



**NISHAT
CHUNIAN**
POWER LTD.

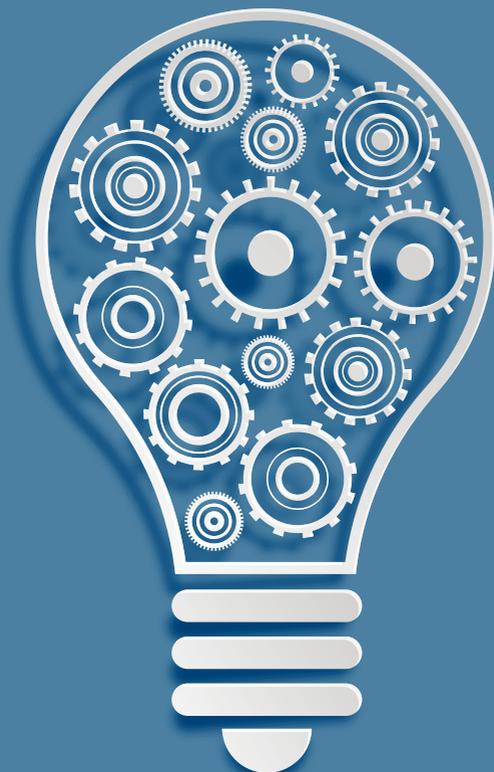
**Condensed Interim Financial Information
For the Quarter ended September 30,**

2023

(Un-audited)

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Company Information

BOARD OF DIRECTORS:

Mr. Muhammad Ashraf
Chairman

Mr. Farrukh Ifzal
Chief Executive Officer

Ms. Nadia Bilal
(Appointed on 14-09-2023)
Director

Sheikh Muhammad Iqbal
(Appointed on 21-08-2023)
Director

Mr. Babar Ali Khan
Director

Mr. Rehmat Naveed Elahi
Director

Mr. Mustaqeem Talish
Director

AUDIT COMMITTEE AND HR & R COMMITTEE:

Sheikh Muhammad Iqbal
Chairman

Mr. Rehmat Naveed Elahi
Member

Mr. Mustaqeem Talish
Member

CHIEF EXECUTIVE OFFICER:

Mr. Farrukh Ifzal

ACTING CHIEF FINANCIAL OFFICER:

Mr. Salman Asim

COMPANY SECRETARY:

Mr. Syed Tasawar Hussain



BANKERS TO THE COMPANY: Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Oman Investment Company Limited
Pak Libya Holding Company Limited
The Bank of Punjab
United Bank Limited

AUDITORS: **Riaz Ahmad & Co.**
Chartered Accountants

LEGAL ADVISERS: **Ahmad & Pansota**
Advocates & Solicitors

REGISTERED & HEAD OFFICE: 31-Q, Gulberg II, Lahore, Pakistan.
Ph: 042-35761730
Fax: 042-35878696-97
www.nishat.net

SHARE REGISTRAR: Hameed Majeed Associates (Pvt) Limited
1st Floor, H.M. House 7 - Bank Square, Lahore
Ph: 042-37235081-2
Fax: 042-37358817

PLANT: 66-Km, Multan Raod, Pattoki Kasur.



DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Dear Shareholders,

The Board is pleased to present the company's condensed interim un-audited financial information for the quarter ended September 30, 2023. During the period under review, turnover was PKR 6.80 billion (2022: PKR 8.59 billion) with a profit after tax of PKR 1.39 billion (2022: PKR 0.960 billion) and an Earning Per Share (EPS) of PKR 3.77 (2022: PKR 2.61).

Plant Performance

During the quarter ended September 30, 2023, the plant's capacity factor was 33.42% (2022: 48.49%) with an availability factor of 81.81% (2022: 77.73%). The Company dispatched 144,439 MWH (2022: 209,538 MWH) to Power Purchaser during this period.

Significant Development

On June 30, 2022, the company along with the other IPPs received the 2nd and the last instalment under the Master Agreement within six months of the first instalment as agreed. The concessions given by IPPs, including the company, under the Master Agreement and PPA Amendment Agreement have become effective.

In accordance with the Arbitration Submission Agreement ('ASA'), the IPPs under the 2002 Power Policy and GOP have nominated their Arbitrators, and these two nominated Arbitrators have appointed the third Arbitrators who is the former President of the UK Supreme Court. The Arbitration Tribunal so constituted has initiated the arbitration proceedings. Formally adapted terms of reference have been signed by the Claimant, Respondents and the Tribunal constituted.

