

NISHAT POWER LIMITED



NPL-PSX/

October 27, 2020

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

SUB: **SUBMISSION OF QUARTERLY ACCOUNTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

Dear Sir,

In compliance with the provisions of Section 237 of the Companies Act, 2017, read with PSX Notice No. PSX/N-4207 dated July 13, 2018 and PSX/N-4952 dated August 29, 2018, we are pleased to submit electronically through PUCARS un audited accounts for the period ended September 30, 2020.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: +92-42-35717239, Email: nishat@nishatpower.com, Website: www.nishatpower.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

POWER STATIONS

: 66 Km, Lahore - Multan Road, On BS Link Canal Near Jambar Kalan, Tehsil Pattoki, District Kasur. Tel: 92-42-35260118-9, 049-4388271-80



NISHAT

NISHAT POWER LIMITED

**ENLIGHTENING
THE
FUTURE
THROUGH
EXCELLENCE**

**FIRST
QUARTER
REPORT**

**FOR THE PERIOD ENDED
SEPTEMBER 30, 2020**

CONTENTS

| Nishat Power Limited | Page No. |
|--|----------|
| Corporate Profile | 2 |
| Directors' Report | 4 |
| Directors' Report (Urdu) | 6 |
| Unconsolidated Condensed Interim Statement of Financial Position | 8-9 |
| Unconsolidated Condensed Interim Statement of Profit or Loss | 10 |
| Unconsolidated Condensed Interim Statement of Comprehensive Income | 11 |
| Unconsolidated Condensed Interim Statement of Cash Flows | 12 |
| Unconsolidated Condensed Interim Statement of Changes in Equity | 13 |
| Selected Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information | 14-24 |
| Nishat Power Limited and Its Subsidiary | |
| Directors' Report | 26 |
| Consolidated Condensed Interim Statement of Financial Position | 28-29 |
| Consolidated Condensed Interim Statement of Profit or Loss | 30 |
| Consolidated Condensed Interim Statement of Comprehensive Income | 31 |
| Consolidated Condensed Interim Statement of Cash Flows | 32 |
| Consolidated Condensed Interim Statement of Changes in Equity | 33 |
| Selected Notes to and Forming Part of the Consolidated Condensed Interim Financial Information | 34-44 |

CORPORATE PROFILE

BOARD OF DIRECTORS

| | |
|-----------------------------|-----------------|
| Mian Hassan Mansha | Chairman |
| Mr. Ghazanfar Hussain Mirza | Chief Executive |
| Mr. Ahmad Aqeel | |
| Ms. Maleeha Humayun Bangash | |
| Mr. Mahmood Akthar | |
| Mr. Shahzad Ahmad Malik | |
| Mr. Norez Abdullah | |

AUDIT COMMITTEE

| | |
|-----------------------------|-----------------|
| Mr. Ahmad Aqeel | Member/Chairman |
| Ms. Maleeha Humayun Bangash | Member |
| Mr. Shahzad Ahmad Malik | Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE

| | |
|-----------------------------|-------------------|
| Mian Hassan Mansha | Member |
| Mr. Ahmad Aqeel | Member / Chairman |
| Mr. Ghazanfar Hussain Mirza | 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
Bank Islami Pakistan Limited
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
Albaraka Bank Pakistan Limited
The Bank of Punjab
MCB Bank Limited
MCB Islamic Bank Limited
Pak Brunei Investment Co. Limited
Bank Al-Habib Ltd

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISOR

Cornelius, Lane & Mufti
Advocates & Solicitors

REGISTERED OFFICE

53 - A, Lawrence Road, Lahore - Pakistan
UAN: 042-111-11-33-33

HEAD OFFICE

1-B, Aziz Avenue, Canal Bank,
Gulberg-V, Lahore - Pakistan
Tel: +92-42-35717090-96, 35717159-63
Fax: +92-42-35717239
Website: www.nishatpower.com

SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.
Financial & Management Consultants
H.M. House, 7-Bank Square, Lahore - Pakistan.
Tel: 042-37235081-2

PLANT

66-K.M, Multan Road, Jambar Kalan,
Tehsil Pattoki, District Kasur, Punjab - Pakistan.



DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited (the Company) is pleased to present their report together with the Condensed Interim Financial Statements for the quarter ended September 30, 2020.

FINANCIAL AND OPERATIONAL RESULTS:

During the period, the Company had turnover of Rs 4,117 million (September 2019: Rs 4,952 million), against operating cost of Rs 3,025 million (September 2019: Rs 3,200 million) resulting in a gross profit of Rs 1,092 million (September 2019: Rs 1,752 million). The Company earned profit before tax of Rs 921 million compared to Rs 1,338 million in the same period last year.

The current period's net profit after tax amounts to Rs 921 million resulting earnings per share of Rs 2.60 compared to profit after tax of Rs 1,338 million and earnings per share of Rs 3.78 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 favourable Expert determination and Final Arbitration Award, management strongly feels that under the terms of the PPA and Implementation Agreement, 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.

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 including Workers Profit Participation Fund and Punjab Workers Welfare Fund on September 30, 2020 stand at Rs 20,234 million (June 2020: Rs 18,782 million), out of which overdue receivables are Rs 14,787 million (June 2020: Rs 15,801 million).

The plant operated at optimal efficiency and dispatched 226 GWh (September 2019: 197 GWh) of electricity to its customer NTDCL during the period, with 52.52% (September 2019: 45.73%) average capacity factor.

COMPOSITION OF BOARD:

| | |
|------------------------------------|---|
| Total number of Directors: | |
| (a) Male | 6 |
| (b) Female: | 1 |
| Composition: | |
| (i) Independent Directors | 2 |
| (ii) Other Non-executive Directors | 4 |
| (iii) Executive Directors | 1 |

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

| Sr. # | Name of Directors |
|-------|-----------------------------|
| 1 | Mr. Ahmad Aqeel (Chairman) |
| 2 | Ms. Maleeha Humayun Bangash |
| 3 | Mr. Shahzad Ahmad Malik |

Human Resource and Remuneration Committee:

| Sr. # | Name of Directors |
|-------|-----------------------------|
| 1 | Mr. Ahmad Aqeel (Chairman) |
| 2 | Mian Hassan Mansha |
| 3 | Mr. Ghazanfar Hussain Mirza |

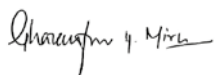
DIRECTORS' REMUNERATION:

The company only pays meeting fee in terms of remuneration to its non-executive and independent directors. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 14 of the annexed condensed interim financial statements.

ACKNOWLEDGEMENTS

We wish to place on record our gratitude towards Company employees for their commitment towards progress of the Company.

