

NISHAT POWER LIMITED



NPL-PSX

April 26, 2021

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

SUB: **SUBMISSION OF 3RD QUARTER ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2021**

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 3rd Quarter ended March 31, 2021.

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 PLANT

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



N I S H A T

NISHAT POWER LIMITED

**ENLIGHTENING
THE
FUTURE
THROUGH
EXCELLENCE**

THIRD QUARTERLY REPORT

**FOR THE PERIOD ENDED
MARCH 31, 2021**

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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 Information for the period ended March 31, 2021.

FINANCIAL AND OPERATIONAL RESULTS:

During the period, the Company had turnover of Rs 7,879 million (March 2020: Rs 9,460 million), against operating cost of Rs 5,314 million (March 2020: Rs 4,485 million) resulting in a gross profit of Rs 2,565 million (March 2020: Rs 4,975 million). The Company earned profit before tax of Rs 2,125 million compared to Rs 3,784 million in the same period last year.

The current period's net profit after tax amounts to Rs 2,125 million resulting earnings per share of Rs 6.00 compared to profit after tax of Rs 3,784 million and earnings per share of Rs 10.69 in the same period last year.

On August 13, 2020, the Company had entered into Memorandum of Understanding ("MoU") with "the Committee for negotiations with Independent Private Power Producers" earlier notified by Government of Pakistan on June 03, 2020 and had voluntarily agreed to alter certain contractual arrangements for the sustainability of the power sector. The said MoU was signed upon request of the Government of Pakistan in the larger national interest. However, the terms of the MoU had to be approved by National Electric Power Regulatory Authority (the "NEPRA/Authority"), Federal Cabinet and Board of Directors of the Company and was not to be construed as an alteration or amendment to the Power Purchase Agreement or Implementation Agreement. Subsequently, to convert the MoU into a binding agreement between the concerned parties, the Government of Pakistan constituted the Implementation Committee through its notification dated October 07, 2020.

During the period under review, after several rounds of discussion with Implementation Committee, the Company and the Central Power Purchasing Agency (Guarantee) Limited (the "Power Purchaser/CPPA-G") dated February 12, 2021 have signed i) Master Agreement and ii) the Amendment to the Power Purchase Agreement (the "PPA Amendment"). Furthermore, the following amendments were also signed pursuant to Master Agreement i.e. iii) Novation to the Power Purchase Agreement with National Transmission and Dispatch Company Limited (the "NTDC"), CPPA-G and the Company, wherein CPPA-G irrevocably accepts and assumes all NTDC's rights, obligations and liabilities as Power Purchaser; iv) Amendment Agreement to Implementation Agreement between the Islamic Republic of Pakistan (the "GOP") and the Company and v) the Amendment Agreement to the Guarantee between GOP and the Company.

On February 17, 2021, pursuant to Master Agreement, the Power Purchaser and the Company developed and submitted to NEPRA, tariff adjustment application to prospectively reduce ROE and ROEDC components, i.e. 17% per annum in PKR on NEPRA approved equity at Commercial Operations Date for RoE and RoEDC calculated at USD/PKR exchange rate of PKR 148/USD, with no future USD indexation. However, the existing RoE and RoEDC, together with the applicable indexations, shall continue to be applied until the date, the applicable exchange rate under the present tariff reaches PKR 168/USD1 (i.e., the date of the signing of the MoU), whereupon the revised RoE and RoEDC shall apply for the remainder of the term of the PPA. On March 03, 2021 NEPRA conducted joint hearing for IPPs of 2002 Power Policy, on the above stated tariff adjustment application.

Subsequent to the period under review on April 02, 2021 NEPRA issued decision in line with above stated tariff adjustment application of the company and also for IPPs of 2002 Power Policy. Now after notification of the revised tariff determination by GOP and payment of first instalment by Power Purchaser, under the Master Agreement, and till revised tariff effective date (i.e. when last instalment under the above payment mechanism has been paid to the Company), the Company shall, subject to resolution of the outstanding LCIA Award, commence giving discount in future invoices consistent with the notified tariff and Master Agreement. From and after the revised tariff effective date, billing and invoicing shall be as per the revised tariff. Revised tariff determination

has not yet been notified by GOP.

The payment of receivables is an integral part of the Master & PPA Amendment Agreement and that the total outstanding overdue amount on 30th November 2020 will be paid in two instalments, with 40% upon notification of tariff determination by NEPRA (comprising 1/3rd cash and 2/3rd financial instruments of PIBs and Sukuks) and the remaining 60% payable six (6) months thereafter through the same method as that of the first instalment. The parties agree that above mechanism will be followed without affecting the right of the Company to receive late payment interest under the PPA as amended.

We would like to draw your attention to note 9 to this Condensed Interim Financial Information which refers to an amount of Rs 816 million deducted by Power Purchaser from the Capacity Purchase Price invoices. On February 17, 2021, the Company also submitted partial claim of Rs 163.607 million to Power Purchaser, pursuant to settlement under PPA Amendment of LCIA Award relating to withheld Capacity Payments, the same is approved by Power Purchaser. The management strongly feels that, based on the approved Master Agreement and PPA Amendment 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.

We would also like to draw your attention to note 7 to this Condensed Interim Financial Information which refers to delayed payment charges on outstanding delayed payment invoices, not acknowledged by Power Purchaser. On prudence basis, the company has not recognized the income and corresponding receivable in these financial statements.

