دیا ہے، جہاں اس نے کمپنی کو پی بی اے کی شرائط کے تحت تاخیر سے ادائیگی کی وصولیوں اور پاور خریدار کے ذریعہ کی جانے والی دیگر کٹوتیوں پر دعویٰ کرنے کا حق دیا ہے۔ مزید تفصیلات کے لئے براہ کرم 30 جون 2020 کو ختم ہونے والے سال کے مالی بیانات کے 12.1.2 نمبر نوٹ کو

DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

مستقبل کا جائزہ

13 اگست 2020 کو کمپنی نے وسیع تر قومی مفاد میں مفاہمت کی یادداشت پر دستخط کیے۔ اس اہم ایو یو کی شرائط ضروری منظوریوں سے مشروط ہیں، جس کے بعد اس سلسلے میں باضابطہ

معاہدوں پر دستخط کیے جائیں گے۔

اظہار تشکر

ڈائریکٹرز اس موقع پر کمپنی کے ملازمین کی خدمات، وفاداری، اور کوششوں کے لیے ان سے اظہار تشکر کرنا چاہتے ہیں اور امید کرتے ہیں کہ وہ اس کام کو مستقبل میں جاری رکھیں گے۔

تاریخ: 28 اکتوبر، 2020

ڈائریکٹر

چیف ایگزیکٹو

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

AS AT SEPTEMBER 30, 2020

		Un-audited	Audited
	NOTE	September 30,	June 30,
		2020	2020
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
385,000,000 (2020: 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 (2020: 367,346,939)			
ordinary shares of Rs 10 each		3,673,469	3,673,469
Revenue reserve-un-appropriated profit		<u>16,252,053</u>	<u>15,292,471</u>
		19,925,522	18,965,940
NON-CURRENT LIABILITIES			
Long term financing-secured	5	33,570	728,548
Deffered Income	6	4,718	1,719
		38,288	730,267
CURRENT LIABILITIES			
Trade and other payables		987,434	593,183
Accrued mark-up/profit		236,076	377,662
Short term loan from holding company - unsecured		-	-
Short term borrowings - secured		10,293,112	9,705,011
Current portion of long term financing - secured	5	1,290,577	559,703
Unclaimed dividend		18,940	18,940
		12,826,139	11,254,499
CONTINGENCIES AND COMMITMENTS	7	-	-
		32,789,949	30,950,706
		32,789,949	30,950,706

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

Chief Executive

Chief Financial Officer

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

AS AT SEPTEMBER 30, 2020

		Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,308,952	10,567,872
Intangible assets		3,137	4,217
Long term loans to employees		2,231	2,447
Long term security deposits		100	100
		10,314,420	10,574,636
CURRENT ASSETS			
Stores and spares		480,037	468,803
Inventories		280,169	153,368
Trade debts	9	20,769,719	19,006,151
Loans, advances, deposits, prepayments and other receivables		896,546	697,322
Income tax receivable		48,587	48,080
Bank balances		471	2,346
		22,475,529	20,376,070
		32,789,949	30,950,706

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Quarter Ended	
		September 30, 2020	September 30, 2019
		(Rupees in thousand)	
Sales		4,424,050	5,426,037
Cost of sales	10	<u>(3,202,491)</u>	<u>(3,784,187)</u>
Gross profit		1,221,559	1,641,850
Administrative expenses		(29,897)	(38,780)
Other operating expenses		-	(408)
Other operating income		13,751	12,639
Profit from operations		<u>1,205,413</u>	<u>1,615,301</u>
Finance cost		(245,831)	(547,395)
Profit before taxation		<u>959,582</u>	<u>1,067,906</u>
Taxation		-	-
Profit after taxation		<u>959,582</u>	<u>1,067,906</u>
Earnings per share - basic and diluted (Rupees)	11	<u>2.61</u>	<u>2.91</u>

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

Chief Executive

Chief Financial Officer

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter Ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
Profit after taxation	959,582	1,067,906
Other comprehensive income for the quarter		
<i>Items that will not be reclassified to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
	-	-
Total comprehensive income for the quarter	959,582	1,067,906