For and on behalf of Board of Directors



Chief Executive Officer
Lahore: October 23, 2020



Director

مجلس نظاماء کی رپورٹ:

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظاماء 30 ستمبر 2020 مختتمہ مدت کے لئے منجمد عبوری مالیاتی گوشوارے کی رپورٹ پیش کرتی ہے۔

مالیاتی اور کاروباری نتائج:

حالیہ مدت کے دوران کمپنی کو 3,025 ملین روپے (ستمبر 2019: 3,200 ملین روپے) کی آپریٹنگ لاگت کے عوض 4,117 ملین روپے (ستمبر 2019 : 4,953 ملین روپے) کی وصولیاں ہوئیں تھیں، جس کے نتیجے میں 1,092 ملین روپے (ستمبر 2019: 1,752 ملین روپے) کا مجموعی منافع ہوا ہے۔ کمپنی نے گزشتہ سال اسی مدت میں 1,338 ملین روپے کے مقابلے میں 921 ملین روپے قبل از ٹیکس منافع کمایا ہے۔

گزشتہ سال کی اسی مدت میں 3.78 روپے فی حصص آمدن اور 1338 ملین روپے قبل از ٹیکس منافع کے مترادف موجودہ مدت میں 2.60 روپے فی حصص آمدن اور 921 ملین روپے قبل از ٹیکس خالص منافع ہوا ہے۔

تجارتی قرضوں میں نیشنل ٹرانسمیشن اینڈ ڈسٹری بیوٹن کمپنی لمیٹڈ (NTDCL) کی طرف سے کپسٹری پر چیز پرائس میں منہا کردہ 816 ملین روپے کی رقم شامل ہے۔ مزید تفصیلات کے لیے ان منجمد عبوری مالیاتی گوشوارے کا نوٹ 10 ملاحظہ کریں۔ کمپنی کے قانونی وکیل کے مشورہ، ایکسپٹ کے تعین اور آرٹھریشن اپوارڈ کے مطابق، انتظامیہ محسوس کرتی ہے کہ PPA اور ایپلی منٹیشن معاہدہ کی شرائط کے تحت ایسی قوم کی واپسی کا امکان ہے۔ چنانچہ اس عبوری مالیاتی گوشوارے میں مذکورہ بالا رقم کے لئے کوئی گنجائش نہیں رکھی گئی ہے۔

NTDCL اپنی ادائیگی کی ذمہ داریوں پر مسلسل نا دہندگی پر کار بند ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے اور Implementation Agreement کے تحت NTDCL اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ (پی پی آئی) کے ہاں معاملہ اجاگر کیا ہے۔ 30 ستمبر 2020 کو NTDCL سے کل وصولی 20,234 ملین روپے (جون 2020: 18,782 ملین روپے) ہے، جن میں سے 14,787 ملین روپے (جون 2020: 15,801 ملین روپے) وصولی واجب الادا اور خارج المعیاد ہیں۔

حالیہ مدت کے دوران پلانٹ زیادہ سے زیادہ با کفایت کارکردگی پر چلایا گیا اور اپنے صارف NTDCL کو اوسط 52.52 فیصد (ستمبر 2019: اوسط 45.73 فیصد) صلاحیت کے ساتھ 226 GWh ستمبر 2019: 197 GWh بجلی ترسیل کی گئی۔

بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد

6 (a) مرد

1 (b) عورت

ترتیب

2 (i) آزاد ڈائریکٹرز

4 (ii) دیگر نان ایگزیکٹو

1 (iii) ایگزیکٹو

بورڈ کی کمیٹیاں
بورڈ کی آڈٹ کمیٹی

| نمبر شمار | نام ڈائریکٹر |
|-----------|---|
| 1 | جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین |
| 2 | محترمہ ملیحہ بنگش (آزاد ڈائریکٹر) |
| 3 | جناب شہزاد احمد ملک (نان ایگزیکٹو ڈائریکٹر) |

ہیومن ریسورس اینڈ ریمیزیشن کمیٹی:

| نمبر شمار | نام ڈائریکٹر |
|-----------|--|
| 1 | جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین |
| 2 | میاں حسن منشا (نان ایگزیکٹو ڈائریکٹر) |
| 3 | جناب غضنفر حسین مرزا (ایگزیکٹو ڈائریکٹر) |


ڈائریکٹرز کا مشاہرہ:

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز ادا کئے گئے مشاہرہ کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 14 میں منکشف کی گئی ہے۔
اظہار تشکر
بورڈ کمپنی کی افرادی قوت کی کوششوں کی تعریف کرتا ہے۔

برائے اور منجانب بورڈ آف ڈائریکٹرز



ڈائریکٹر



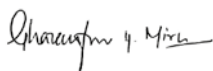
چیف ایگزیکٹو آفیسر

لاہور: 23 اکتوبر 2020ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT SEPTEMBER 30, 2020

| | Note | Un-audited September 30, 2020 (Rupees in thousand) | Audited June 30, 2020 |
|---|------|---|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital 500,000,000 (June 2020: 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 2020: 354,088,500) ordinary shares of Rs 10 each | | 3,540,885 | 3,540,885 |
| Capital reserve | | 3,153,633 | 3,153,633 |
| Revenue reserve: Un-appropriated profits | | 17,569,322 | 17,002,707 |
| | | 24,263,840 | 23,697,225 |
| NON-CURRENT LIABILITY | | | |
| Long term financing - secured | 6 | 92,256 | 55,367 |
| CURRENT LIABILITIES | | | |
| Current portion of long term financing - secured | 6 | 55,353 | 18,456 |
| Short term borrowings - secured | | 5,345,094 | 4,750,749 |
| Trade and other payables | | 1,061,706 | 612,463 |
| Unclaimed dividend | | 21,409 | 20,671 |
| Accrued mark-up | | 104,791 | 169,091 |
| | | 6,588,353 | 5,571,430 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | 30,944,449 | 29,324,022 |

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE

| Note | Un-audited September 30, 2020 | Audited June 30, 2020 |
|------|-------------------------------------|-----------------------------|
|------|-------------------------------------|-----------------------------|

(Rupees in thousand)

ASSETS

NON-CURRENT ASSETS

| | | | |
|------------------------------|---|------------------|------------------|
| Fixed assets | 8 | 9,282,285 | 9,392,029 |
| Long term investments | 9 | - | - |
| Long term loans and advances | | 2,000 | 3,000 |
| | | <u>9,284,285</u> | <u>9,395,029</u> |

CURRENT ASSETS

| | | | |
|---|----|--------------------------|--------------------------|
| Stores, spares and loose tools | | 651,545 | 672,235 |
| Inventories | | 420,346 | 170,349 |
| Trade debts | 10 | 19,619,955 | 18,232,531 |
| Advances, deposits, prepayments and other receivables | | 905,421 | 792,684 |
| Income tax receivable | | 39,303 | 38,683 |
| Short term investment | | 18,366 | 17,677 |
| Cash and bank balances | | 5,228 | 4,834 |
| | | <u>21,660,164</u> | <u>19,928,993</u> |
| | | <u><u>30,944,449</u></u> | <u><u>29,324,022</u></u> |


CHIEF FINANCIAL OFFICER


DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

| | Note | Quarter ended | |
|--|------|-----------------------|-----------------------|
| | | September 30, 2020 | September 30, 2019 |
| (Rupees in thousand) | | | |
| Sales | | 4,117,102 | 4,952,515 |
| Cost of sales | 11 | (3,024,929) | (3,200,175) |
| Gross profit | | 1,092,173 | 1,752,340 |
| Administrative expenses | | (67,206) | (75,536) |
| Other income | | 725 | 233 |
| Finance cost | | (104,988) | (339,039) |
| Profit before taxation | | 920,704 | 1,337,998 |
| Taxation | | - | - |
| Profit for the period | | 920,704 | 1,337,998 |
| Earnings per share - basic and diluted (in Rupees) | | 2.600 | 3.779 |