Total receivables from NTDC including WPPF and WWF on March 31, 2021 stand at Rs 19,189 million (June 2020: Rs 18,782 million), out of which overdue receivables are Rs 15,363 million (June 2020: Rs 15,801 million).

The plant operated at optimal efficiency and dispatched 360 GWh (March 2020: 239 GWh) of electricity to its customer NTDC during the period, with 28.06% (March 2020: 18.53%) 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

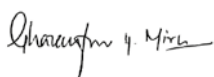
DIRECTORS' REMUNERATION:

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 13 of the annexed condensed interim financial information.

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: April 21, 2021



Director

مجلس نظام کی رپورٹ:

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظام 31 مارچ 2021 کو ختم ہونے والی مدت کے لئے کمپنی کی منجمد عبوری مالی معلومات معیاری رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

مالیاتی اور آپریشنل نتائج:

کمپنی کو مدت کے دوران 5,314 ملین روپے (مارچ 2020: 4,485 ملین روپے) کی آپریٹنگ لاگت کے عوض 7,879 ملین روپے (مارچ 2020: 9,460 ملین روپے) آمدنی ہوئی، جس کے نتیجے میں 2,565 ملین روپے (مارچ 2020: 4,975 ملین روپے) کا مجموعی منافع ہوا ہے۔ کمپنی نے قبل از ٹیکس منافع گزشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 3,784 ملین روپے کے مقابلہ میں 2,125 ملین روپے کم کیا ہے۔ موجودہ مدت کا بعد از ٹیکس خالص منافع گزشتہ سال کی اسی مدت کے بعد از ٹیکس منافع 3,784 ملین روپے اور 10.69 روپے فی شیئر آمدنی کے مقابلہ میں 2,125 ملین روپے اور 6.00 روپے فی شیئر آمدنی رہا ہے۔

13 اگست، 2020 کو، کمپنی "آزاد پرائیویٹ پاور پروڈیوسرز کے ساتھ مذاکراتی کمیٹی" کے ساتھ ایک مفابہتی یادداشت ("MoU") میں شامل ہوئی، اس سے قبل حکومت پاکستان نے 03 جون 2020 کو مطلع کیا تھا اور بجلی کے شعبے کے استحکام کے لئے کچھ کٹر کچول انتظامات کے رد و بدل پر رضا کارانہ اتفاق کیا تھا۔ مذکورہ MoU پر وسیع قومی مفاد میں حکومت پاکستان کی درخواست پر دستخط کئے گئے تھے۔ تاہم MoU کی شرائط کو نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (نپرا/اتھارٹی)، وفاقی کابینہ اور کمپنی کے بورڈ آف ڈائریکٹرز سے منظور ہونا تھا اور اسے بجلی کی خریداری کے معاہدے یا معاہدے کے نفاذ میں تبدیلی یا ترمیم خیال نہیں کیا جانا چاہئے تھا۔ اس کے بعد، متعلقہ فریقوں کے مابین مفاہمت کی یادداشت کو ایک بائیںڈنگ معاہدہ میں تبدیل کرنے کے لئے، حکومت پاکستان نے اپنے نوٹیفیکیشن 07 اکتوبر 2020ء کے ذریعے عمل درآمد کی کمیٹی تشکیل دی۔ زیر جائزہ مدت کے دوران، عملدرآمد کی کمیٹی، کمپنی اور سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی لمیٹڈ) "پاور پراجیکٹ/سی پی پی اے۔ جی") کے ساتھ متعدد مذاکرات کے بعد، مورخہ 12 فروری 2021 کو (i)۔ ماسٹر معاہدہ " اور (ii)۔ پاور پراجیکٹ ایگریمنٹ میں ترمیم " پی پی اے ترمیم " معاہدوں پر دستخط کئے گئے۔ مزید برآں، ماسٹر معاہدہ کی پیروی میں درج ذیل ترمیمات پر بھی دستخط کئے گئے یعنی (iii)۔ نیشنل ٹرانسمیشن اینڈ ڈسٹریбуٹن کمپنی لمیٹڈ ("NTDC")، CPPA-G اور کمپنی کے ساتھ بجلی کی خریداری معاہدہ کی تبدیلی، جس میں CPPA-G قطعی طور پر NTDC کے تمام حقوق، فرائض اور ذمہ داریوں کو پاور خریدار کے طور پر قبول اور فرض کرتا ہے۔ (iv) اسلامی جمہوریہ پاکستان ("GOP") اور کمپنی کے درمیان عمل درآمد کے معاہدے میں ترمیمی معاہدہ اور (v) GOP اور کمپنی کے مابین گارنٹی سے متعلق ترمیمی معاہدہ۔

