

NISHAT POWER LIMITED



NISHAT GROUP

NPL-PSX/112

October 27, 2023

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, 2023**

Dear Sir,

We have to inform you that the Quarterly Report of Nishat Power Limited (the Company) for the period Ended September 30, 2023 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY



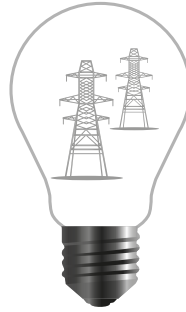
N I S H A T

NISHAT POWER LIMITED

FIRST QUARTER REPORT

FOR THE PERIOD ENDED SEPTEMBER 30

2023



ENLIGHTEN THE FUTURE





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Nishat Power Limited

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CORPORATE PROFILE

BOARD OF DIRECTORS

Mian Hassan ManshaChairman
Mr. Ghazanfar Hussain Mirza Chief Executive
Mr. Humayun Maqbool
Ms. Maleeha Humayun Bangash
Mr. Mahmood Akthar
Mr. Shahzad Ahmad Malik
Mr. Muhammad Aqib Zulfiqar

AUDIT COMMITTEE

Mr. Humayun MaqboolMember / Chairman
Ms. Maleeha Humayun BangashMember
Mr. Muhammad Aqib ZulfiqarMember

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Hassan ManshaMember
Ms. Maleeha Humayun Bangash... Member / Chairman
Mr. Ghazanfar Hussain MirzaMember

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

Riaz Ahmad & 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 quarter ended September 30, 2023.

PRINCIPAL ACTIVITY:

The principal activity of the Company is to build, own, operate and maintain a fuel fired power plant based on Reciprocating Engine Technology having gross capacity of 200MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan.

FINANCIAL RESULTS:

During the period the Company had turnover of Rs 9,788 million (September 2022: Rs 11,448 million) against operating cost of Rs 8,391 million (September 2022: Rs 10,333 million) resulting in a gross profit of Rs 1,397 million (September 2022: Rs 1,114 million). The current period's net profit after tax amounts to Rs 1,457 million resulting earnings per share of Rs 4.12 compared to previous period's profit after tax of Rs 943 million and earnings per share of Rs 2.66.

The Power Purchaser continues to default on its payment obligations. The Company took up the matter with the Power Purchaser and Private Power & Infrastructure Board ('PPIB') by giving notices of default pursuant to provisions of Power Purchase Agreement and Implementation Agreement.

Total receivables from Power Purchaser on September 30, 2023 stand at Rs 18,202 million (June 30, 2023: Rs. 14,830 million), out of which overdue receivables are Rs.9,960 million (June 30, 2023: Rs 7,911 million).

OPERATIONS RESULTS:

The plant operated at an optimal efficiency with 53.59% (September 2022: 68.47%) average capacity factor and dispatched 231 GWh (September 2022: 295 GWh) of electricity to the Power Purchaser during the period.

COMPOSITION OF BOARD:

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

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Directors
1	Mr. Humayun Maqbool (Independent Director) -Chairman
2	Maleeha Humayun Bangash (Independent Director)
3	Mr. Muhammad Aqib Zulfiqar (Non-Executive Director)

Human Resource and Remuneration Committee:

Sr. #	Name of Directors
1	Maleeha Humayun Bangash (Independent Director)- Chairperson
2	Mian Hassan Mansha (Non-Executive Director)
3	Mr. Ghazanfar Husain Mirza (Executive Director)

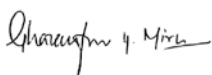
DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 10 of the annexed condensed interim financial statements.

ACKNOWLEDGEMENT:

The Board of Directors appreciates all its stakeholders for their trust and continued support to the Company. The Board also recognizes the contribution made by a very dedicated team of professionals and engineers who served the Company with enthusiasm, and hope that the same spirit of devotion shall remain intact in the future ahead to the Company.