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**UNCONSOLIDATED 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 for the period | 920,704 | 1,337,998 |
| 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 for the period | 920,704 | 1,337,998 |

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED 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 (used in) / generated from operations | 12 | (52,925) | 881,977 |
| Finance cost paid | | (169,288) | (234,133) |
| Income tax paid | | (620) | (1,225) |
| Long term loans and advances - net | | 1,000 | 6 |
| Retirement benefits paid | | (6,697) | (6,499) |
| Net cash (outflow) / inflow from operating activities | | (228,530) | 640,126 |
| Cash flows from investing activities | | | |
| Purchase of fixed assets | | (87,346) | (16,314) |
| Purchase of short term investments | | (18,344) | - |
| Proceeds from sale of short term investments | | 17,655 | - |
| Proceeds from disposal of operating fixed assets | | 1,002 | 1,425 |
| Profit on bank deposits received | | 3,543 | 1,750 |
| Net cash outflow from investing activities | | (83,490) | (13,139) |
| Cash flows from financing activities | | | |
| Repayment of long term finances | 8 | - | (563,152) |
| Proceeds from long term finances | 8 | 73,786 | - |
| Dividend paid | 11 | (355,717) | (2,942) |
| Net cash outflow from financing activities | | (281,931) | (566,094) |
| Net (decrease)/increase in cash and cash equivalents | | (593,951) | 60,893 |
| Cash and cash equivalents at the beginning of the period | | (4,745,915) | (6,399,536) |
| Cash and cash equivalents at the end of the period | 13 | (5,339,866) | (6,338,643) |

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER


DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

| | Share capital | Capital reserve: | Revenue reserve: | Total |
|--|---------------|---------------------|-------------------------|------------|
| | | Maintenance reserve | Un-appropriated profits | |
| (Rupees in thousand) | | | | |
| Balance as on June 30, 2019 (audited) | 3,540,885 | 3,153,633 | 12,414,201 | 19,108,719 |
| Profit for the period | - | - | 1,337,998 | 1,337,998 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 1,337,998 | 1,337,998 |
| Total contributions by and distributions to owners of the company recognised directly in equity | - | - | - | - |
| Balance as on September 30, 2019 (un-audited) | 3,540,885 | 3,153,633 | 13,752,199 | 20,446,717 |
| Balance as on June 30, 2020 (audited) | 3,540,885 | 3,153,633 | 17,002,707 | 23,697,225 |
| Profit for the period | - | - | 920,704 | 920,704 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 920,704 | 920,704 |
| Dividend to equity holders of the company: | | | | |
| Final dividend for the year ended June 30, 2020 @ Rupee 1 per share | - | - | (354,089) | (354,089) |
| Total contributions by and distributions to owners of the company recognised directly in equity | - | - | (354,089) | (354,089) |
| Balance as on September 30, 2020 (un-audited) | 3,540,885 | 3,153,633 | 17,569,322 | 24,263,840 |

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. THE COMPANY AND ITS ACTIVITIES

Nishat Power Limited (the 'company') is a public company limited by shares incorporated in Pakistan on February 23, 2007 under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The company is a subsidiary of Nishat Mills 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 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 address of the head office of the company is 1-B, Aziz Avenue, Canal Road, Gulberg V, 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

2.1 Statement of compliance

These unconsolidated 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 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 unconsolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2020. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the company's financial position and performance since the last annual financial statements.

The company is required to issue consolidated condensed interim financial statements along with its unconsolidated condensed interim financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Consolidated condensed interim financial statements are prepared separately.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2020 except for the adoption of new and amended standards as set out below:

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 accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

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 accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after October 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of the unconsolidated condensed interim financial statements 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 these unconsolidated condensed interim financial statements, 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, 2020.

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 unconsolidated condensed interim financial statements do 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, 2020.

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

5.2 Fair value estimation

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

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

| | | Un-audited September 30, 2020 (Rupees in thousand) | Audited June 30, 2020 |
|--|------------|---|-----------------------------|
| 6. LONG TERM FINANCING - SECURED | | | |
| Consortium of banks | - note 6.1 | - | - |
| Islamic refinance facility | - note 6.2 | 92,256 | 55,367 |
| | | 92,256 | 55,367 |
| 6.1 Consortium of banks | | | |
| The reconciliation of the carrying amount is as follows: | | | |
| Opening balance | | - | 3,040,170 |
| Less: Repayments during the period/year | | - | 3,040,170 |
| | | - | - |
| Less: Current portion shown under current liabilities | | - | - |
| | | - | - |
| 6.2 Islamic refinance facility | | | |
| The reconciliation of the carrying amount is as follows: | | | |
| Opening balance | | 73,823 | - |
| Loan disbursements during the period/year | | 73,786 | 73,823 |
| | | 147,609 | 73,823 |
| Less: Current portion shown under current liabilities | | 55,353 | 18,456 |
| | | 92,256 | 55,367 |

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in contingencies i.e. (contingent liabilities and contingent asset) from the preceding annual published financial statements of the company for the year ended June 30, 2020.

7.2 Commitments

- (i) Letters of credit and contracts for other than capital expenditure aggregating to Rs 11.818 million (June 30, 2020: Nil).
- (ii) The amount of future payments under non-cancellable operating lease and the period in which these payments will become due are as follows:

| | Un-audited September 30, 2020 (Rupees in thousand) | Audited June 30, 2020 |
|-------------------------|---|-----------------------------|
| Not later than one year | 3,894 | 3,894 |

| | Un-audited September 30, 2020 (Rupees in thousand) | Audited June 30, 2020 |
|--|---|-----------------------------|
| 8. FIXED ASSETS | | |
| Property, plant and equipment: | | |
| Operating fixed assets - note 8.1 | 9,163,575 | 9,259,765 |
| Capital work-in-progress - Advance to suppliers | 22,947 | 35,952 |
| Major spare parts and standby equipment | 94,883 | 95,053 |
| | <u>9,281,405</u> | <u>9,390,770</u> |
| Intangible asset: | | |
| Computer software | 880 | 1,259 |
| | <u>9,282,285</u> | <u>9,392,029</u> |
| 8.1 Operating fixed assets | | |
| Opening book value | 9,259,765 | 9,809,484 |
| Additions during the period/year - note 8.1.1 | 100,523 | 149,637 |
| Book value of deletions during the period/year | (1,002) | (1,362) |
| Depreciation charged for the period/year | (195,711) | (697,994) |
| | <u>9,163,575</u> | <u>9,259,765</u> |
| 8.1.1 Additions during the period / year | | |
| Buildings and roads on freehold land | - | 24,808 |
| Plant and machinery | 1,122 | 108,649 |
| Computer equipment | 655 | 4,374 |
| Furniture and fixtures | 45 | 1,180 |
| Office equipment | 81 | 394 |
| Vehicles | 98,620 | 10,232 |
| | <u>100,523</u> | <u>149,637</u> |
| 9. Long term investments | | |
| Investment in associate - note 9.1 | - | - |
| Investment in subsidiary - note 9.2 | - | - |
| | <u>-</u> | <u>-</u> |
| 9.1 Related party - Associate | | |
| Unquoted: | | |
| Nishat Energy Limited | | |
| 250,000 (June 30, 2020: 250,000) fully paid ordinary shares of Rs 10 each [Equity held 25% (June 30, 2020: 25%)] - Cost | <u>-</u> | <u>-</u> |

The company directly holds 25% ordinary shares in Nishat Energy Limited ('NEL'). NEL is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore. NEL is no longer considered a going concern by its management and hence, the investment is fully impaired.