ماسٹر معاہدے کے تحت، 17 فروری 2021 کو، پاور خریدار اور کمپنی نے نپرا کو، RoE اور RoEDC کے اجزاء کو مستقبل میں کم کرنے کے لئے ٹیرف ایڈجسٹمنٹ کی درخواست جمع کرائی، یعنی مستقبل کے امریکی ڈالر کسی اشاریہ کے بغیر امریکی ڈالر / روپیہ کی شرح تبادلہ کو 148 پاکستانی روپے / امریکی ڈالر کے حساب سے RoE اور RoEDC کے لئے کم کرشل آپریشن تاریخ تک نپرا کی منظور شدہ ایکویٹی پر پاکستانی روپیہ میں 17% سالانہ کی درخواست جمع کروائی۔ تاہم، موجودہ RoE اور RoEDC، قابل اطلاق اشاریہ سازی کے ساتھ، اس تاریخ تک لاگو ہوتے رہیں گے، موجودہ نرخ کے تحت قابل اطلاق تبادلہ کی شرح 168 / فی امریکی ڈالر (یعنی، مفاہمت نامہ پر دستخط کرنے کی تاریخ) تک پہنچ جائے گی۔ نظر ثانی شدہ RoE اور RoEDC پی پی اے کی باقی مدت کے لئے ایلانی ہوگی۔ 03 مارچ، 2021 کو نپرا نے مذکورہ بالا ٹیرف ایڈجسٹمنٹ درخواست پر، 2002 پاور پالیسی کے آئی پی پی کے لئے مشترکہ سماعت کی۔

102 اپریل 2021 کو زیر جائزہ مدت کے بعد، نپرا نے کمپنی کی مذکورہ بالا ٹیرف ایڈجسٹمنٹ کی درخواست کے مطابق

اور 2002 پاور پلیس کے آئی پی پیز کے لئے بھی فیصلہ جاری کیا۔ اب ماسٹر معاہدے کے تحت حکومت پاکستان کی طرف سے نظر ثانی شدہ ٹیرف کے تعین اور پاور خریدار کے ذریعے پہلی قسط کی ادائیگی کے نوٹیفیکیشن کے بعد، اور ترمیم شدہ ٹیرف مؤثر تاریخ تک (یعنی جب کمپنی کو ادائیگی کے طریقہ کار کے تحت آخری قسط ادا کر دی گئی ہو)، کمپنی بقایا ایل سی آئی اے ایوارڈ کے حل ہونے تک، آئندہ انوائس میں اعلان کردہ ٹیرف اور ماسٹر معاہدے کے مطابق رعایت دینا شروع کر دے گی۔ نظر ثانی شدہ ٹیرف کی مؤثر تاریخ سے اور اس کے بعد، بٹنگ اور انوائسنگ نظر ثانی شدہ ٹیرف کے مطابق ہوگی۔ ترمیم شدہ نرخوں کے تعین کا بھی تک GoP کی طرف سے اعلان نہیں کیا گیا ہے۔

قابل وصولیوں کی ادائیگی ماسٹر اور پی پی اے ترمیمی معاہدہ کا لازمی حصہ ہے اور یہ کہ 30 نومبر 2020 کو کل بقایا زائد المیاد رقم پھر اکی طرف سے معین ٹیرف کے نوٹیفیکیشن پر 40% کے ساتھ دو قسط میں ادا کی جائے گی (بر مشتمل 1/3rd نقد اور 2/3rd فنانشل انسٹرمنٹس آف PIBs اور Sukuks) اور اس کے چھ (6) ماہ بعد بقایا 60% قابل ادا رقم پہلی قسط کے طریقہ کار کے ذریعے ادا کی جائے گی۔ فریقین نے اتفاق کیا کہ وہ ترمیم کے مطابق PPA کے تحت تاخیری ادائیگی سود کی وصولی کے لئے کمپنی کے حق کو متاثر کئے بغیر بالاطریقہ کار پر عمل کریں گے۔

ہم ممبران کی توجہ اس منجمد عبوری مالی گوشوارہ کے نوٹ 9 پر مبذول کرانا چاہیں گے جس میں بجلی کے خریدار کی طرف سے، کپسٹی پر چیز پرائس انوائسز سے منہا کردہ 816 ملین روپے کی رقم شامل ہے۔ 17 فروری 2021 کو، روکی گئی کپسٹی ادائیگیوں سے متعلق LCIA ایوارڈ کے پی پی اے ترمیم کے تحت سیٹلمنٹ کے مطابق بجلی کے خریدار کو 163.607 ملین روپے کا جزوی دعویٰ بھی جمع کرایا، جسکی پاور پر چیز نے منظوری دے دی ہے۔ منظور شدہ ماسٹر معاہدہ اور پی پی اے ترمیمی معاہدوں کی بنیاد پر، انتظامیہ محسوس کرتی ہے کہ کمپنی کو ایسی رقوم کی واپسی کا قوی امکان ہے۔ چنانچہ اس مجموعی عبوری مالیاتی گوشوارے میں مذکورہ بالا رقم کے لئے کوئی گنجائش نہیں رکھی گئی ہے۔

ہم ممبران کی توجہ اس منجمد عبوری مالی گوشوارہ کے نوٹ 7 پر مبذول کرانا چاہیں گے جس میں بقایا تاخیری ادائیگی انوائسز پر تاخیری ادائیگی کے چارجز بجلی کے خریدار نے تسلیم نہیں کئے ہیں۔ حکمت کی بنیاد پر، کمپنی نے ان مالی گوشواروں میں انکم اور اس سے متعلقہ قابل وصولیوں کو شامل نہیں کیا ہے۔

31 مارچ 2021 کو WPPF اور WWF سمیت NTDCL سے کل واجب وصولی 19,189 ملین روپے (جون 2020: 18,782 ملین روپے) ہے، جن میں سے 15,363 ملین روپے (جون 2020: 15,801 ملین روپے) کی واجب الوصول رقم زائد المیاد ہے۔

اس مدت کے دوران پلانٹ زیادہ سے زیادہ باکفایت کارکردگی پر چلایا گیا اور اپنے صارف NTDCL کو اوسط 28.06 فیصد (مارچ 2020: 18.53 فیصد) اوسط صلاحیت کے ساتھ 360GWh (مارچ 2020: 239GWh) بجلی ترسیل کی گئی۔

بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد

(a) مرد 6

(b) عورت 1

ترتیب

(i) آزاد ڈائریکٹرز 2

(ii) دیگر نان ایگزیکٹو ڈائریکٹرز 4

(iii) ایگزیکٹو ڈائریکٹرز 1

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل چیمبر مین
2	محترمہ ملیحہ ہمایوں بگش
3	جناب شہزاد احمد ملک

ہیومن ریسورس اینڈ ریمزیشن کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل (چیمبر مین)
2	میاں حسن منشا
3	جناب غضنفر حسین مرزا


ڈائریکٹرز کا مشاہرہ:


کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو مشاہرہ کی مد میں فقط اجلاس فیس ادا کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے مشاہرہ کی مجموعی رقم منسلکہ منجمد عبوری مالی حسابات کے نوٹ 13 میں منکشف کی گئی ہے۔

اظہار تشکر:

ہم کمپنی کے ملازمین کی جانب سے کمپنی کی ترقی کے عزم پر ان کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز


ڈائریکٹر

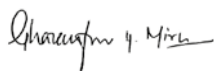

چیف ایگزیکٹو

لاہور: 21 اپریل 2021ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 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 30, 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		18,773,456	17,002,707
		25,467,974	23,697,225
NON-CURRENT LIABILITY			
Long term financing - secured	6	55,354	55,367
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	73,805	18,456
Short term borrowings - secured		3,456,301	4,750,749
Trade and other payables		913,935	612,463
Unclaimed dividend		17,997	20,671
Accrued markup		69,147	169,091
		4,531,185	5,571,430
CONTINGENCIES AND COMMITMENTS			
	7	30,054,513	29,324,022

The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE

Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
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ASSETS

NON-CURRENT ASSETS

Fixed assets	8	8,974,274	9,392,029
Long term investments		-	-
Long term loans and advances		1,835	3,000
		8,976,109	9,395,029

CURRENT ASSETS

Stores, spares and loose tools		685,764	672,235
Inventories		818,974	170,349
Trade debts	9	18,491,048	18,232,531
Advances, deposits, prepayments and other receivables		990,201	792,684
Income tax receivable		41,275	38,683
Short term investment		-	17,677
Cash and bank balances		51,142	4,834
		21,078,403	19,928,993
		30,054,513	29,324,022



CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)	March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)
Sales		2,471,786	2,198,274	7,878,859	9,460,433
Cost of sales	10	(1,697,503)	(560,590)	(5,313,834)	(4,485,588)
Gross profit		774,283	1,637,684	2,565,025	4,974,845
Administrative expenses		(78,764)	(72,310)	(216,588)	(248,677)
Other expenses		-	-	-	-
Other income		36,815	1,094	41,798	4,726
Finance cost		(74,054)	(278,708)	(265,397)	(946,517)
Profit before taxation		658,280	1,287,760	2,124,838	3,784,377
Taxation		-	-	-	-
Profit for the period		658,280	1,287,760	2,124,838	3,784,377
Earnings per share - basic and diluted (in Rupees)		1.859	3.637	6.001	10.688

The annexed notes 1 to 15 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 THREE-MONTH AND SIX-MONTH PERIOD ENDED MARCH 31, 2021

	Three-month period ended		Nine-month period ended	
	March 31, 2021 (Rupees in thousand)	March 31, 2020	March 31, 2021 (Rupees in thousand)	March 31, 2020
Profit for the period	658,280	1,287,760	2,124,838	3,784,377
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	658,280	1,287,760	2,124,838	3,784,377

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


CHIEF EXECUTIVE

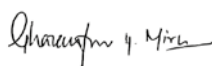

CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Share capital	Capital reserve: Maintenance reserve	Revenue reserve: Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as on July 01, 2019 (audited)	3,540,885	3,153,633	12,414,201	19,108,719
Profit for the period	-	-	3,784,377	3,784,377
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	3,784,377	3,784,377
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-
Interim dividend for the half year ended December 31, 2019 @ Rupee 1 per share	-	-	(354,089)	(354,089)
Balance as on March 31, 2020 (un-audited)	3,540,885	3,153,633	15,844,489	22,539,007
Balance as on July 01, 2020 (audited)	3,540,885	3,153,633	17,002,707	23,697,225
Profit for the period	-	-	2,124,838	2,124,838
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,124,838	2,124,838
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 March 31, 2021 (un-audited)	3,540,885	3,153,633	18,773,456	25,467,974

The annexed notes 1 to 15 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 NINE-MONTH PERIOD ENDED MARCH 31, 2021

		Nine-month period ended	
	Note	March 31, 2021 (Rupees in thousand)	March 31, 2020
Cash flows from operating activities			
Cash generated from operations	11	2,076,734	3,496,237
Finance cost paid		(365,341)	(908,372)
Income tax paid		(2,591)	(3,316)
Long term loans and advances - net		1,165	(3,994)
Retirement benefits paid		(6,720)	(19,407)
Net cash inflow from operating activities		1,703,247	2,561,148
Cash flows from investing activities			
Purchase of fixed assets		(124,116)	(85,640)
Purchase of short term investments		(18,344)	-
Proceeds from sale of short term investments		36,979	-
Proceeds from disposal of operating fixed assets		36,683	1,389
Profit on bank deposits received		4,546	2,872
Net cash outflow from investing activities		(64,252)	(81,379)
Cash flows from financing activities			
Repayment of long term financing		(21,601)	(1,755,074)
Proceeds from long term financing		76,937	-
Dividend paid		(353,575)	(355,961)
Net cash outflow from financing activities		(298,239)	(2,111,035)
Net increase in cash and cash equivalents		1,340,756	368,734
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	12	(3,405,159)	(6,030,802)

The annexed notes 1 to 15 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 NINE-MONTH PERIOD ENDED MARCH 31, 2021

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 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 company has a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC')/Central Power Purchasing Agency (Guarantee) Limited ('CPPA') 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.