For and on behalf of Board of Directors



Chief Executive Officer
Lahore: October 23, 2023



Director

مجلس نظاماء کی رپورٹ:

نشاط پاور لیٹنڈ (کمپنی) کی مجلس نظاماء 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے منجملہ عبوری مالی معلومات معائنہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتی ہے۔

بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی جہر کلاں تحصیل پتوکی، ضلع قصور، پنجاب، پاکستان میں 200 میگا واٹ کی مجموعی صلاحیت کا حامل انجن ٹیکنالوجی پر مبنی ایندھن سے چلنے والا پرائیویٹ پاور پلانٹ کی تعمیر، چلانا اور برقرار رکھنا ہے۔

مالیاتی نتائج:

کمپنی کو سہ ماہی کے دوران 8,391 ملین روپے (ستمبر 2022: 10,333 ملین روپے) کی آپریٹنگ لاگت کے عوض 9,788 ملین روپے (ستمبر 2022: 11,448 ملین روپے) وصول کیا ہوئے تھیں، جس کے نتیجے میں 1,397 ملین روپے (ستمبر 2022: 1,114 ملین روپے) کا مجموعی منافع ہوا ہے۔ موجودہ مدت کا بعد از ٹیکس خالص منافع گزشتہ سال کی اسی مدت کے بعد از ٹیکس منافع 943 ملین روپے اور 2.66 روپے فی شیئر آمدنی کے مقابلہ میں 1,457 ملین روپے اور 4.12 روپے فی شیئر آمدنی رہا ہے۔

پاور پر چیز راہی ادائیگی کی ذمہ داریوں پر مسلسل نادہندگی پر کار بند ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے اور Implementation Agreement کے تحت پاور پر چیز راہی پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ ('پی پی آئی بی') کے ہاں معاملہ اجاگر کیا ہے۔ 30 ستمبر 2023 کو بجلی کے خریدار سے کل واجب وصولی 18,202 ملین روپے (30 جون 2023: 14,830 ملین روپے) ہے، جن میں سے 9,960 ملین روپے (30 جون 2023: 7,911 ملین روپے) کی واجب الوصول رقم زائد المعایا ہے۔

کاروباری نتائج:

موجودہ مدت کے دوران پلانٹ زیادہ سے زیادہ باکفایت کارکردگی پر چلایا گیا اور پاور پر چیز راہی کو اوسط کیسٹسٹنٹ 53.59 فیصد (ستمبر 2022: 68.47 فیصد) صلاحیت کے ساتھ 231 GWh (ستمبر 2022: 295 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 ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں
بورڈ کی آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب ہمایوں مقبول (آزاد ڈائریکٹر) چیئرمین
2	محترمہ ملیحہ ہمایوں بنگش (آزاد ڈائریکٹر)
3	جناب محمد عاقب ذوالفقار (نان ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریموٹیشن کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	محترمہ ملیحہ ہمایوں بنگش (آزاد ڈائریکٹر) چیئر پرسن
2	میاں حسن منشا (نان ایگزیکٹو ڈائریکٹر)
3	جناب غففر حسین مرزا (ایگزیکٹو ڈائریکٹر)

ڈائریکٹرز کا مشاہرہ:


کمپنی ز آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹر کو اجلاس فیس کے علاوہ مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹر کو ادا کئے گئے مشاہرہ کی مجموعی رقم منسلک غیر منقولہ منجھد عبوری مالی حسابات کے نوٹ 10 میں منکشف کی گئی ہے۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اسٹیک ہولڈرز کے اعتماد اور مسلسل حمایت کا شکریہ ادا کرتا ہے، بورڈ ماہرین اور انجینئرز کی ایک بہت ہی سرشار ٹیم کے حصہ کو تسلیم کرتا ہے جس نے جوش و خروش سے کمپنی کی خدمت کی، اور امید کرتا ہے کہ مستقبل میں کمپنی کے لئے یہی جذبہ برقرار رکھیں گے۔



ڈائریکٹر



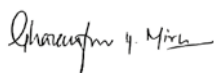
چیف ایگزیکٹو

لاہور: 23 اکتوبر 2023ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 2023: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid up share capital		3,540,885	3,540,885
Capital reserve		2,606,547	2,636,469
Revenue reserve: un-appropriated profit		25,192,926	23,705,660
TOTAL EQUITY		31,340,358	29,883,014
LIABILITIES			
NON-CURRENT LIABILITY			
Long term financing	4	-	-
CURRENT LIABILITIES			
Trade and other payables		1,162,434	1,471,262
Accrued mark-up/profit		981	5,101
Short term borrowings		549,292	-
Unclaimed dividend		21,992	22,238
		1,734,699	1,498,601
TOTAL LIABILITIES		1,734,699	1,498,601
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	5	33,075,057	31,381,615