Un-audited Audited
September 30, June 30,
2020 2020
(Rupees in thousand)

9.2 **Subsidiary**
Unquoted:

Lalpir Solar Power (Private) Limited

100,000 (June 30, 2020: 100,000) fully paid
ordinary shares of Rs 10 each
[Equity held 100% (June 30, 2020: 100%)] - Cost

| | | |
|--|---|---|
| | - | - |
| | - | - |

The company directly holds 100% shares in its wholly owned subsidiary, Lalpir Solar Power (Private) Limited ('LSPPL'). LSPPL is a private company limited by shares incorporated in Pakistan to build, own, operate and maintain or invest in a solar power project. The address of the registered office of LSPPL is 53-A, Lawrence Road, Lahore. LSPPL is no longer considered a going concern by its management and hence, the investment is fully impaired.

10. TRADE DEBTS

Included in trade debts is an amount of Rs 816.033 million relating to capacity revenue 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 in 2013 and on January 25, 2018, the Supreme Court disposed off the petitions filed before it. During the financial year 2014, the company in consultation with NTDC, appointed an Expert for dispute resolution under the PPA.

During the financial year 2016, the Expert gave his determination whereby the aforesaid amount was determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company demanded the payment of the aforesaid amount of Rs 816.033 million from NTDC that has not yet been paid by NTDC. The company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed.

In October 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') filed a case in the court of Senior Civil Judge, ("Civil Case 2015"), Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication.

Consequently, invitation to participate in arbitration was issued to the PPIB/GOP. PPIB filed separate Civil Suit before the Civil Judge, Lahore, seeking inter alia that the parties should be restrained from participating in the arbitration proceedings in the LCIA ("Civil Case 2016"). The company filed applications in the Civil Court where the company prayed that the Civil Court, Lahore lacks the jurisdiction in respect of the cases filed by PPIB. In respect of the aforementioned applications, through its orders dated April 18, 2017, the Civil Court, Lahore rejected company's pray and granted the pray of PPIB whereby, the court accepted PPIB's applications for interim relief in 2015 and 2016 Civil Suits. Being aggrieved, the company challenged before the Additional District Judge, Lahore against the aforementioned orders of the Civil Court and continued to take part in the arbitration

proceedings. Furthermore, in response to the company's continued participation in the arbitration proceedings, PPIB filed contempt petition before Lahore High Court ('LHC') in respect of the decision of the Civil Court, Lahore and the LHC passed an order in those proceedings. The company challenged the LHC's order before the Division Bench of LHC, which decided the matter in favour of the company through its order dated May 31, 2017 whereby, the aforementioned order of the LHC was suspended.

The Arbitrator, on June 08, 2017, declared his Partial Final Award and decided the matter principally in company's favour and declared that the above mentioned Expert's determination is final and binding on all parties ("Final Partial Award").

Aggrieved by the Partial Final Award, NTDC challenged the Arbitrator's decision in Lahore Civil Court ("Civil Case 2017"), which suspended the Final Partial Award on July 10, 2017. In response to this decision of Civil Court, the company filed a revision petition in District Court and the District Court ("District Case 2017") while granting interim relief to the company, suspended the Civil Court's order on August 12, 2017. Along with challenging the Final Partial Award in Lahore Civil Court, NTDC also challenged the same, on July 06, 2017, in Commercial Court of England. As per advice of foreign legal counsel, the company also filed a case for anti suit injunction in Commercial Court of England against NTDC on August 14, 2017.

The District Judge, Lahore through his order dated July 8, 2017 set-aside the aforementioned orders of the Civil Judge, Lahore dated April 18, 2017 and accepted company's appeals but dismissed the company's revision petitions concerning the issue of jurisdiction. Aggrieved by this decision, (i) the company filed writ petitions before the LHC, which announced a favourable decision and suspended the proceedings of Civil Cases 2015 and 2016 till the final decision of LHC; and (ii) GOP/PPIB filed revision petitions in the LHC, which are currently pending adjudication.

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC to pay to the company: i) Rs 816.033 million pursuant to Expert's determination; ii) Rs 189.385 million being Pre award interest; iii) Rs 9.203 million for breach of arbitration agreement; iv) Rs 1.684 million and USD 612,310 for the company's cost of proceedings; v) GBP 30,157 for company's LCIA cost of Arbitration and vi) Interest at KIBOR + 4.5% compounded semi-annually from the date of Final Award until payment of these amounts by NTDC ("the Final Award") that works out to Rs 385.178 million up to September 30, 2020.

On November 24, 2017, NTDC challenged the Final Award in Commercial Court of England. On November 29, 2017, company filed an application before Lahore High Court for implementation/enforcement of Final Award that is also pending adjudication. During the hearing held in December 2017 in London, NTDC withdrew its petitions dated July 06, 2017 and November 24, 2017 filed before Commercial Court of England against the company, pertaining to Partial Final Award and Final Award respectively.

On May 4, 2018, Commercial Court of England issued a favourable decision in the case of anti suit injunction, thereby preventing NTDC from pursuing case in Pakistan Civil Courts against Partial Final Award/Final Award and taking any steps outside England to set aside Partial Final Award/Final Award issued by the Arbitrator. Aggrieved by this decision, NTDC had sought permission to file an appeal before the Court of Appeals, London, which was rejected by the Court on October 04, 2018.

Based on the favourable Expert's determination and Arbitration Award, management strongly feels that under the terms of the PPA and Implementation Agreement, the above amount of Rs 816.033 million is likely to be recovered by the company. Consequently, no provision for this amount has been made in these unconsolidated condensed interim financial statements.

Further, on prudence basis, the company has not recognised the abovementioned amounts in these unconsolidated condensed interim financial statements for Pre-award interest, breach of arbitration agreement, company's cost of proceedings, company's LCIA cost of Arbitration and interest thereon on all these amounts as per Final Award due to its uncertainty since it is pending adjudication as mentioned above. Such amounts as per Final Award would be recognized when it attains finality and its collectability is certain.

