

NISHAT POWER LIMITED



NISHAT GROUP

NPL-PSX/

February 28, 2024

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

SUB: **SUBMISSION OF FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

Dear Sir,

We have to inform you that the financial statements of Nishat Power Limited for the half year ended December 31, 2023 are being 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**



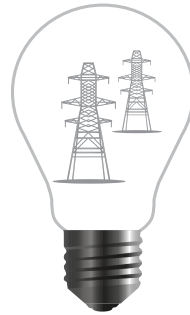
N I S H A T

NISHAT POWER LIMITED

HALF YEARLY REPORT

FOR THE PERIOD ENDED 31, DECEMBER

2023



ENLIGHTEN THE FUTURE





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▶ CORPORATE PROFILE

BOARD OF DIRECTORS

Mian Hassan Mansha.....Chairman
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 Maqbool.....Member / Chairman
Ms. Maleeha Humayun Bangash.....Member
Mr. Muhammad Aqib Zulfiqar..... Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Hassan Mansha.....Member
Ms. Maleeha Humayun Bangash...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

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 half year ended December 31, 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 12,221 million (December 2022: Rs 13,690 million) against operating cost of Rs 10,008 million (December 2022: Rs 11,383 million) resulting in a gross profit of Rs 2,213 million (December 2022: Rs 2,307 million). The current period's net profit after tax amounts to Rs 2,316 million resulting in earnings per share of Rs 6.54 compared to previous period's profit after tax of Rs 2,043 million and earnings per share of Rs 5.77.

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 December 31, 2023 stand at Rs 15,030 million (June 30, 2023: Rs. 14,830 million), out of which overdue receivables are Rs.13,223 million (June 30, 2023: Rs 7,911 million).

OPERATIONAL RESULTS:

The plant operated at an optimal efficiency with 29.51% (December 2022: 36.06%) average capacity factor and dispatched 255 GWh (December 2022: 311 GWh) of electricity to the Power Purchaser, during the period.

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. Humayun Maqbool (Independent Director) -Chairman
2	Ms. Maleeha Humayun Bangash (Independent Director)
3	Mr. Muhammad Aqib Zulfiqar (Non-Executive Director)

Human Resource and Remuneration Committee:

Sr. #	Name of Directors
1	Ms. Maleeha Humayun Bangash (Independent Director)- Chairperson
2	Mian Hassan Mansha (Non-Executive Director)
3	Mr. Ghazanfar Hussain 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 11 of the annexed condensed interim financial statements.


DIVIDEND:

The Board of Directors have approved an interim cash dividend of 25% i.e. Rupees 2.5 per share amounting to Rs 885.221 million for the period ended December 31, 2023.

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 hopes 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

Lahore: February 22, 2024



DIRECTOR

مجلس نظماء کی رپورٹ

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظماء 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لئے کمپنی کے منجملہ عبوری مالی معلومات مع اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی ہمہ 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 10,008 ملین روپے (دسمبر 2022: 11,383 ملین روپے) کی آپریٹنگ لاگت کے عوض 12,221 ملین روپے (دسمبر 2022: 13,690 ملین روپے) وصولیاں ہوئیں تھیں، جس کے نتیجے میں 2,213 ملین روپے (دسمبر 2022: 2,307 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 2,043 ملین روپے اور 5.77 روپے فی شیئر آمدنی کے مقابلہ میں 2,316 ملین روپے اور 6.54 روپے فی شیئر آمدنی رہا ہے۔

پاور پراجیکٹ اپنی ادائیگی کی ذمہ داریوں پر مسلسل نادرہنگی پر کار بند ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے اور Implementation Agreement کے تحت پاور پراجیکٹ اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ (پی پی آئی بی) کے ہاں معاملہ اجاگر کیا ہے۔

31 دسمبر 2023 کو بجلی کے خریدار سے کل واجب وصولی 15,030 ملین روپے (30 جون 2023: 14,830 ملین روپے) ہے، جن میں سے 13,223 ملین روپے (30 جون 2023: 7,911 ملین روپے) کی واجب الوصول رقم زائد المعیاد ہے۔

کاروباری نتائج:

موجودہ مدت کے دوران پلانٹ زیادہ سے زیادہ باکفایت کارکردگی پر چلایا گیا اور پاور پراجیکٹ کو اوسط کپیسٹی عنصر 29.51 فیصد (دسمبر 2022: 36.06 فیصد) صلاحیت کے ساتھ 255 GWh (دسمبر 2022: 311 GWh) بجلی ترسیل کی گئی۔

بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد

6 مرد (a)

1 عورت (b)

ترتیب

2 آزاد ڈائریکٹرز (i)

4 دیگر نان ایگزیکٹو ڈائریکٹرز (ii)

1 ایگزیکٹو ڈائریکٹرز (iii)

بورڈ کی کمیٹیاں
بورڈ کی آڈٹ کمیٹی

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

ہیومن ریسورس اینڈ ریمیزیشن کمیٹی:

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

ڈائریکٹرز کا مشاہرہ:

کمپنی ز آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو اجلاس فیس کے علاوہ مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے مشاہرہ کی مجموعی رقم منسلکہ غیر منقولہ محمد عبوری مالی حسابات کے نوٹ 11 میں منکشف کی گئی ہے۔

منافع منقسمہ

مجلس نظمہ نے 25 فیصد عبوری نقد منافع منقسمہ یعنی کہ 2.5 روپے فی عام حصص 885.221 ملین روپے رقم کی منظوری کی 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: 22 فروری 2024ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat Power Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of NISHAT POWER LIMITED as at 31 December 2023 and the related 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, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Atif Anjum.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 22 February 2024

UDIN: RR202310132IRV86NH5u

**CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION (Un-audited)**
AS AT 31 DECEMBER 2023

	Un-audited 31 December 2023	Audited 30 June 2023
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 500,000,000 (30 June 2023: 500,000,000) ordinary shares of Rupees 10 each	5,000,000	5,000,000
Issued, subscribed and paid-up share capital 354,088,500 (30 June 2023: 354,088,500) ordinary shares of Rupees 10 each	3,540,885	3,540,885
Capital reserve - maintenance reserve	2,265,648	2,636,469
Revenue reserve - un-appropriated profit	25,329,986	23,705,660
TOTAL EQUITY	31,136,519	29,883,014
LIABILITIES		
NON-CURRENT LIABILITY		
	-	-
CURRENT LIABILITIES		
Trade and other payables	1,167,484	1,471,262
Short term borrowings - secured	3,169,953	-
Accrued mark-up	8,053	5,101
Unclaimed dividend	23,455	22,238
TOTAL LIABILITIES	4,368,945	1,498,601
CONTINGENCIES AND COMMITMENTS	4	
TOTAL EQUITY AND LIABILITIES	35,505,464	31,381,615

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

Sharwan K. Mishra

CHIEF EXECUTIVE



		Un-audited 31 December 2023	Audited 30 June 2023
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	8,534,434	8,573,425
Intangible asset		-	-
Long term investment	6	-	-
Long term loans to employees		5,520	7,887
		<u>8,539,954</u>	<u>8,581,312</u>
CURRENT LIABILITIES			
Stores, spares and loose tools		903,152	987,692
Inventories		2,039,778	1,546,686
Trade debts	7	14,359,722	14,152,106
Loans, advances, deposits, prepayments and other receivables		1,162,697	1,294,644
Advance income tax - net of provision for taxation		35,842	58,462
Short term investments		5,164,822	-
Cash and bank balances		3,299,497	4,760,713
		<u>26,965,510</u>	<u>22,800,303</u>
TOTAL ASSETS		<u><u>35,505,464</u></u>	<u><u>31,381,615</u></u>



DIRECTOR

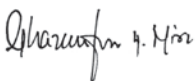


CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Note	(Rupees in thousand)			
REVENUE FROM CONTRACT WITH CUSTOMER	12,221,347	13,689,866	2,433,428	2,242,268
COST OF SALES	(10,008,473)	(11,383,329)	(1,617,846)	(1,049,944)
GROSS PROFIT	2,212,874	2,306,537	815,582	1,192,324
ADMINISTRATIVE EXPENSES	(215,854)	(181,315)	(108,744)	(89,231)
OTHER EXPENSES	-	(70,670)	-	-
	(215,854)	(251,985)	(108,744)	(89,231)
	1,997,020	2,054,552	706,838	1,103,093
OTHER INCOME	382,419	48,876	213,405	27,300
PROFIT FROM OPERATIONS	2,379,439	2,103,428	920,243	1,130,393
FINANCE COST	(10,157)	(59,787)	(8,422)	(29,888)
PROFIT BEFORE TAXATION	2,369,282	2,043,641	911,821	1,100,505
TAXATION	(53,511)	(308)	(53,394)	(308)
PROFIT AFTER TAXATION	2,315,771	2,043,333	858,427	1,100,197
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	6.54	5.77	2.42	3.11