Circular Debt

Despite receiving the payment pursuant to the Master Agreement, the Circular Debt is still a major issue for companies operating in the power sector. The Power Purchaser continues to default on its obligations of making timely payments. 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 the Power Purchase Agreement and Implementation Agreement. As of September 30, 2023, our total billed receivables from Power Purchaser have surged to **PKR 15.72** billion, out of which **PKR 8.81** billion are overdue.

Acknowledgment

The Directors would take this opportunity to thank our valued shareholders who have trust in our Company and like to express their deep appreciation for the services, loyalty, and efforts rendered by the employees of the Company and hope that they will continue to do so in the future.

Dated: October 12, 2023

Chief Executive Officer

Director



DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

مجلس انضمام اور پورٹ

محترم حصص داران

بورڈ 30 ستمبر، 2023 کو ختم ہونے والی سہ ماہی کے لئے غیر محاسب شدہ عبوری مالیاتی معلومات پیش کرنے پر خوش ہے۔ سہ ماہی کے دوران، فروخت 6.80 ارب (2022: 8.59 ارب)، بعد ازنگس منافع 1.39 ارب (2022: 0.960 ارب) اور فی حصص آمدنی 3.77 (2022: 2.61) روپے ہے۔

پلانٹ کی کارکردگی

تختتمہ سہ ماہی 30 ستمبر، 2023 کے دوران، پلانٹ کا صلاحیتی محضر 33.42 فیصد (2022: 48.49 فیصد) رہا جبکہ سہ ماہی کے دوران پلانٹ کا بجلی کی پیداوار کے لئے موجود رہنے کا عنصر 81.81 فیصد (2022: 77.73 فیصد) رہا۔ سہ ماہی کے دوران کمپنی نے 144,439 میگا واٹ (2022: 209,538 میگا واٹ) بجلی پاور خریدار کو پیش کیا۔

اہم پیشرفت

ماسٹر معاہدے کے تحت کیے گئے اتفاق کے مطابق 30 جون، 2022 کو، کمپنی اور دوسرے آئی پی بیز نے معاہدے کی دوسری اور آخری قسط پہلی قسط کی وصولی کے چھ ماہ کے اندر موصول کر لی ہے جس کے بعد ماسٹر معاہدے اور پی بی اے ترمیمی معاہدے کے تحت کمپنی سمیت دیگر آئی پی بیز کی جانب سے دی گئی رعایتیں موثر ہو گئی ہیں۔

ثالثی معاہدے کے مطابق، 2002 کی پاور پالیسی والے آئی پی بیز اور GOP نے اپنے ثالثوں کو نامزد کر لیا ہے۔ دو نامزد ثالثوں نے ثالثی معاہدے کی شرائط کے مطابق تیسرے ثالث کا تقرر کر لیا ہے جو برطانیہ کی سپریم کورٹ کے سابق صدر ہیں۔ تشکیل کردہ ثالثی ٹریبونل نے ثالثی کی کارروائی شروع کر دی ہے۔ باضابطہ طور پر منظور شدہ شرائط پر مدعا علیہان اور تشکیل شدہ ٹریبونل کے دستخط ہیں۔

گردشی قرض

ماسٹر معاہدے کے تحت کی جانے والی وصولی کے باوجود گردش قرضے بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ہمیشہ ایک اہم مسئلہ رہے ہیں۔ بجلی خریدار بروقت ادائیگی کرنے کی اپنی ذمہ داری میں مسلسل ناکام ہے۔ کمپنی زائد المعیاد وصولیوں کے معاملے کو بجلی خریدار اور پرائیویٹ پاور انفراسٹرکچر بورڈ کے ساتھ بجلی خریدار معاہدے اور نفاذ معاہدے کے تحت دیے جانے والے ڈیفالٹ نوٹسز کے ذریعے اٹھائے ہوئے ہے۔ 30 ستمبر، 2023 تک، پاور خریدار سے ہمارے وصولات 15.72 ارب ہو چکے ہیں، جس میں سے 8.81 ارب زائد المعیاد ہیں۔