Un-audited
Quarter ended
September 30, September 30,
2020 2019
(Rupees in thousand)

11. COST OF SALES

| | | |
|---|-----------|-----------|
| Raw materials consumed | 2,643,588 | 2,744,188 |
| Salaries and other benefits | 66,912 | 60,174 |
| Repairs and maintenance | 2,823 | 14,138 |
| Stores, spares and loose tools consumed | 32,550 | 99,593 |
| Electricity consumed in-house | 4,258 | 3,360 |
| Insurance | 72,228 | 67,536 |
| Travelling and conveyance | 5,005 | 5,798 |
| Printing and stationery | 321 | 205 |
| Postage and telephone | 167 | 156 |
| Vehicle running expenses | 1,010 | 1,140 |
| Entertainment | 330 | 42 |
| Depreciation on operating fixed assets | 183,686 | 190,760 |
| Amortization of intangible asset | 377 | 377 |
| Fee and subscription | 1,110 | 1,141 |
| Miscellaneous | 10,564 | 11,567 |
| | 3,024,929 | 3,200,175 |

12. CASH GENERATED FROM OPERATIONS

| | | |
|---|-------------|-------------|
| Profit before taxation | 920,704 | 1,337,998 |
| Adjustment for non-cash charges and other items: | | |
| Depreciation on operating fixed assets | 195,711 | 202,581 |
| Amortization on intangible assets | 377 | 377 |
| Profit on bank deposits | (705) | (173) |
| Finance cost | 104,988 | 339,039 |
| Provision for employee retirement benefits | 6,697 | 6,499 |
| | 1,227,772 | 1,886,321 |
| Profit before working capital changes | | |
| Effect on cash flow due to working capital changes: | | |
| Decrease/(increase) in current assets | | |
| Stores, spares and loose tools | 20,690 | 62,118 |
| Inventories | (249,997) | 1,297,978 |
| Trade debts | (1,387,424) | (2,467,235) |
| Advances, deposits, prepayments and other receivables | (113,209) | 52,213 |
| | (1,729,940) | (1,054,926) |
| Increase/(decrease) in current liabilities | | |
| Trade and other payables | 448,505 | 53,067 |
| Unclaimed dividend | 738 | (2,485) |
| | 449,243 | 50,582 |
| | (1,280,697) | (1,004,344) |
| | (52,925) | 881,977 |

13. CASH AND CASH EQUIVALENTS

| | Un-audited | |
|---------------------------------|-----------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 |
| | (Rupees in thousand) | |
| Cash and bank balances | 5,228 | 18,557 |
| Short term borrowings - secured | (5,345,094) | (6,357,200) |
| | (5,339,866) | (6,338,643) |

14. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary and associate of the 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. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions during the period are as below:

| Relationship with the company | Nature of transactions | Un-audited | |
|--|---|-------------------------------------|-----------------------------|
| | | September 30, 2020 | September 30, 2019 |
| | | (Rupees in thousand) | |
| i. Holding company | Dividends paid | 180,633 | - |
| ii. Entities on the basis of common directorship | Purchases of goods and services | 18,580 | 17,280 |
| | Rental expense | 3,115 | 3,115 |
| | Insurance premium | 71,815 | 67,247 |
| iii. Group entity | Interest on deposit accounts | 163 | 162 |
| | Insurance premium | 1,760 | 1,736 |
| iv. Post employment benefit plan | Expense charged in respect of retirement benefit plan | 6,697 | 6,499 |
| v. Key management personnel | Remuneration | 6,505 | 9,309 |
| | | Un-audited September 30, 2020 | Audited June 30, 2020 |
| | | (Rupees in thousand) | |
| Period end balances | | | |
| Payable to related parties | | | |
| - Companies on basis of common directorship | | - | 422 |
| - Group entity | | 2,741 | 5,542 |
| Bank deposits with related parties | | | |
| - Group entity | | 4,029 | 3,594 |
| Receivable from related parties | | | |
| - Group entity | | 48 | - |
| - Entities on the basis of common directorship | | 17,715 | - |

15. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. The company's operations were not affected as it fell under the exemption provided by the Government of Punjab to providers of essential services. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these unconsolidated condensed interim financial statements.

16. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 23, 2020 by the Board of Directors of the company.

17. CORRESPONDING FIGURES

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Condensed Interim Financial Statements

for the Quarter Ended September 30, 2020

DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited is pleased to present their report together with the Consolidated Condensed Interim Financial Information for the period ended September 30, 2020 for the Company and its subsidiary Lalpir Solar Power (Private) Limited (the Group).

FINANCIAL AND OPERATIONAL RESULTS:

During the period, the Group had turnover of Rs 4,117 million (September 2019: Rs 4,952 million), against operating cost of Rs 3,025 million (September 2019: Rs 3,200 million) resulting in a gross profit of Rs 1,092 million (September 2019: Rs 1,752 million). The Group earned profit before tax of Rs 921 million compared to Rs 1,338 million in the same period last year.

The current period's net profit after tax amounts to Rs 921 million resulting earnings per share of Rs 2.60 compared to profit after tax of Rs 1,338 million and earnings per share of Rs 3.78 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 favourable Expert determination and Final Arbitration Award, management strongly feels that under the terms of the PPA and Implementation Agreement, the above amount is likely to be recovered by the Group. Consequently, no provision for the above mentioned amount has been made in this condensed interim financial information.


NTDCL continues to default on its payment obligations. The Nishat Power 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 including Workers Profit Participation Fund and Punjab Workers Welfare Fund on September 30, 2020 stand at Rs 20,234 million (June 2020: Rs 18,782 million), out of which overdue receivables are Rs 14,787 million (June 2020: Rs 15,801 million).

The Nishat Power plant operated at optimal efficiency and dispatched 226 GWh (September 2019: 197 GWh) of electricity to its customer NTDCL during the period, with 52.52% (September 2019: 45.73%) average capacity factor.

ACKNOWLEDGEMENTS

We wish to place on record our gratitude towards Group employees for their commitment towards progress of the Group.

For and on behalf of Board of Directors



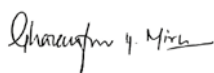
Chief Executive Officer
Lahore: October 23, 2019


Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT SEPTEMBER 30, 2020

| | Note | Un-audited September 30, 2020 (Rupees in thousand) | Audited June 30, 2020 |
|---|------|---|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital 500,000,000 (June 2020: 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 2020: 354,088,500) ordinary shares of Rs 10 each | | 3,540,885 | 3,540,885 |
| Capital reserve | | 3,153,633 | 3,153,633 |
| Revenue reserve: Un-appropriated profits | | 17,569,194 | 17,002,579 |
| | | 24,263,712 | 23,697,097 |
| NON-CURRENT LIABILITY | | | |
| Long term financing - secured | 6 | 92,256 | 55,367 |
| CURRENT LIABILITIES | | | |
| Current portion of long term financing - secured | 6 | 55,353 | 18,456 |
| Short term borrowings - secured | | 5,345,094 | 4,750,749 |
| Trade and other payables | | 1,061,706 | 612,613 |
| Unclaimed dividend | | 21,409 | 20,671 |
| Accrued mark-up | | 104,791 | 169,091 |
| | | 6,588,353 | 5,571,580 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | 30,944,321 | 29,324,044 |

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE

| Note | Un-audited September 30, 2020 | Audited June 30, 2020 |
|------|-------------------------------------|-----------------------------|
|------|-------------------------------------|-----------------------------|

(Rupees in thousand)

ASSETS

NON-CURRENT ASSETS

| | | | |
|------------------------------|---|-----------|-----------|
| Fixed assets | 8 | 9,282,285 | 9,392,029 |
| Long term investments | 9 | - | - |
| Long term loans and advances | | 2,000 | 3,000 |
| | | 9,284,285 | 9,395,029 |