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


CHIEF EXECUTIVE

Note	Un-audited September 30, 2023	Audited June 30, 2023
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(Rupees in thousand)

ASSETS

NON-CURRENT ASSETS

Fixed assets	6	8,564,199	8,573,425
Intangible asset		-	-
Long term investment	7	-	-
Long term loans to employees		6,168	7,887
		8,570,367	8,581,312

CURRENT ASSETS

Stores, spares and loose tools	1,069,846	987,692
Inventories	2,547,547	1,546,686
Trade debts	17,595,458	14,152,106
Loans, advances, deposits, prepayments and other receivables	1,119,201	1,294,644
Advance income tax - net of provision for taxation	70,620	58,462
Short term investments	810,713	-
Cash and bank balances	1,291,305	4,760,713
	24,504,690	22,800,303

TOTAL ASSETS

33,075,057	31,381,615
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DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
		(Rupees in thousand)	
REVENUE FROM CONTRACT WITH CUSTOMER		9,787,919	11,447,598
COST OF SALES	8	(8,390,627)	(10,333,385)
GROSS PROFIT		1,397,292	1,114,213
ADMINISTRATIVE EXPENSES		(107,110)	(92,084)
OTHER EXPENSES		-	(72,629)
		(107,110)	(164,713)
OTHER INCOME		169,014	23,535
PROFIT FROM OPERATIONS		1,459,196	973,035
FINANCE COST		(1,735)	(29,899)
PROFIT BEFORE TAXATION		1,457,461	943,136
TAXATION		(117)	-
PROFIT AFTER TAXATION		1,457,344	943,136
EARNINGS PER SHARE - BASIC AND DILUTED (IN RUPEES)		4.12	2.66

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
PROFIT AFTER TAXATION	1,457,344	943,136
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 QUARTER	1,457,344	943,136

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

SHARE CAPITAL	RESERVES			TOTAL EQUITY
	CAPITAL RESERVE: MAINTENANCE RESERVE	REVENUE RESERVE: UN-APPROPRIATED PROFIT	TOTAL RESERVES	

------(Rupees in thousand)-----

Balance as at 30 June, 2022-audited 3,540,885 3,153,633 21,399,042 24,552,675 28,093,560
Transactions with owners:

Profit for the period	-	-	943,136	943,136	943,136
Other comprehensive income for the period	-	-	-	-	-

Total comprehensive income for the period - - 943,136 943,136 943,136

Balance as at 30 September 2022 - un-audited 3,540,885 3,153,633 22,342,178 25,495,811 29,036,696

Transactions with owners:

Final dividend for the year ended 30 June, 2022 @ Rupees 2.5 per share	-	-	(885,221)	(885,221)	(885,221)
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Interim dividend for the quarter ended 30 September 2022 @ Rupees 2.0 per share	-	-	(708,177)	(708,177)	(708,177)
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Interim dividend for the half year ended 31 December 2022 @ Rupees 2.0 per share	-	-	(708,177)	(708,177)	(708,177)
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- - (2,301,575) (2,301,575) (2,301,575)

Profit for the period	-	-	3,147,893	3,147,893	3,147,893
Other comprehensive income for the period	-	-	-	-	-

Total comprehensive income for the period - - 3,147,893 3,147,893 3,147,893

Transfer of maintenance reserve	-	(517,164)	517,164	-	-
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Balance as at 30 June, 2023-audited 3,540,885 2,636,469 23,705,660 26,342,129 29,883,014

Transactions with owners:


Profit for the period	-	-	1,457,344	1,457,344	1,457,344
Other comprehensive income for the period	-	-	-	-	-

Total comprehensive income for the period - - 1,457,344 1,457,344 1,457,344

Transfer of maintenance reserve	-	(29,922)	29,922	-	-
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Balance as at 30 September 2023 - un-audited 3,540,885 2,606,547 25,192,926 27,799,473 31,340,358