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 HALF YEAR ENDED 31 DECEMBER 2023**

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Rupees in thousand)			
PROFIT AFTER TAXATION	2,315,771	2,043,333	858,427	1,100,197
OTHER COMPREHENSIVE INCOME:				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,315,771	2,043,333	858,427	1,100,197

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



CHIEF EXECUTIVE



DIRECTOR

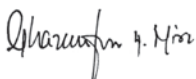


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	SHARE CAPITAL	CAPITAL RESERVE - MAINTENANCE RESERVE	REVENUE RESERVE - UN-APPROPRIATED PROFIT	TOTAL EQUITY
	(Rupees in thousand)			
Balance as at 30 June 2022 - audited	3,540,885	3,153,633	21,399,042	28,093,560
Transactions with owners:				
Final dividend for the year ended 30 June 2022 @ Rupees 2.5 per share	-	-	(885,221)	(885,221)
Interim dividend for the quarter ended 30 September 2022 @ Rupees 2.0 per share	-	-	(708,177)	(708,177)
	-	-	(1,593,398)	(1,593,398)
Profit for the period	-	-	2,043,333	2,043,333
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,043,333	2,043,333
Transfer of maintenance reserve	-	(180,555)	180,555	-
Balance as at 31 December 2022 - un-audited	3,540,885	2,973,078	22,029,532	28,543,495
Transaction with owners:				
Interim dividend for the half year ended 31 December 2022 @ Rupees 2.0 per share	-	-	(708,177)	(708,177)
Profit for the period	-	-	2,047,696	2,047,696
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,047,696	2,047,696
Transfer of maintenance reserve	-	(336,609)	336,609	-
Balance as at 30 June 2023 - audited	3,540,885	2,636,469	23,705,660	29,883,014
Transaction with owners:				
Final dividend for the year ended 30 June 2023 @ Rupees 3.0 per share	-	-	(1,062,266)	(1,062,266)
Profit for the period	-	-	2,315,771	2,315,771
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,315,771	2,315,771
Transfer of maintenance reserve	-	(370,821)	370,821	-
Balance as at 31 December 2023 - un-audited	3,540,885	2,265,648	25,329,986	31,136,519

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



CHIEF EXECUTIVE



DIRECTOR



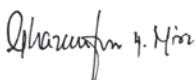
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM
STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

		HALF YEAR ENDED	
		31 December 2023	31 December 2022
		(Rupees in thousand)	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	9	1,639,146	81,714
Finance cost paid		(7,205)	(113,218)
Income tax paid		(30,891)	(2,766)
Long term loans - net		2,367	(2,695)
Net cash from / (used in) operating activities		1,603,417	(36,965)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(374,453)	(275,246)
Short term investments made		(156,452,874)	(36,510)
Proceeds from sale of short term investments		151,507,427	5,662,641
Interest received		142,012	14,776
Proceeds from disposal of operating fixed assets		4,351	288
Net cash (used in) / from investing activities		(5,173,537)	5,365,949
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(36,903)
Dividend paid		(1,061,049)	(1,591,906)
Net cash used in financing activities		(1,061,049)	(1,628,809)
Net (decrease) / increase in cash and cash equivalents		(4,631,169)	3,700,175
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	10	129,544	(280,643)

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1 THE COMPANY AND ITS OPERATIONS

- 1.1. Nishat Power Limited (the 'Company') is a public company limited by shares incorporated in Pakistan on 23 February 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 08 June 2021 was extended by sixty eight (68) days to 15 August 2021.

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:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- 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, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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. CONTINGENCIES AND COMMITMENTS