- 2.2 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.

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 July 1, 2021 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

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 March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
6. LONG TERM FINANCING - SECURED		
Opening balance	73,823	3,040,170
Loan disbursements during the period/year	76,937	73,823
Less: Repayments during the period/year	21,601	3,040,170
	129,159	73,823
Less: Current portion shown under current liabilities	73,805	18,456
	55,354	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 unconsolidated financial statements of the company for the year ended June 30, 2020 except for the following:

7.1.1 Contingent liability

On March 16, 2020, Government of Pakistan ('GoP') issued a report, through which, it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The company rejected such claims, and discussions were made with the GoP to resolve the dispute.

On February 12, 2021 as referred to in note 9, the company signed a "Master Agreement" and a "PPA Amendment Agreement" with Power Purchaser wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between the company and GoP.

Management believes that there are strong grounds that the matter will ultimately be decided in company's favor. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these unconsolidated condensed interim financial statements.

7.1.2 Contingent asset

Refer to note 13.1.2 of the unconsolidated financial statements of the company for the year ended June 30, 2020, the company filed the final award in the Lahore High Court ('LHC') for enforcement on January 13, 2021. However, as mentioned in note 9, the company has signed the "Master Agreement" with Power Purchaser on February 12, 2021 wherein Power Purchaser shall ensure that all invoices shall follow the Power Purchase Agreement's mandated "First In First Out" ('FIFO') payment principle at the time of payment by the Power Purchaser. As long as this principle is followed by the Power Purchaser in relation to past and future payments, the company in consideration thereof has agreed to forgo and waive all of its claims of delayed payment charges on delayed payment invoices and it shall withdraw all such invoices. However, this will have no impact on the existing revenue and receivables of the company, as the company has not recognized the income and corresponding receivable for the said amounts on prudence basis.

7.2 Commitments

- (i) Letters of credit and contracts for other than capital expenditure aggregating Rs 5.688 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 March 31, 2021 (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	8,849,503	9,259,765
Capital work-in-progress - Advances to suppliers	30,416	35,952
Major spare parts and standby equipment	94,229	95,053
	8,974,148	9,390,770
Intangible asset:		
Computer software	126	1,259
	8,974,274	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	130,822	149,637
Book value of deletions during the period/year	(2,027)	(1,362)
Depreciation charged for the period/year	(539,057)	(697,994)
Closing book value	8,849,503	9,259,765
8.1.1 Additions during the period / year		
Buildings and roads on freehold land	-	24,808
Plant and machinery	1,775	108,649
Computer equipment	1,929	4,374
Furniture and fixtures	69	1,180
Office equipment	90	394
Vehicles	126,959	10,232
	130,822	149,637

9. For the sustainability of the power sector in Pakistan, the Company on February 12, 2021 has signed a "Master Agreement" and a "PPA Amendment Agreement" with Power Purchaser to alter certain contractual arrangements for sale and purchase of electricity. Under these agreements, the company and Power Purchaser have agreed on the following matters:

- Mechanism of settlement of long outstanding receivables
- Discounts in tariff components
- Conversion of the Power Purchase Agreement to 'Take and Pay Basis' when competitive trading arrangement is implemented and becomes fully operational
- Resolution of disputes mentioned as below and in note 7

The finalisation of these matters is subject to terms and conditions mentioned in the abovementioned agreements. Consequently, management has assessed the accounting implications of these developments on these unconsolidated condensed interim financial statements, including the impairment of tangible and intangible assets under IAS 36, 'Impairment of assets'. However, according to management's assessment, there is no significant impact of the abovementioned agreements on these unconsolidated condensed interim financial statements.

Refer to note 19.2 to the company's unconsolidated financial statements for the year ended June 30, 2020, whereby trade debts amounting to Rs 816.033 million relating to capacity revenue were previously not acknowledged by Power Purchaser and the company had contested it at various forums including arbitration in the London Court of International Arbitration ('LCIA') as per the Power Purchase Agreement. 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 the 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").

As part of the PPA Amendment Agreement, the NTDC/CPPA and the company acknowledged that the dispute relating to withheld capacity payment of Rs 816.033 million has been amicably settled and NTDC/CPPA shall pay it to the company on the condition that the company will forgo the other amounts awarded as per the Final Award as enumerated above. Such agreement does not have any impact on company's existing capacity revenue receivables as the amounts forgone had not been recognized by the company on prudence basis.

Pursuant to the provisions of PPA Amendment Agreement, so far, CPPA has acknowledged partial amount of Rs 163.607 million out of total unacknowledged amount of Rs 816.033 million.