اظہار تشکر

مجلس انضمام اس موقع پر ہمارے قابل قدر حصص داران کا شکریہ ادا کرتی ہے جو کمپنی پر بھروسہ رکھتے ہیں اور اس کے ساتھ ساتھ کمپنی کے ملازمین کی خدمات، وفاداری، اور کوششوں کے لیے ان سے اظہار تشکر کرتی ہیں اور امید کرتی ہے کہ وہ مستقبل میں اسی طرح کام کو جاری رکھیں گے۔

بتاریخ: 12 اکتوبر، 2023

ڈائریکٹر

چیف ایگزیکٹو



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023 (UN-AUDITED)

Note	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 385,000,000 (2022: 385,000,000) ordinary shares of Rs 10 each	3,850,000	3,850,000
Issued, subscribed and paid up share capital 367,346,939 (2022: 367,346,939) ordinary shares of Rs 10 each	3,673,469	3,673,469
Revenue reserve-un-appropriated profit	21,974,161	20,588,588
TOTAL EQUITY	25,647,630	24,262,057
NON-CURRENT LIABILITIES		
Long term financing-secured	-	-
Deferred Income	-	-
	-	-
CURRENT LIABILITIES		
Trade and other payables	1,738,994	2,341,437
Accrued mark-up/profit	88,280	174,095
Short term borrowings - secured	3,889,597	975,099
Current portion of non-current liabilities	-	-
Unclaimed dividend	34,531	34,531
TOTAL LIABILITIES	5,751,402	3,525,162
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	31,399,032	27,787,219

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,567,470	9,478,782
Intangible assets		-	-
Long term loans to employees		115	288
Long term security deposits		100	100
		9,567,685	9,479,170
CURRENT ASSETS			
Stores and spares		486,844	628,913
Inventories		1,919,302	808,922
Trade debts	8	16,826,231	13,747,743
Loans, advances, deposits, prepayments and other receivables		2,209,436	1,308,745
Income tax receivable		49,715	45,597
Short term investments		333,846	361,770
Bank balances		5,973	1,406,359
		21,831,347	18,308,049
TOTAL ASSETS		31,399,032	27,787,219

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Quarter Ended	
		September 30, 2023	September 30, 2022
		(Rupees in thousand)	
Revenue From Contract With Customer		6,805,654	8,587,101
Cost of sales	9	(5,266,389)	(7,318,128)
Gross profit		1,539,265	1,268,973
Administrative expenses		(40,141)	(37,527)
Other expenses		(1,050)	(121,071)
Other operating income		28,288	39,258
Profit from operations		1,526,362	1,149,633
Finance cost		(140,719)	(189,616)
Profit before taxation		1,385,643	960,017
Taxation		(70)	-
Profit after taxation		1,385,573	960,017
Earnings per share - basic and diluted (Rupees)	10	3.77	2.61

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Quarter Ended	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Profit after taxation	1,385,573	960,017
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive income for the period	1,385,573	960,017

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Share Capital	Revenue Reserve: Un-appropriated Profit	Total Profit
	(Rupees in thousand)		
Balance as on July 1, 2022 (audited)	3,673,469	20,305,494	23,978,963
Transaction with owners:			
Final dividend for the year ended 30 June 2022 @ Rupees 10 per share	-	(3,673,469)	(3,673,469)
Profit for the period	-	960,017	960,017
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	960,017	960,017
Balance as on September 30, 2022 (un-audited)	3,673,469	17,592,042	21,265,511
Balance as on July 1, 2023 (audited)	3,673,469	20,588,588	24,262,057
Profit for the period	-	1,385,573	1,385,573
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,385,573	1,385,573
Balance as on September 30, 2023 (un-audited)	3,673,469	21,974,161	25,647,630

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Quarter Ended	
		September 30, 2023	September 30, 2022
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	11	(3,838,082)	(136,487)
Finance cost paid		(226,534)	(276,275)
Net decrease in long term loans to employees		173	173
Income tax paid		(4,188)	(8,152)
Retirement benefits paid		(2,273)	(2,116)
Profit on T-Bills received		48,042	-
Profit on bank deposit received		278	338
Net cash used in operating activities		(4,022,584)	(422,519)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(303,833)	(77,107)
Proceeds from disposal of property, plant and equipment		13,017	22
Proceeds from sale of Pakistan Investment Bonds and Government Ijara Sukuks		-	5,806,225
Proceeds from disposal of short term investments		307,263	2,747,585
Short term investments made		(308,747)	(307,263)
Net cash (used in) / generated from investing activities		(292,300)	8,169,462
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(8,608)
Dividend paid		-	(3,647,270)
Net cash used in financing activities		-	(3,655,878)
Net increase in cash and cash equivalents		(4,314,884)	4,091,065
Cash and cash equivalents at the beginning of the period		431,260	(10,830,692)
Cash and cash equivalents at the end of the period		(3,883,624)	(6,739,627)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,973	10,773
Short term borrowings - secured		(3,889,597)	(6,750,400)
		(3,883,624)	(6,739,627)