CURRENT ASSETS

| | | | |
|---|----|------------|------------|
| Stores, spares and loose tools | | 651,545 | 672,235 |
| Inventories | | 420,346 | 170,349 |
| Trade debts | 10 | 19,619,955 | 18,232,531 |
| Advances, deposits, prepayments and other receivables | | 905,311 | 792,683 |
| Income tax receivable | | 39,273 | 38,694 |
| Short term investment | | 18,366 | 17,677 |
| Cash and bank balances | | 5,240 | 4,846 |
| | | 21,660,036 | 19,929,015 |
| | | 30,944,321 | 29,324,044 |


CHIEF FINANCIAL OFFICER


DIRECTOR

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

| | Note | Quarter ended | |
|--|------|-----------------------|-----------------------|
| | | September 30, 2020 | September 30, 2019 |
| (Rupees in thousand) | | | |
| Sales | | 4,117,102 | 4,952,515 |
| Cost of sales | 11 | (3,024,929) | (3,200,175) |
| Gross profit | | 1,092,173 | 1,752,340 |
| Administrative expenses | | (67,206) | (75,536) |
| Other income | | 725 | 234 |
| Finance cost | | (104,988) | (339,039) |
| Profit before taxation | | 920,704 | 1,337,999 |
| Taxation | | - | - |
| Profit for the period | | 920,704 | 1,337,999 |
| Profit attributable to owners of the parent | | 920,704 | 1,337,999 |
| Earnings per share - basic and diluted (in Rupees) | | 2.600 | 3.779 |

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**CONSOLIDATED 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 for the period | 920,704 | 1,337,999 |
| 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 for the period | 920,704 | 1,337,999 |
| Attributable to owners of the parent | 920,704 | 1,337,999 |

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED 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 (used in) / generated from operations | 12 | (52,966) | 881,978 |
| Finance cost paid | | (169,288) | (234,133) |
| Income tax paid | | (579) | (1,225) |
| Long term loans and advances - net | | 1,000 | 6 |
| Retirement benefits paid | | (6,697) | (6,499) |
| Net cash (outflow) / inflow from operating activities | | (228,530) | 640,127 |
| Cash flows from investing activities | | | |
| Purchase of fixed assets | | (87,346) | (16,314) |
| Purchase of short term investments | | (18,344) | - |
| Proceeds from sale of short term investments | | 17,655 | - |
| Proceeds from disposal of operating fixed assets | | 1,002 | 1,424 |
| Profit on bank deposits received | | 3,555 | 1,750 |
| Net cash outflow from investing activities | | (83,478) | (13,140) |
| Cash flows from financing activities | | | |
| Repayment of long term finances | 8 | - | (563,152) |
| Proceeds from long term finances | 8 | 73,786 | - |
| Dividend paid | 11 | (355,717) | (2,942) |
| Net cash outflow from financing activities | | (281,931) | (566,094) |
| Net (decrease)/increase in cash and cash equivalents | | (593,939) | 60,893 |
| Cash and cash equivalents at the beginning of the period | | (4,745,915) | (6,399,536) |
| Cash and cash equivalents at the end of the period | 13 | (5,339,854) | (6,338,643) |

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

| | Share capital | Capital reserve: | Revenue reserve: | Total |
|--|------------------|---------------------|-------------------------|-------------------|
| | | Maintenance reserve | Un-appropriated profits | |
| (Rupees in thousand) | | | | |
| Balance as on June 30, 2019 (audited) | 3,540,885 | 3,153,633 | 12,413,550 | 19,108,068 |
| Profit for the period | - | - | 1,337,999 | 1,337,999 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 1,337,999 | 1,337,999 |
| Total contributions by and distributions to owners of the company recognised directly in equity | - | - | - | - |
| Balance as on September 30, 2019 (un-audited) | 3,540,885 | 3,153,633 | 13,751,549 | 20,446,067 |
| Balance as on June 30, 2020 (audited) | 3,540,885 | 3,153,633 | 17,002,579 | 23,697,097 |
| Profit for the period | - | - | 920,704 | 920,704 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 920,704 | 920,704 |
| Dividend to equity holders of the company: | | | | |
| Final dividend for the year ended June 30, 2020 @ Rupee 1 per share | - | - | (354,089) | (354,089) |
| Total contributions by and distributions to owners of the company recognised directly in equity | - | - | (354,089) | (354,089) |
| Balance as on September 30, 2020 (un-audited) | 3,540,885 | 3,153,633 | 17,569,194 | 24,263,712 |

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. THE GROUP AND ITS ACTIVITIES

The group comprises of Nishat Power Limited (the 'parent company') and Lalpir Solar Power (Private) Limited (the 'subsidiary').

The parent company is a public company limited by shares incorporated in Pakistan on February 23, 2007 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017, hereinafter may be referred to as the 'Act'). It is a subsidiary of Nishat Mills Limited, Pakistan. The parent company's ordinary shares are listed on the Pakistan Stock Exchange Limited.

The principal activity of the parent 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 parent company is 53-A, Lawrence Road, Lahore. The parent 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.

The subsidiary was incorporated in Pakistan on November 19, 2015 as a private company limited by shares. It is a wholly owned subsidiary of Nishat Power Limited. The registered office of the subsidiary is situated at 53-A, Lawrence Road, Lahore. The principal activity of the subsidiary is to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MW.

The management continuously tried its best to get Power Acquisition Request and Consent to Procure Power from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) so that development of the solar power project can be moved forward. However, CPPA-G informed that Ministry of Energy has conveyed the Cabinet Committee on Energy (CCoE) decision to CPPA-G and further sent a list of 145 projects as approved by the Cabinet for necessary action. The CPPA-G stated that this solar power project is not included in the list of 145 projects, therefore, CPPA-G is of the view that the request cannot be entertained. Furthermore, during the year, Alternate Energy Development Board (AEDB) informed that the project is placed under category III of the decision of the CCoE to proceed ahead subject to becoming successful in the competitive bidding process to be undertaken by AEDB, based on the quantum ascertained for each technology by Indicative Generation Capacity Expansion Plan (IGCEP) by NTDC.

The management understands that to-date, no such competitive bidding process has been undertaken. The response of CPPA-G and AEDB have made this project more complicated. Hence, voluntary winding up of the subsidiary under the Companies Act 2017, is being considered.

In the view of the aforesaid reasons, the subsidiary is not considered a going concern.

The parent company has an associate, Nishat Energy Limited ('NEL'). The parent company directly holds 25% ordinary shares in NEL, which is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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 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 consolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2020. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the company's financial position and performance since the last annual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2020 except for the adoption of new and amended standards as set out below:

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 accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

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 accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after October 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of the consolidated condensed interim financial statements 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 these consolidated condensed interim financial statements, 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, 2020.

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 consolidated condensed interim financial statements do 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, 2020.