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

		Quarter ended	
	Note	September 30, 2023	September 30, 2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	9	(3,118,013)	(1,816,517)
Finance cost paid		(5,855)	(85,807)
Net (increase) / decrease in long term loans to employees		1,360	(1,729)
Income tax paid		(12,275)	(3,139)
Net cash (used in) operating activities		(3,134,783)	(1,907,192)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets		(216,492)	(8,374)
Short term investments made		(33,684,043)	5,631,631
Interest received		142,968	8,786
Short term investments disposed off		32,873,330	-
Proceeds from disposal of operating fixed assets		566	288
Net cash (used in)/generated from investing activities		(883,671)	5,632,331
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(18,451)
Dividends paid		(246)	(4)
Net cash used in financing activities		(246)	(18,455)
Net (decrease)/increase in cash and cash equivalents		(4,018,700)	3,706,684
Cash and cash equivalents at the beginning of the period		4,760,713	(3,980,818)
Cash and cash equivalents at the end of the period		742,013	(274,134)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,291,305	203,635
Short term borrowings		(549,292)	(477,769)
		742,013	(274,134)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1. THE COMPANY AND ITS ACTIVITIES

- 1.1 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.
- 1.2 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 had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from 09 June 2010. On 12 February 2021, the Company entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, the Company entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on 8 June 2021 was extended by sixty eight (68) days to 15 August 2021. Therefore, the existing term of the PPA Agreement has been extended by sixty eight days to twenty five years and sixty eight days ending on 15 August 2035.

- 1.3 Geographical location and addresses of all business units are as follows:

Registered office	53-A, Lawrence Road, Lahore
Head office	1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore
Power station	Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- a) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- b) 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 condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. These condensed interim financial statements are un-audited.

These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

3.1. Critical accounting estimates and judgments

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

4. LONG TERM FINANCING

	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
Opening balance	-	36,903
Less: Repayments during the period/year	-	(36,903)
	-	-
Less: Current portion shown under current liabilities	-	-
	-	-

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding annual published financial statements of the Company for the year ended 30 June 2023 except for the following:

The banks have issued the following on behalf of the Company:

- Letter of guarantee of Rs 11.5 million (June 2023: Rs 11.5 million) and Rs 25.3 million (June 2023: 22.4 million) in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.
- Letters of guarantee of Rs 500 million (June 2023: Rs 500 million) in favour of fuel supplier.
- Letter of guarantee of Rs 1.5 million (June 2023: Rs 1.5 million) in favour of Punjab Revenue Authority, Lahore.
- Letter of guarantee of Rs. 31.61 million (30 June 2023: Rs. 31.61 million) in favour of Collector of Customs, Karachi under Sindh High Court, in respect of suit filed for concessionary rate of duty under Customs Act, 1969.

5.2. COMMITMENTS

- (i) Letters of credit and contracts for other than capital expenditure aggregating to Rs 158.120 million (June 2023: Rs. 465.627 million).

	Note	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
6. FIXED ASSETS			
Operating fixed assets	6.1	8,409,857	8,090,979
Capital work-in-progress	6.2	76,971	76,878
Major spare parts and standby equipment		77,371	405,568
		<u>8,564,199</u>	<u>8,573,425</u>
6.1 Operating fixed assets			
Opening net book value		8,090,979	8,087,216
Add: Cost of additions during the period / year	6.1.1	544,596	757,247
Less: Book value of disposals / derecognitions during the period / year		(566)	(257)
Less: Depreciation charged during the period / year		(225,152)	(753,227)
Closing net book value		<u>8,409,857</u>	<u>8,090,979</u>
6.1.1 Cost of additions			
Opening net book value		8,090,979	8,087,216
Add: Cost of additions during the period / year		544,596	757,247
Less: Book value of disposals / derecognitions during the period / year		(566)	(257)
Less: Depreciation charged during the period / year		(225,152)	(753,227)
Closing net book value		<u>8,409,857</u>	<u>8,090,979</u>
6.1.1 Cost of additions			
Plant and machinery		542,638	734,003
Computer equipment		1,661	8,619
Furniture and fixtures		-	526
Office equipment		297	1,010
Vehicles		-	13,089
		<u>544,596</u>	<u>757,247</u>
6.2 Capital work-in-progress			
Civil works		1,971	1,878
Advances against purchase of vehicle		75,000	75,000
		<u>76,971</u>	<u>76,878</u>
7. LONG TERM INVESTMENT			
7.1 Investment in Nishat Energy Limited			
250,000 (June 30, 2023: 250,000) fully paid ordinary shares of Rs 10 each [Equity held 25% (June 30, 2023: 25%)] - Cost		-	-