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

1 The Company and its operations

- 1.1** Nishat Chunian 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's ordinary shares are listed on the Pakistan Stock Exchange Limited. The Company was a subsidiary of Nishat (Chunian) Limited (NCL) that held 51.07% shares of the Company.
- 1.2** The Board of Directors of NCL in its meeting held on February 21, 2022 has approved a Scheme of Compromises, Arrangement and Reconstruction (Under Sections 279 to 283 and 285 of the Companies Act, 2017) amongst NCL and its members and Nishat Chunian Properties (Private) Limited (Subsidiary of NCL) and its members. One of the principal objects of the Scheme was to make NCL and Nishat Chunian Power Limited totally independent of each other by the transfer amongst the members of NCL of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by NCL. On June 29, 2022, the Honourable Lahore High Court, Lahore approved the aforesaid Scheme. The Effective Date of the Scheme for this purpose was the commencement date of book closure i.e. August 10, 2022 as announced by NCL in accordance with Pakistan Stock Exchange Limited Regulations. After the completion of necessary corporate and legal formalities in this regard, the Company ceased to be the Subsidiary of NCL with effect from August 10, 2022.
- 1.3** The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 31-Q, Gulberg II, Lahore. On November 13, 2007, the Company entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from July 21, 2010. On February 11, 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 July 20, 2021 was extended by seventy five (75) days to October 04, 2021. Therefore, the existing term of the PPA Agreement has been extended by seventy five days to twenty five years and seventy five days ending on October 04, 2035.

2 Basis of preparation

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

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



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

- ii) Provisions of and directives issued under the Companies Act, 2017.

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

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. These condensed interim financial statements are un-audited.

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 June 30, 2023.

4 Critical Accounting Estimates And Judgments

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

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

	Un-audited September 30, 2023	Audited June 30, 2023
	(Rupees in thousand)	
5 Long term financing-secured		
5.1 From Banking Companies		
Loan under SBP Refinance Scheme	-	-
Current portion shown under current liabilities	-	-
	-	-

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
5.2 The reconciliation of carrying amounts is as follows:		
Opening balance	-	17,110
Add: Interest accrued during the period / year	-	245
Less: Payments made during the period / year	-	(17,355)
	-	-
Current portion shown under current liabilities	-	-
	-	-

6 Contingencies And Commitments

6.1 Contingencies

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

	Un-audited September 30, 2023 (Rupees in thousand)	Audited June 30, 2023
6.2 Commitments		
Commitments in respect of other than capital expenditure	240,380	418,877
7 Property, plant and equipment		
Operating fixed assets (note 7.1)	8,739,339	8,792,326
Capital work-in-progress (note 7.2)	185,983	44,308
Major spare parts and standby equipment	642,148	642,148
	9,567,470	9,478,782



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Un-audited September 30, 2023	Audited June 30, 2023
	(Rupees in thousand)	
7.1 Operating fixed assets		
Opening written down value	8,792,326	9,189,900
Additions during the period/year (note 7.1.1)	162,158	369,180
	8,954,484	9,559,080
Written down value of disposals during the period/year	(10,352)	(254)
	8,944,132	9,558,826
Depreciation charged during the period/year	(204,793)	(766,500)
	8,739,339	8,792,326
7.1.1 Following is the detail of additions during the period/year		
Freehold land	-	-
Building on freehold land	-	-
Plant and machinery	143,820	358,691
Electric installations	792	295
Computer equipment	-	2,478
Office equipment	33	1,060
Furniture and fixtures	-	-
Vehicles	17,513	6,656
	162,158	369,180
7.2 Capital work-in-progress		
Advance for purchase of vehicle	-	-
Plant and machinery	185,983	44,308
	185,983	44,308
8 Trade debts		
Other than related parties - considered good	16,826,231	13,747,743