	Un-audited Quarter ended		Un-audited Period ended	
	March 31, 2021 (Rupees in thousand)	March 31, 2020	March 31, 2021 (Rupees in thousand)	March 31, 2020
10. COST OF SALES				
Raw materials consumed	1,327,280	221,165	4,217,110	3,337,336
Salaries and other benefits	72,335	67,314	201,133	185,428
Repairs and maintenance	3,229	2,004	8,876	20,073
Stores, spares and loose tools consumed	25,179	25,875	83,476	160,123
Electricity consumed in-house	10,276	11,385	29,206	27,016
Insurance	72,128	66,947	216,585	201,451
Travelling and conveyance	5,904	5,940	16,825	17,900
Printing and stationery	168	178	633	540
Postage and telephone	175	206	558	531
Vehicle running expenses	925	1,044	2,898	3,183
Entertainment	264	736	618	1,347
Depreciation on operating fixed assets	164,413	146,649	496,262	493,512
Amortization of intangible asset	377	377	1,131	1,131
Fee and subscription	748	823	3,026	2,851
Miscellaneous	14,102	9,947	35,497	33,166
	1,697,503	560,590	5,313,834	4,485,588

Un-audited	
Nine month ended	
March 31,	March 31,
2021	2020
(Rupees in thousand)	

Un-audited	
March 31, 2021 (Rupees in thousand)	March 31, 2020

Cash and bank balances	51,142	20,858
Short term borrowings - secured	(3,456,301)	(6,051,660)
	<u>(3,405,159)</u>	<u>(6,030,802)</u>

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary, associate, 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. Significant related party transactions during the period are as below:

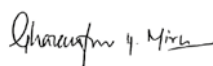
Relationship with the company	Nature of transactions	Un-audited Period ended	
		March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)
i. Holding company	Dividends paid	180,621	180,633
ii. Entities on the basis of common directorship	Purchases of goods and services	53,401	53,682
	Rental expense	9,346	9,346
	Insurance premium	215,685	200,200
iii. Group entity	Interest on deposit accounts	283	2,227
	Insurance premium	4,940	4,095
iv. Post employment benefit plan	Expense charged in respect of retirement benefit plan	19,945	19,407
v. Key management personnel	Remuneration	22,895	28,307
		Un-audited March 31, 2021 (Rupees in thousand)	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		832	3,594
Receivable from related parties			
- Entities on the basis of common directorship		4,895	-

14. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 21, 2021 by the Board of Directors of the company.

15. 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 Period Ended March 31, 2021

DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited (The Company) is pleased to present Consolidated Condensed Interim Financial Statement for the period ended March 31, 2021.

PRINCIPAL ACTIVITY OF SUBSIDIARY COMPANY AND BRIEF OVER ITS OPERATIONS:

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.

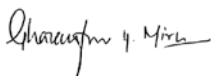
In the view of the aforesaid reasons, the subsidiary is not considered a going concern.

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.

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: April 21, 2021

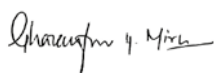


Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 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 30, 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		18,773,359	17,002,579
		25,467,877	23,697,097
NON-CURRENT LIABILITY			
Long term financing - secured	6	55,354	55,367
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	73,805	18,456
Short term borrowings - secured		3,456,301	4,750,749
Trade and other payables		914,057	612,613
Unclaimed dividend		17,997	20,671
Accrued markup		69,147	169,091
		4,531,307	5,571,580
CONTINGENCIES AND COMMITMENTS			
	7	30,054,538	29,324,044

The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE

Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
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ASSETS

NON-CURRENT ASSETS

Fixed assets	8	8,974,274	9,392,029
Long term investments		-	-
Long term loans and advances		1,835	3,000
		8,976,109	9,395,029

CURRENT ASSETS

Stores, spares and loose tools		685,764	672,235
Inventories		818,974	170,349
Trade debts	9	18,491,048	18,232,531
Advances, deposits, prepayments and other receivables		990,202	792,683
Income tax receivable		41,286	38,694
Short term investment		-	17,677
Cash and bank balances		51,155	4,846
		21,078,429	19,929,015
		30,054,538	29,324,044



CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)	March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)
Sales		2,471,786	2,198,274	7,878,859	9,460,433
Cost of sales	10	(1,697,503)	(560,590)	(5,313,834)	(4,485,588)
Gross profit		774,283	1,637,684	2,565,025	4,974,845
Administrative expenses		(78,764)	(72,309)	(216,588)	(248,679)
Other expenses		-	-	-	-
Other income		36,815	1,094	41,799	4,727
Finance cost		(74,054)	(278,708)	(265,397)	(946,517)
Profit before taxation		658,280	1,287,761	2,124,839	3,784,376
Taxation		30	-	30	-
Profit for the period		<u>658,310</u>	<u>1,287,761</u>	<u>2,124,869</u>	<u>3,784,376</u>
Earnings per share - basic and diluted (in Rupees)		<u>1.859</u>	<u>3.637</u>	<u>6.001</u>	<u>10.688</u>

The annexed notes 1 to 15 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 THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Three-month period ended		Nine-month period ended	
	March 31, 2021 (Rupees in thousand)	March 31, 2020	March 31, 2021 (Rupees in thousand)	March 31, 2020
Profit for the period	658,310	1,287,761	2,124,869	3,784,376
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	658,310	1,287,761	2,124,869	3,784,376