4.1. Contingencies

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

- i) On 28 April 2022, National Electric Power Regulatory Authority (NEPRA) issued a notice of hearing to all the RFO based IPPs under the 2002 Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. The Company vide its letter dated 16 May 2022 replied to NEPRA to refrain from re-initiating the subject proceedings which has already been finalized and implemented by NEPRA vide its letter dated 01 September 2021. Contrary to the reply of the Company, NEPRA held its hearing on 17 May 2022 and verbally directed to the Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, the Company filed a petition in Honourable Lahore High Court, Lahore (LHC) on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. LHC vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although CV adjustment is computed on the basis of average of two CV results, the said CV adjustment shall be subject to the final outcome of the suit pending before LHC. NEPRA has set out further amendment (change of one of the labs) in methodology for CV adjustment, however the Company, during the reporting period, has replied to NEPRA that aforementioned matter, being similar in nature, is sub judice before LHC. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of the Company. Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these condensed interim financial statements.
- ii) On 31 August 2016, Additional Commissioner Inland Revenue (ACIR) passed an amendment order under section 122(5A) of the Income Tax Ordinance, 2001 relating to tax year 2014 whereby tax demand aggregating to Rupees 107.822 million has been raised on various issues. Being aggrieved with the order of ACIR, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 23 September 2016. CIR(A) passed an order on 29 November 2016 whereby relief was granted on various issues whereas matter relating to disallowance of tax credit under section 65B of the Income Tax Ordinance, 2001 was decided against the Company. Being aggrieved with the order of CIR(A), both department and the Company preferred appeals before Appellate Tribunal Inland Revenue (ATIR) on 11 December 2016 and 18 January 2017 respectively. On 12 October 2023, ATIR dismissed the department appeal on the issues taken up by the department. Whereas, on 14 September 2023, ATIR passed an order on Company's appeal and remanded back the case to assessing officer for fresh consideration. Department has not initiated the remand back proceedings as there were certain apparent factual/legal omissions in the order dated 14 September 2023. The Company has filed a rectification application before ATIR, however, the rectification application has not been taken up for hearing by ATIR to-date.

Based on the advise of tax advisor, the management is confident of favorable outcome the matter. Therefore, no provision has been made in these condensed interim financial statements.

- iii) The banks have issued the following on behalf of the company:
- a) Guarantees of Rupees 11.5 million (30 June 2023: Rupees 11.5 million) and Rupees 27.5 million (30 June 2023: Rupees 22.4 million) are given by the banks of the Company 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.
- b) Guarantee of Rupees Nil (30 June 2023: Rupees 500 million) is given by the banks of the Company in favour of Pakistan State Oil against purchase of fuel.
- c) Guarantee of Rupees 0.6 million (30 June 2023: Rupees 31.61 million) is given by the banks of the Company in favour of Collector of Customs, Karachi under directions of Sindh High Court in respect of suit filed for concessionary rate of duty under Customs Act, 1969.

4.2. Commitments

- i) Letters of credit and contracts for other than capital expenditure aggregating to Rupees 55.920 million (30 June 2023: Rupees 407.370 million).

	Note	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
5. FIXED ASSETS			
Operating fixed assets	5.1	8,411,950	8,090,979
Capital work-in-progress	5.2	-	76,878
Major spare parts and standby equipment		122,484	405,568
		<u>8,534,434</u>	<u>8,573,425</u>
5.1. Operating fixed assets			
Opening book value		8,090,979	8,087,216
Add: Cost of additions during the period / year	5.1.1	734,415	757,247
Less: Book value of disposals / derecognitions during the period / year	5.1.2	(4,351)	(257)
Less: Depreciation charged during the period / year		(409,093)	(753,227)
		<u>8,411,950</u>	<u>8,090,979</u>
5.1.1 Cost of additions			
Building		1,878	-
Plant and machinery		644,908	734,003
Computer equipment		2,174	8,619
Furniture and fixtures		55	526
Office equipment		307	1,010
Vehicles		85,093	13,089
		<u>734,415</u>	<u>757,247</u>

	Un-audited 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
5.1.2 Book value of disposals / derecognitions during the period / year		
Computer equipment	202	23
Office equipment	-	234
Vehicles	4,149	-
	<u>4,351</u>	<u>257</u>
5.2. Capital work-in-progress		
Civil works	-	1,878
Advances for purchase of vehicle	-	75,000
	<u>-</u>	<u>76,878</u>
6. LONG TERM INVESTMENT		
6.1 Investment in Nishat Energy Limited		
250,000 (30 June 2023: 250,000) fully paid ordinary shares of Rupees 10 each [Equity held 25% (30 June 2023: 25%)] - Cost	-	-

The Company directly holds 250,000 fully paid ordinary shares of Rupees 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 31 December 2023 (Rupees in thousand)	Audited 30 June 2023
7. TRADE DEBTS		
Other than related parties - considered good	<u>14,359,722</u>	<u>14,152,106</u>

7.1. 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 21.08% to 27.88% (30 June 2023: 16.70% to 26.58%) per annum. Trade debts include unbilled receivables of Rupees 2,198.241 million (30 June 2023: Rs 6,079.987 million).