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

- 8.1** These represent trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free, however, delayed payment mark-up at the rate of three months KIBOR plus 2.00% per annum for first sixty days and three months KIBOR plus 4.50% per annum after first sixty days, each compounded semi-annually, is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the period on outstanding amounts ranged from 20.20% to 27.40% (June 30, 2023: 16.80% to 26.58%) per annum.
- 8.2** An amount of Rupees 966.166 million was included in trade debts in previous years relating to capacity revenue not acknowledged by NTDC/CPPA-G. During the year ended June 30, 2023 the Company and CPPA-G have jointly made submissions before the Honourable Lahore High Court for the withdrawal of the enforcement proceedings. Resultantly, on January 12, 2023 the Honourable Lahore High Court has allowed the Company and CPPA-G to withdraw the enforcement proceedings.

	Un-audited	
	Quarter Ended	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
9 Cost of sales		
Raw material consumed	4,781,608	6,871,252
Salaries and other benefits	41,763	37,207
Store, spares and loose tools consumed	89,961	68,526
Electricity consumed in - house	7,963	3,851
Insurance	104,728	76,250
Travelling and conveyance	10,645	8,826
Postage and telephone	1,600	1,269
Repair & Maintenance	11,473	5,595
Entertainment	-	41
Depreciation on operating fixed assets	202,320	231,798
Amortization on Intangible	-	-
Fee & Subscription	6,337	4,897
Miscellaneous	7,991	8,616
	5,266,389	7,318,128



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

Un-audited
Quarter Ended
September 30, September 30,
2023 2022
(Rupees in thousand)

10 Basic and Diluted earnings per share		
Net profit for the period (Rupees in thousand)	1,385,573	960,017
Weighted average number of ordinary shares (Numbers)	367,346,939	367,346,939
Earnings per share (Rupees)	3.77	2.61
11 Cash used in operations		
Profit before taxation	1,385,643	960,017
Adjustment for non-cash charges and other items:		
- Depreciation on operating fixed assets	204,793	233,916
- Amortization of deferred grant	-	(169)
- Gain on disposal of operating fixed assets	(2,665)	(22)
- Profit on bank deposits	(278)	(338)
- Profit on term deposits receipts	-	(7,518)
- Profit accrued on the T-Bills	(14,073)	(4,814)
- Unrealized (gain)/loss on remeasurement of investment at fair value through profit or loss	(4,561)	3,356
- Provision for employee retirement benefits	2,273	2,116
- Finance cost	140,719	193,385
- Loss on disposal of financial instruments	-	41,446
Cash flows generated from operating activities before working capital changes	1,711,851	1,421,375
Effect on cash flow due to working capital changes: (Increase)/ decrease in current assets:		
- Stores and spares	142,069	(34,574)
- Inventories	(1,110,380)	881,012
- Trade debts	(3,078,488)	(2,617,397)
- Loans, advances, deposits, prepayments and other receivables	(900,691)	(393,893)
	(4,947,490)	(2,164,852)
Increase/(decrease) in current liabilities:		
Trade and other payables	(602,443)	606,990
	(5,549,933)	(1,557,862)
	(3,838,082)	(136,487)



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

12 Transactions with related parties

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

	Un-audited Quarter Ended	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
i) Transactions:		
Former Holding company*		
Common facilities cost	-	2,129
Reimbursement of expenses	-	227
Associated Company		
Common facilities cost	4,950	2,821
Reimbursement of expenses	701	194
Associated company of former holding company*		
Donation Paid	-	72,500
Key management personnel of the Company and former holding company*		
Remuneration	17,921	11,578
Long term loan repayment	173	173
Mark up on loans	24	25
Other related party		
Consultancy charges	12,067	11,908
Post employment benefit plan		
Company's contribution to provident fund trust	2,273	2,116

* Nishat Chunian Limited ceased to be the holding company and became an associated company on the basis of common directorship with effect from August 10, 2022.



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Un-audited September 30, 2023	Audited June 30, 2023
	(Rupees in thousand)	
ii) Period end balances:		
Other related parties		
Loan to key management personnel	808	981

13 Recognized fair value measurements - Financial instruments

(i) Fair value hierarchy

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

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

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

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

(ii) **Valuation techniques used to determine fair values**

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

14 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 June 30, 2023.

15 Corresponding Figures

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

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

16 Date of authorization for issue

These condensed interim financial statements were authorized for issue on October 12, 2023 by the Board of Directors of the Company.

17 General

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR





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