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

Chief Executive

Chief Financial Officer

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Share capital	Revenue reserve: Un-appropriated profit	Total
	Rupees in thousand		
Balance as on July 1, 2019 (audited)	3,673,469	10,686,702	14,360,171
Profit for the quarter	-	1,067,906	1,067,906
Other comprehensive income for the quarter	-	-	-
Total comprehensive income for the quarter	3,673,469	11,754,608	15,428,077
Balance as on September 30, 2019 (un-audited)	<u>3,673,469</u>	<u>11,754,608</u>	<u>15,428,077</u>
Balance as on July 1, 2020 (audited)	3,673,469	15,292,471	18,965,940
Profit for the quarter	-	959,582	959,582
Other comprehensive income for the quarter	-	-	-
Total comprehensive income for the quarter	-	959,582	959,582
Balance as on September 30, 2020 (un-audited)	<u>3,673,469</u>	<u>16,252,053</u>	<u>19,925,522</u>

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

Chief Executive

Chief Financial Officer

Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	Quarter Ended		
	September 30, 2020	September 30, 2019	
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	12	(265,314)	(1,011,156)
Finance cost paid		(387,576)	(458,431)
Net decrease in long term loans to employees		192	180
Income tax paid		(507)	(1,278)
Retirement benefits paid		(2,023)	(2,251)
Profit on bank deposit received		1,070	294
Net cash outflow from operating activities		(654,158)	(1,472,642)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		20,699	(31,516)
Proceeds from disposal of property, plant and equipment		3,821	2,694
Net cash inflow / outflow from investing activities		24,520	(28,822)
Cash flows from financing activities			
Proceeds from long term financing		39,662	-
Repayment of long term financing		-	(616,395)
Short term loans obtained from holding company		350,000	1,509,450
Repayment of short term loans from holding company		(350,000)	(509,450)
Dividend paid		-	(299,274)
Net cash inflow from financing activities		39,662	84,331
Net decrease in cash and cash equivalents		(589,976)	(1,417,133)
Cash and cash equivalents at the beginning of the quarter		(9,702,665)	(10,621,245)
Cash and cash equivalents at the end of the period		(10,292,641)	(12,038,378)
Cash and cash equivalents			
Cash and bank balances		471	870,043
Short term borrowings - secured		(10,293,112)	(12,908,421)
		(10,292,641)	(12,038,378)

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

Chief Executive

Chief Financial Officer

Director

FOR THE QUARTER ENDED SEPTEMBER 30, 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:

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

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2020. These condensed interim financial statements are un-audited.

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 2020.

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.

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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 2020.

	Un-audited September 30 2020	Audited June 30, 2020
	(Rupees in thousand)	
5 Long term financing-Secured		
Senior facility	1,126,820	1,126,820
Term finance facility	145,874	145,874
Loan under SBP Refinance Scheme	51,453	15,557
	<u>1,324,147</u>	<u>1,288,251</u>
Less: Current portion shown under current liabilities	1,290,577	559,703
	<u>33,570</u>	<u>728,548</u>

6 Deferred Income - Government Grant

Opening balance	1,719	-
Recognized during the period	3,607	1,827
Amortized during the period	(608)	(108)
Closing balance	<u>4,718</u>	<u>1,719</u>

7 Contingency and Commitments

7.1 Contingencies

There are no changes in contingencies from the preceding annual published financial statements of the company for the year ended June 30, 2020 except for the following:

In contingent assets, the amount of interest at KIBOR plus 4.5% per annum compounded semi-annually from the date of Final Award until actual payment of these amounts by NTDC is PKR 702.79 million till September 30, 2020.