(Un-audited)		(Un-audited)	
HALF YEAR ENDED		QUARTER ENDED	
31 December 2023	31 December 2022	31 December 2023	31 December 2022

(Rupees in thousand)

8. COST OF SALES

Raw materials consumed	8,513,733	10,207,585	954,075	531,663
Salaries and other benefits	183,110	157,564	90,443	77,108
Repairs and maintenance	24,674	20,736	21,315	15,647
Stores, spares and loose tools consumed	552,672	370,848	192,846	131,100
Electricity consumed in-house	36,097	28,421	25,444	24,153
Insurance	228,111	181,006	113,822	90,864
Travelling and conveyance	36,265	20,688	24,629	12,571
Printing and stationery	532	650	204	299
Postage and telephone	466	424	324	164
Vehicle running expenses	5,762	4,534	2,767	2,198
Entertainment	527	1,004	76	445
Depreciation on operating fixed assets	374,076	347,393	164,545	141,132
Fee and subscription	3,786	2,705	1,967	1,249
Miscellaneous	48,662	39,771	25,389	21,351
	<u>10,008,473</u>	<u>11,383,329</u>	<u>1,617,846</u>	<u>1,049,944</u>

(Un-audited)	
HALF YEAR ENDED	
31 December 2023	31 December 2022

(Rupees in thousand)

9. CASH GENERATED FROM OPERATIONS

Profit before taxation	2,369,282	2,043,641
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	409,093	378,945
Profit on bank deposits	(132,607)	(20,906)
Finance cost	10,157	59,787
(Gain) / loss on sale of short term investments	(219,375)	70,470
Exchange gain	(5,153)	(3,295)
Gain on disposal of operating fixed assets	-	(28)
Cash flows from operating activities before working capital changes	<u>2,431,397</u>	<u>2,528,614</u>
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	84,540	(31,759)
Inventories	(493,092)	1,383,685
Trade debts	(207,616)	(4,420,263)
Loans, advances, deposits, prepayments and other receivables	122,542	636,647
	(493,626)	(2,431,690)
Decrease in trade and other payables	(298,625)	(15,210)
	<u>1,639,146</u>	<u>81,714</u>

Un-audited
31 December
2023
(Rupees in thousand)

Audited
30 June
2023

10. CASH AND CASH EQUIVALENTS

Cash and bank balances	3,299,497	563,778
Short term borrowings - secured	(3,169,953)	(844,421)
	129,544	(280,643)

11. 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)		(Un-audited)	
		HALF YEAR ENDED		QUARTER ENDED	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Nature of relationship	Nature of transactions	(Rupees in thousand)			
i) Holding company	Dividends paid	541,899	812,848	541,899	812,848
ii) Entities on the basis of common directorship	Purchases of goods and services	84,346	64,358	47,563	36,470
	Rental expense	-	864	-	-
	Insurance premium paid	226,953	180,109	112,949	90,290
iii) Group entity	Profit on deposit accounts	100,954	19,070	67,437	10,774
	Profit on term deposit receipts	70,092	-	26,061	-
	Insurance premium paid	5,253	4,380	2,810	2,196
iv) Post employment benefit plan	Expense charged in respect of retirement benefit plan	18,350	15,569	9,126	7,743
v) Key management personnel	Remuneration	14,262	12,860	6,639	6,854

Un-audited
31 December
2023
(Rupees in thousand)

Audited
30 June
2023

Period end balances:

Payable to related parties		
- Entities on the basis of common directorship	1,660	59
Bank deposits with related parties		
- Group entity	2,745,867	2,711,741
Receivable from related parties		
- Entities on the basis of common directorship	2,218	4,304
- Group Entity	2,888	66,180

12. 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 condensed interim 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 31 December 2023	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				

Financial asset

Financial asset at fair value through profit or loss	-	5,164,822	-	-
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Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				

Financial asset

Financial asset at fair value through profit or loss	-	-	-	-
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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.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives 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 maximise 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.

(ii) **Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include the use of specific dealer quotes for similar instruments.

13. 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.

14. EVENT AFTER THE REPORTING PERIOD

The Board of Directors has approved an interim cash dividend for the period ended 31 December 2023 of Rupees 2.50 per share at their meeting held on 22 February 2024. These condensed interim financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

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.

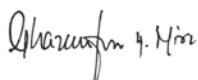
Corresponding figures have been re-arranged and reclassified, wherever necessary for the purpose of comparison, however, no significant re-arrangements and reclassifications have been made in these condensed interim financial statements.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 22 February 2024.

17. 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

NISHAT POWER LIMITED

53-A, Lawrence Road, Lahore.

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