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Share capital	Capital reserve: Maintenance reserve	Revenue reserve: Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as on July 01, 2019 (audited)	3,540,885	3,153,633	12,413,549	19,108,067
Profit for the period	-	-	3,784,376	3,784,376
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	3,784,376	3,784,376
Dividend to equity holders of the parent:				
Interim dividend for the half year ended December 31, 2019 @ Rupee 1 per share	-	-	(354,089)	(354,089)
Total contributions by and distributions to owners of the parent recognised directly in equity	-	-	(354,089)	(354,089)
Balance as on March 31, 2020 (un-audited)	3,540,885	3,153,633	15,843,836	22,538,354
Balance as on July 01, 2020 (audited)	3,540,885	3,153,633	17,002,579	23,697,097
Profit for the period	-	-	2,124,869	2,124,869
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,124,869	2,124,869
Dividend to equity holders of the parent:				
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 parent recognised directly in equity	-	-	(354,089)	(354,089)
Balance as on March 31, 2021 (un-audited)	3,540,885	3,153,633	18,773,359	25,467,877

The annexed notes 1 to 15 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 NINE-MONTH PERIOD ENDED MARCH 31, 2021

Note	Nine-month period ended	
	March 31, 2021	March 31, 2020
(Rupees in thousand)		
Cash flows from operating activities		
Cash generated from operations	11 2,076,705	3,496,199
Finance cost paid	(365,341)	(908,372)
Income tax paid	(2,561)	(3,287)
Long term loans and advances - net	1,165	(3,994)
Retirement benefits paid	(6,720)	(19,407)
Net cash inflow from operating activities	1,703,248	2,561,139
Cash flows from investing activities		
Purchase of fixed assets	(124,116)	(85,619)
Purchase of short term investments	(18,344)	-
Proceeds from sale of short term investments	36,979	-
Proceeds from disposal of operating fixed assets	36,683	1,389
Profit on bank deposits received	4,546	2,872
Net cash outflow from investing activities	(64,252)	(81,358)
Cash flows from financing activities		
Repayment of long term financing	(21,601)	(1,755,074)
Proceeds from long term financing	76,937	-
Dividend paid	(353,575)	(355,961)
Net cash outflow from financing activities	(298,239)	(2,111,035)
Net increase in cash and cash equivalents	1,340,757	368,746
Cash and cash equivalents at the beginning of the period	(4,745,903)	(6,399,536)
Cash and cash equivalents at the end of the period	12 (3,405,146)	(6,030,790)

The annexed notes 1 to 15 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 NINE-MONTH PERIOD ENDED MARCH 31, 2021

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') / Central Power Purchasing Agency (Guarantee) Limited ('CPPA') 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, 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. The associate company is not considered a going concern.

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.

- 2.2 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 consolidated 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 group'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 group's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or to have any significant effect on the group'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 consolidated financial statements for the year ended June 30, 2020.

5. FINANCIAL RISK

5.1 Financial risk factors

The group'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 group'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.

6. LONG TERM FINANCING - SECURED

	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
Opening balance	73,823	3,040,170
Loan disbursements during the period/year	76,937	73,823
Less: Repayments during the period/year	21,601	3,040,170
	129,159	73,823
Less: Current portion shown under current liabilities	73,805	18,456
	55,354	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 consolidated financial statements of the group for the year ended June 30, 2020 except for the following:

7.1.1 Contingent liability

On March 16, 2020, Government of Pakistan ('GoP') issued a report, through which, it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the parent company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The parent company rejected such claims, and discussions were made with the GoP to resolve the dispute.

On February 12, 2021 as referred to in note 9, the parent company signed a "Master Agreement" and a "PPA Amendment Agreement" with Power Purchaser wherein it has

been agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between the parent company and GoP.

Management believes that there are strong grounds that the matter will ultimately be decided in parent company's favor. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these consolidated condensed interim financial statements.

7.1.2 Contingent asset

Refer to note 13.1.2 of the consolidated financial statements of the group for the year ended June 30, 2020, the parent company filed the final award in the Lahore High Court ('LHC') for enforcement on January 13, 2021. However, as mentioned in note 9, the parent company has signed the "Master Agreement" with Power Purchaser on February 12, 2021 wherein Power Purchaser shall ensure that all invoices shall follow the Power Purchase Agreement's mandated "First In First Out" ('FIFO') payment principle at the time of payment by the Power Purchaser. As long as this principle is followed by the Power Purchaser in relation to past and future payments, the parent company in consideration thereof has agreed to forgo and waive all of its claims of delayed payment charges on delayed payment invoices and it shall withdraw all such invoices. However, this will have no impact on the existing revenue and receivables of the group, as the group has not recognized the income and corresponding receivable for the said amounts on prudence basis.

7.2 Commitments

- (i) Letters of credit and contracts for other than capital expenditure aggregating Rs 5.688 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 March 31, 2021 (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	8,849,503	9,259,765
Capital work-in-progress - Advances to suppliers	30,416	35,952
Major spare parts and standby equipment	94,229	95,053
	8,974,148	9,390,770
Intangible asset:		
Computer software	126	1,259
	8,974,274	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	130,822	149,637
Book value of deletions during the period/year	(2,027)	(1,362)
Depreciation charged for the period/year	(539,057)	(697,994)
Closing book value	8,849,503	9,259,765

8.1.1 Additions during the period / year

	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
Buildings and roads on freehold land	-	24,808
Plant and machinery	1,775	108,649
Computer equipment	1,929	4,374
Furniture and fixtures	69	1,180
Office equipment	90	394
Vehicles	126,959	10,232
	<u>130,822</u>	<u>149,637</u>