	Un-audited September 30 2020	Audited June 30, 2020
	(Rupees in thousand)	
7.2 Commitments		
Commitments in respect of other than capital expenditure	<u>12,227</u>	<u>-</u>

8 Property, plant and equipment

Operating fixed assets	10,130,420	10,364,069
Capital work-in-progress	1,907	1,907
Major spare parts and standby equipment	176,625	201,896
	<u>10,308,952</u>	<u>10,567,872</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Un-audited September 30 2020 (Rupees in thousand)	Audited June 30, 2020
8.1 Operating fixed assets		
Opening written down value	10,364,069	11,188,998
Add: Additions during the period/year	4,574	182,416
	<u>10,368,643</u>	<u>11,371,414</u>
Less: Written down value of disposals during the period/year	-	269,450
	<u>10,368,643</u>	<u>11,101,964</u>
Less: Depreciation charged during the period/year	238,223	737,895
	<u>10,130,420</u>	<u>10,364,069</u>

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

	Un-audited September 30 2020 (Rupees in thousand)	Audited June 30, 2020
Plant & machinery	4,014	178,046
Computer equipment	560	766
Vehicles	-	3,604
	<u>4,574</u>	<u>182,416</u>

9 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 ranges from 11.53% to 18.41% per annum.

Included in trade debts is an amount of PKR 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, 2020 except for the amount of interest on final award that is PKR 465.544 million till September 30, 2020.

	Un-audited Quarter Ended September 30, 2020 (Rupees in thousand)	September 30, 2019
10 Cost of sales		
Raw material consumed	2,836,095	3,361,226
Salaries and other benefits	34,811	35,592
Store, spares and loose tools consumed	16,069	53,905
Electricity consumed in - house	1,614	590
Insurance	60,790	58,792
Travelling and conveyance	4,864	6,488
Postage and telephone	916	899
Repair & Maintenance	1,379	9,929
Entertainment	30	69
Depreciation on operating fixed assets	237,540	248,941
Amortization on Intangible	903	903
Fee & Subscription	3,780	3,375
Miscellaneous	3,700	3,478
	<u>3,202,491</u>	<u>3,784,187</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Un-audited Quarter Ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
11 Basic and Diluted earnings per share		
Net profit for the period (Rupees in thousand)	959,582	1,067,906
Weighted average number of ordinary shares (Number)	367,346,939	367,346,939
Earnings per share (Rupees)	2.61	2.91
12 Cash generated from operations		
Profit before taxation	959,582	1,067,906
Adjustment for non-cash charges and other items:		
- Depreciation on operating fixed assets	238,223	250,037
- Amortization on intangible assets	1,078	1,079
- Amortization on deferred grant	(608)	-
- Gain on disposal of operating fixed assets	(3,821)	(2,283)
- Profit on bank deposits	(1,070)	(294)
- Provision for employee retirement benefits	2,023	2,076
- Finance cost	245,831	547,395
Cash flows generated from operating activities before working capital changes	1,441,238	1,865,915
Effect on cash flow due to working capital changes:		
(Increase)/ decrease in current assets:		
- Stores and spares	(11,234)	55,712
- Inventories	(126,801)	855,766
- Trade debts	(1,763,568)	(3,967,997)
- Loans, advances, deposits, prepayments and other receivables	(199,200)	(15,369)
	(2,100,803)	(3,071,888)
Increase/(decrease) in current liabilities:		
Trade and other payables	394,251	194,817
	(1,706,552)	(2,877,071)
	(265,314)	(1,011,156)

13 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:

	Un-audited Quarter Ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
i) Transactions:		
Holding Company		
Common facilities cost	4,950	4,500
Reimbursement of expenses	36	92
Disbursement of loans	350,000	1,509,450
Repayment of loans	350,000	509,450
Mark up on loans	89	13,382

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Un-audited Quarter Ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
Associated undertaking		
Donations	-	445
Key management personnel		
Remuneration	16,505	28,414
Long term loan repayment	192	187
Mark up on loans	45	54
Post employment benefit plan		
Company's contribution to provident fund trust	2,023	2,076
ii) Period end balances:		
Holding company		
Short term loan from holding company - unsecured	-	1,000,000
Accrued mark-up	89	13,382
Other related parties		
Loan to key management personnel	2,985	3,605

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 2020.

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

16 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.

17 Date of authorization for issue

This condensed interim financial information was authorized for issue on **October 28, 2020** by the Board of Directors of the company.

18 General

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

Chief Executive

Chief Financial Officer

Director



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