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

5.2 Fair value estimation

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

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

| | | Un-audited September 30, 2020 | Audited June 30, 2020 |
|--|------------|-------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 6. LONG TERM FINANCING - SECURED | | | |
| Consortium of banks | - note 6.1 | - | - |
| Islamic refinance facility | - note 6.2 | 92,256 | 55,367 |
| | | 92,256 | 55,367 |
| 6.1 Consortium of banks | | | |
| The reconciliation of the carrying amount is as follows: | | | |
| Opening balance | | - | 3,040,170 |
| Less: Repayments during the period/year | | - | 3,040,170 |
| | | - | - |
| Less: Current portion shown under current liabilities | | - | - |
| | | - | - |
| 6.2 Islamic refinance facility | | | |
| The reconciliation of the carrying amount is as follows: | | | |
| Opening balance | | 73,823 | - |
| Loan disbursements during the period/year | | 73,786 | 73,823 |
| | | 147,609 | 73,823 |
| Less: Current portion shown under current liabilities | | 55,353 | 18,456 |
| | | 92,256 | 55,367 |

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in contingencies i.e. (contingent liabilities and contingent asset) from the preceding annual published financial statements of the company for the year ended June 30, 2020.

7.2 Commitments

- (i) Letters of credit and contracts for other than capital expenditure aggregating to Rs 11.818 million (June 30, 2020: Nil).
- (ii) The amount of future payments under non-cancellable operating lease and the period in which these payments will become due are as follows:

| | Un-audited September 30, 2020 (Rupees in thousand) | Audited June 30, 2020 |
|---|---|-----------------------------|
| Not later than one year | 3,894 | 3,894 |
| 8. FIXED ASSETS | | |
| Property, plant and equipment: | | |
| Operating fixed assets - note 8.1 | 9,163,575 | 9,259,765 |
| Capital work-in-progress - Advance to suppliers | 22,947 | 35,952 |
| Major spare parts and standby equipment | 94,883 | 95,053 |
| | 9,281,405 | 9,390,770 |
| Intangible asset: | | |
| Computer software | 880 | 1,259 |
| | 9,282,285 | 9,392,029 |
| 8.1 Operating fixed assets | | |
| Opening book value | 9,259,765 | 9,809,484 |
| Additions during the period/year - note 8.1.1 | 100,523 | 149,637 |
| Book value of deletions during the period/year | (1,002) | (1,362) |
| Depreciation charged for the period/year | (195,711) | (697,994) |
| Closing book value | 9,163,575 | 9,259,765 |
| 8.1.1 Additions during the period / year | | |
| Buildings and roads on freehold land | - | 24,808 |
| Plant and machinery | 1,122 | 108,649 |
| Computer equipment | 655 | 4,374 |
| Furniture and fixtures | 45 | 1,180 |
| Office equipment | 81 | 394 |
| Vehicles | 98,620 | 10,232 |
| | 100,523 | 149,637 |
| 9. Long term investments | | |
| Investment in associate - note 9.1 | - | - |
| Investment in subsidiary - note 9.2 | - | - |
| | - | - |

Un-audited Audited
September 30, June 30,
2020 2020
(Rupees in thousand)

9.1 Related party - Associate
Unquoted:
Nishat Energy Limited

250,000 (June 30, 2020: 250,000) fully paid ordinary shares of Rs 10 each
[Equity held 25% (June 30, 2020: 25%)] - Cost

| | | |
|--|---|---|
| | - | - |
| | - | - |
| | - | - |

The company directly holds 25% ordinary shares in Nishat Energy Limited ('NEL'). NEL is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore. NEL is no longer considered a going concern by its management and hence, the investment is fully impaired.

Un-audited Audited
September 30, June 30,
2020 2020
(Rupees in thousand)

9.2 Subsidiary
Unquoted:
Lalpir Solar Power (Private) Limited

100,000 (June 30, 2020: 100,000) fully paid ordinary shares of Rs 10 each
[Equity held 100% (June 30, 2020: 100%)] - Cost

| | | |
|--|---|---|
| | - | - |
| | - | - |
| | - | - |

The company directly holds 100% shares in its wholly owned subsidiary, Lalpir Solar Power (Private) Limited ('LSPPL'). LSPPL is a private company limited by shares incorporated in Pakistan to build, own, operate and maintain or invest in a solar power project. The address of the registered office of LSPPL is 53-A, Lawrence Road, Lahore. LSPPL is no longer considered a going concern by its management and hence, the investment is fully impaired.

10. TRADE DEBTS

Included in trade debts is an amount of Rs 816.033 million relating to capacity revenue 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 in 2013 and on January 25, 2018, the Supreme Court disposed off the petitions filed before it. During the financial year 2014, the company in consultation with NTDC, appointed an Expert for dispute resolution under the PPA.

During the financial year 2016, the Expert gave his determination whereby the aforesaid amount was determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company demanded the payment of the aforesaid amount of Rs 816.033 million from NTDC that has not yet been paid by NTDC. The company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed.

In October 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') filed a case in the court of Senior Civil Judge, ("Civil Case 2015"), Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication.

Consequently, invitation to participate in arbitration was issued to the PPIB/GOP. PPIB filed separate Civil Suit before the Civil Judge, Lahore, seeking inter alia that the parties should be restrained from participating in the arbitration proceedings in the LCIA ("Civil Case 2016"). The company filed applications in the Civil Court where the company prayed that the Civil Court, Lahore lacks the jurisdiction in respect of the cases filed by PPIB. In respect of the aforementioned applications, through its orders dated April 18, 2017, the Civil Court, Lahore rejected company's pray and granted the pray of PPIB whereby, the court accepted PPIB's applications for interim relief in 2015 and 2016 Civil Suits. Being aggrieved, the company challenged before the Additional District Judge, Lahore against the aforementioned orders of the Civil Court and continued to take part in the arbitration proceedings. Furthermore, in response to the company's continued participation in the arbitration proceedings, PPIB filed contempt petition before Lahore High Court ('LHC') in respect of the decision of the Civil Court, Lahore and the LHC passed an order in those proceedings. The company challenged the LHC's order before the Division Bench of LHC, which decided the matter in favour of the company through its order dated May 31, 2017 whereby, the aforementioned order of the LHC was suspended.

The Arbitrator, on June 08, 2017, declared his Partial Final Award and decided the matter principally in company's favour and declared that the above mentioned Expert's determination is final and binding on all parties ("Final Partial Award").

Aggrieved by the Partial Final Award, NTDC challenged the Arbitrator's decision in Lahore Civil Court ("Civil Case 2017"), which suspended the Final Partial Award on July 10, 2017. In response to this decision of Civil Court, the company filed a revision petition in District Court and the District Court ("District Case 2017") while granting interim relief to the company, suspended the Civil Court's order on August 12, 2017. Along with challenging the Final Partial Award in Lahore Civil Court, NTDC also challenged the same, on July 06, 2017, in Commercial Court of England. As per advice of foreign legal counsel, the company also filed a case for anti suit injunction in Commercial Court of England against NTDC on August 14, 2017.

The District Judge, Lahore through his order dated July 8, 2017 set-aside the aforementioned orders of the Civil Judge, Lahore dated April 18, 2017 and accepted company's appeals but dismissed the company's revision petitions concerning the issue of jurisdiction. Aggrieved by this decision, (i) the company filed writ petitions before the LHC, which announced a favourable decision and suspended the proceedings of Civil Cases 2015 and 2016 till the final decision of LHC; and (ii) GOP/PPIB filed revision petitions in the LHC, which are currently pending adjudication.