The Company directly holds 250,000 fully paid ordinary shares of Rs 10 each, in its associate, Nishat Energy Limited ('NEL'), representing its 25% equity. 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
Quarter ended
September 30, September 30,
2023 2022
(Rupees in thousand)

8. COST OF SALES

Raw materials consumed	7,559,658	9,675,922
Salaries and other benefits	92,667	80,456
Repairs and maintenance	3,359	5,089
Stores, spares and loose tools consumed	359,826	239,748
Electricity consumed in-house	10,653	4,268
Insurance	114,289	90,142
Travelling and conveyance	11,636	8,117
Printing and stationery	328	351
Postage and telephone	142	260
Vehicle running expenses	2,995	2,336
Entertainment	451	559
Depreciation on fixed assets	209,531	206,261
Fee and subscription	1,819	1,456
Miscellaneous	23,273	18,420
	<u>8,390,627</u>	<u>10,333,385</u>

9. CASH GENERATED FROM OPERATIONS

Profit before taxation	1,457,461	943,136
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	225,152	221,654
Profit on bank deposits	(34,324)	(8,341)
Exchange (gain)/loss	(5,978)	1,958
Interest on short term investments	(119,327)	(1,151)
Finance cost	1,735	29,898
Loss on disposal of short term investments	-	70,470
Cashflows from operating activities before working capital changes	<u>1,524,719</u>	<u>1,257,624</u>

**Effect on cash flow due to working capital changes:
Decrease / (increase) in current assets**

Stores, spares and loose tools	(82,154)	155,231
Inventories	(1,000,861)	2,184,733
Trade debts	(3,443,352)	(5,782,252)
Loans, advances, deposits, prepayments and other receivables	186,485	271,661
	<u>(4,339,882)</u>	<u>(3,170,627)</u>

(Decrease) / increase in current liabilities

Trade and other payables	(302,850)	96,486
	<u>(4,642,732)</u>	<u>(3,074,141)</u>
	<u>(3,118,013)</u>	<u>(1,816,517)</u>

10. TRANSACTIONS WITH RELATED PARTIES

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

		Un-audited Quarter ended		
		September 30, 2023	September 30, 2022	
		(Rupees in thousand)		
	Relationship with the Company	Nature of transactions		
i.	Entities on the basis of common directorship	Purchases of goods and services Rental expense Insurance premium	36,783 - 114,004	27,888 864 89,819
ii.	Group entity	Interest on deposit accounts Insurance premium	77,548 2,443	8,296 2,184
iii.	Post employment benefit plan	Expense charged in respect of Retirement benefit plan	9,224	7,826
iv.	Key management personnel	Remuneration	7,623	6,006
		Un-audited September 30, 2023	Audited June 30, 2023	
		(Rupees in thousand)		
Period / year end balances				
Payable to related parties				
- Companies on basis of common directorship		59	59	
- Group entity		-	-	
Bank deposits with related parties				
- Group entity		1,242,189	2,711,741	
Receivable from related parties				
- Companies on basis of common directorship		3,371	4,304	
- Group entity		21,274	66,180	

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

"Recurring fair value measurements at 30 September 2023"	Level 1	Level 2	Level 3	Total
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----- (Rupees in thousand) -----

Financial assets

Financial assets at fair value through profit or loss - 810,713 - 810,713

"Recurring fair value measurements at 30 June 2023"	Level 1	Level 2	Level 3	Total
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----- (Rupees in thousand) -----

Financial assets

Financial assets at fair value through profit or loss - - - -

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

13. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue on 23 October 2023 by the Board of Directors of the Company.

14. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

15. GENERAL

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER





N I S H A T

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