9. For the sustainability of the power sector in Pakistan, the parent company on February 12, 2021 has signed a "Master Agreement" and a "PPA Amendment Agreement" with Power Purchaser to alter certain contractual arrangements for sale and purchase of electricity. Under these agreements, the parent company and Power Purchaser have agreed on the following matters:

- Mechanism of settlement of long outstanding receivables
- Discounts in tariff components
- Conversion of the Power Purchase Agreement to 'Take and Pay Basis' when competitive trading arrangement is implemented and becomes fully operational
- Resolution of disputes mentioned as below and in note 7

The finalisation of these matters is subject to terms and conditions mentioned in the abovementioned agreements. Consequently, management has assessed the accounting implications of these developments on these consolidated condensed interim financial statements, including the impairment of tangible and intangible assets under IAS 36, 'Impairment of assets'. However, according to management's assessment, there is no significant impact of the abovementioned agreements on these consolidated condensed interim financial statements.

Refer to note 19.2 to the group's consolidated financial statements for the year ended June 30, 2020, whereby trade debts amounting to Rs 816.033 million relating to capacity revenue were previously not acknowledged by Power Purchaser and the parent company had contested it at various forums including arbitration in the London Court of International Arbitration ('LCIA') as per the Power Purchase Agreement. On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC to pay to the parent company: i) Rs 816.033 million pursuant to the 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 parent 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").

As part of the PPA Amendment Agreement, the NTDC/CPPA and the parent company acknowledged that the dispute relating to withheld capacity payment of Rs 816.033 million has been amicably settled and NTDC/CPPA shall pay it to the parent company on the condition that the parent company will forgo the other amounts awarded as per the Final Award as enumerated above. Such agreement does not have any impact on parent company's existing capacity revenue receivables as the amounts forgone had not been recognized by the group on prudence basis.

Pursuant to the provisions of PPA Amendment Agreement, so far, CPPA has acknowledged partial amount of Rs 163.607 million out of total unacknowledged amount of Rs 816.033 million.

	Un-audited Quarter ended		Un-audited Period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousand)		(Rupees in thousand)	
10. COST OF SALES				
Raw materials consumed	1,327,280	221,165	4,217,110	3,337,336
Salaries and other benefits	72,335	67,314	201,133	185,428
Repairs and maintenance	3,229	2,004	8,876	20,073
Stores, spares and loose tools consumed	25,179	25,875	83,476	160,123
Electricity consumed in-house	10,276	11,385	29,206	27,016
Insurance	72,128	66,947	216,585	201,451
Travelling and conveyance	5,904	5,940	16,825	17,900
Printing and stationery	168	178	633	540
Postage and telephone	175	206	558	531
Vehicle running expenses	925	1,044	2,898	3,183
Entertainment	264	736	618	1,347
Depreciation on operating fixed assets	164,413	146,649	496,262	493,512
Amortization of intangible asset	377	377	1,131	1,131
Fee and subscription	748	823	3,026	2,851
Miscellaneous	14,102	9,947	35,497	33,166
	1,697,503	560,590	5,313,834	4,485,588

	Un-audited Nine month ended	
	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
11. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,124,839	3,784,376
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	539,057	529,357
Amortization on intangible assets	1,131	1,131
Profit on bank deposits and short term investment	(4,893)	(1,472)
Gain on disposal of operating fixed assets	(35,000)	(28)
Finance cost	265,397	946,517
Provision for employee retirement benefits	19,945	19,407
Profit before working capital changes	2,910,476	5,279,288
Effect on cash flow due to working capital changes:		
Decrease/(increase) in current assets		
Stores, spares and loose tools	(13,529)	78,514
Inventories	(648,625)	1,155,151
Trade debts	(258,517)	(3,401,472)
Advances, deposits, prepayments and other receivables	(198,130)	232,065
	(1,118,801)	(1,935,742)
Increase/(decrease) in current liabilities		
Trade and other payables	287,704	153,576
Unclaimed dividend	(2,674)	(923)
	285,030	152,653
	(833,771)	(1,783,089)
	2,076,705	3,496,199

	Un-audited	
	March 31, 2021 (Rupees in thousand)	March 31, 2020
12. CASH AND CASH EQUIVALENTS		
Cash and bank balances	51,155	20,870
Short term borrowings - secured	(3,456,301)	(6,051,660)
	<u>(3,405,146)</u>	<u>(6,030,790)</u>

13. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary, associate, 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. Significant related party transactions during the period are as below:

Relationship with the company	Nature of transactions	Un-audited Period ended	
		March 31, 2021 (Rupees in thousand)	March 31, 2020
i. Holding company	Dividends paid	180,621	180,633
ii. Entities on the basis of common directorship	Purchases of goods and services	53,401	53,682
	Rental expense	9,346	9,346
	Insurance premium	215,685	200,200
iii. Group entity	Interest on deposit accounts	283	2,227
	Insurance premium	4,940	4,095
iv. Post employment benefit plan	Expense charged in respect of retirement benefit plan	19,945	19,407
v. Key management personnel	Remuneration	22,895	28,307
Period end balances		Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
Payable to related parties			
- Companies on basis of common directorship		-	422
- Group entity		2,741	5,542
Bank deposits with related parties			
- Group entity		832	3,594
Receivable from related parties			
- Entities on the basis of common directorship		4,895	-

14. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 21, 2021 by the Board of Directors of the company.

15. 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



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