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC to pay to the company: i) Rs 816.033 million pursuant to Expert's determination; ii) Rs 189.385 million being Pre award interest; iii) Rs 9.203 million for breach of arbitration agreement; iv) Rs 1.684 million and USD 612,310 for the company's cost of proceedings; v) GBP 30,157 for company's LCIA cost of Arbitration and vi) Interest at KIBOR + 4.5% compounded semi-annually from the date of Final Award until payment of these amounts by NTDC ("the Final Award") that works out to Rs 385.178 million up to September 30, 2020.

On November 24, 2017, NTDC challenged the Final Award in Commercial Court of England. On November 29, 2017, company filed an application before Lahore High Court for implementation/enforcement of Final Award that is also pending adjudication. During the hearing held in December 2017 in London, NTDC withdrew its petitions dated July 06, 2017 and November 24, 2017 filed before Commercial Court of England against the company, pertaining to Partial Final Award and Final Award respectively.

On May 4, 2018, Commercial Court of England issued a favourable decision in the case of anti suit injunction, thereby preventing NTDC from pursuing case in Pakistan Civil Courts against Partial Final Award/Final Award and taking any steps outside England to set aside Partial Final Award/Final Award issued by the Arbitrator. Aggrieved by this decision, NTDC had sought permission to file an appeal before the Court of Appeals, London, which was rejected by the Court on October 04, 2018.

Based on the favourable Expert's determination and Arbitration Award, management strongly feels that under the terms of the PPA and Implementation Agreement, the above amount of Rs 816.033 million is likely to be recovered by the company. Consequently, no provision for this amount has been made in these consolidated condensed interim financial statements.

Further, on prudence basis, the company has not recognised the abovementioned amounts in these consolidated condensed interim financial statements for Pre-award interest, breach of arbitration agreement, company's cost of proceedings, company's LCIA cost of Arbitration and interest thereon on all these amounts as per Final Award due to its uncertainty since it is pending adjudication as mentioned above. Such amounts as per Final Award would be recognized when it attains finality and its collectability is certain.

11. COST OF SALES

| | Un-audited Quarter ended | |
|---|-----------------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 |
| | (Rupees in thousand) | |
| Raw materials consumed | 2,643,588 | 2,744,188 |
| Salaries and other benefits | 66,912 | 60,174 |
| Repairs and maintenance | 2,823 | 14,138 |
| Stores, spares and loose tools consumed | 32,550 | 99,593 |
| Electricity consumed in-house | 4,258 | 3,360 |
| Insurance | 72,228 | 67,536 |
| Travelling and conveyance | 5,005 | 5,798 |
| Printing and stationery | 321 | 205 |
| Postage and telephone | 167 | 156 |
| Vehicle running expenses | 1,010 | 1,140 |
| Entertainment | 330 | 42 |
| Depreciation on operating fixed assets | 183,686 | 190,760 |
| Amortization of intangible asset | 377 | 377 |
| Fee and subscription | 1,110 | 1,141 |
| Miscellaneous | 10,564 | 11,567 |
| | 3,024,929 | 3,200,175 |

12. CASH GENERATED FROM OPERATIONS

| | Un-audited Quarter ended | |
|---|-----------------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 |
| | (Rupees in thousand) | |
| Profit before taxation | 920,704 | 1,337,999 |
| Adjustment for non-cash charges and other items: | | |
| Depreciation on operating fixed assets | 195,711 | 202,581 |
| Amortization on intangible assets | 377 | 377 |
| Profit on bank deposits | (705) | (173) |
| Finance cost | 104,988 | 339,039 |
| Provision for employee retirement benefits | 6,697 | 6,499 |
| | <hr/> | <hr/> |
| Profit before working capital changes | 1,227,772 | 1,886,322 |
| Effect on cash flow due to working capital changes: | | |
| Decrease/(increase) in current assets | | |
| Stores, spares and loose tools | 20,690 | 62,118 |
| Inventories | (249,997) | 1,297,978 |
| Trade debts | (1,387,424) | (2,467,235) |
| Advances, deposits, prepayments and other receivables | (113,100) | 52,213 |
| | <hr/> | <hr/> |
| | (1,729,831) | (1,054,926) |
| Increase/(decrease) in current liabilities | | |
| Trade and other payables | 448,355 | 53,067 |
| Unclaimed dividend | 738 | (2,485) |
| | <hr/> | <hr/> |
| | 449,093 | 50,582 |
| | <hr/> | <hr/> |
| | (1,280,738) | (1,004,344) |
| | <hr/> | <hr/> |
| | (52,966) | 881,978 |
| | <hr/> <hr/> | <hr/> <hr/> |

13. CASH AND CASH EQUIVALENTS

| | Un-audited | |
|---------------------------------|-----------------------|-----------------------|
| | September 30, 2020 | September 30, 2019 |
| | (Rupees in thousand) | |
| Cash and bank balances | 5,240 | 18,557 |
| Short term borrowings - secured | (5,345,094) | (6,357,200) |
| | <hr/> | <hr/> |
| | (5,339,854) | (6,338,643) |
| | <hr/> <hr/> | <hr/> <hr/> |

14. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary and associate of the 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. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions during the period are as below:

| Relationship with the company | Nature of transactions | Un-audited Quarter ended | |
|--|---|---|--------------------------------------|
| | | September 30, 2020 (Rupees in thousand) | September 30, 2019 |
| i. Holding company | Dividends paid | 180,633 | - |
| ii. Entities on the basis of common directorship | Purchases of goods and services | 18,580 | 17,280 |
| | Rental expense | 3,115 | 3,115 |
| | Insurance premium | 71,815 | 67,247 |
| iii. Group entity | Interest on deposit accounts | 163 | 162 |
| | Insurance premium | 1,760 | 1,736 |
| iv. Post employment benefit plan | Expense charged in respect of retirement benefit plan | 6,697 | 6,499 |
| v. Key management personnel | Remuneration | 6,505 | 9,309 |
| | | Un-audited September 30, 2020 | Audited June 30, 2020 |
| Period end balances | | (Rupees in thousand) | |
| Payable to related parties | | | |
| - Companies on basis of common directorship | | - | 422 |
| - Group entity | | 2,741 | 5,542 |
| Bank deposits with related parties | | | |
| - Group entity | | 4,029 | 3,594 |
| Receivable from related parties | | | |
| - Group entity | | 48 | - |
| - Entities on the basis of common directorship | | 17,715 | - |

15. IMPACT OF COVID-19 (CORONA VIRUS)

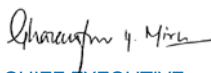
The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. The company's operations were not affected as it fell under the exemption provided by the Government of Punjab to providers of essential services. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these consolidated condensed interim financial statements.

16. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 23, 2020 by the Board of Directors of the company.

17. CORRESPONDING FIGURES

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



N I S H A T

NISHAT POWER LIMITED

53-A, Lawrence Road, Lahore.

Fax: 042-36367414 UAN: 042-111-11-33-33