



**NISHAT
CHUNIAN**
POWER LTD.

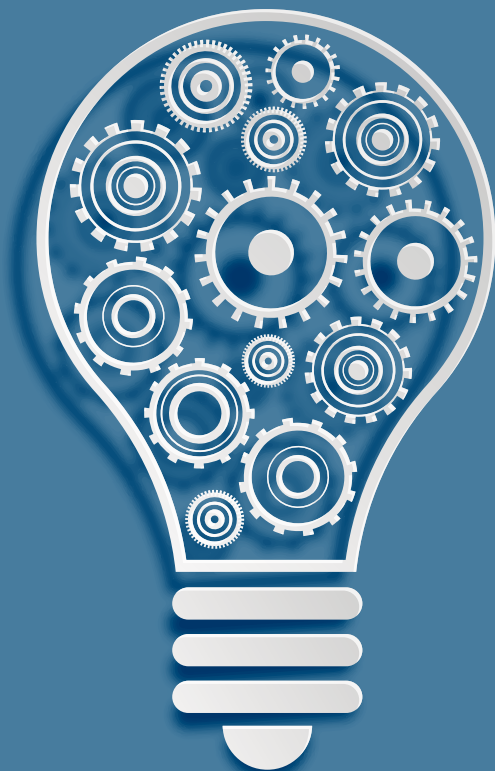
**Condensed Interim Financial Information
for the Quarter and Nine Months Ended March 31,**

2025

(Un-audited)

Contents

Company Information	02
Directors' Review Report	04
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flows	11
Selected Notes to the Condensed Interim Financial Statements	12



Company Information

BOARD OF DIRECTORS:

Mr. Hassan Mansha
Director (Appointed on 06-02-2025)
Mr. Ghazanfar Husain Mirza
Chairman
Mr. Farrukh Ifzal
Chief Executive Officer
Mr. Aftab Ahmad Khan
Director
Ms. Leila Khan
Director
Mr. Sheikh Muhammad Iqbal
Director
Mr. Mustaqeem Talish
Director
Mr. Rehmat Naveed Elahi
Director (Resigned on 27-01-2025)

AUDIT COMMITTEE:

Mr. Sheikh Muhammad Iqbal
Chairman
Mr. Aftab Ahmad Khan
Member
Mr. Mustaqeem Talish
Member

HR & R COMMITTEE:

Mr. Hassan Mansha
Member
Sheikh Muhammad Iqbal
Chairman
Mr. Mustaqeem Talish
Member

CHIEF EXECUTIVE OFFICER:

Mr. Farrukh Ifzal

CHIEF FINANCIAL OFFICER:

Mr. Tanvir Khalid

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
The Bank of Punjab
United Bank Limited
Faysal Bank Limited

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

LEGAL ADVISER: **RMA & Co.**
Advocates & Legal Consultants

REGISTERED & HEAD OFFICE: 59, Shadman Colony-II, Shadman
Lahore, Pakistan.
Ph: 042-35761730
Fax: 042-35878696-97
www.ncpower.com.pk

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 Road, Pattoki Kasur.



DIRECTORS' REVIEW REPORT

Dear Shareholders

The Board is pleased to present the company's condensed interim un-audited financial information for the period ended March 31, 2025. During the period under review, turnover was PKR 4,032 million (2024: PKR 12,479 million). Although the company earned an operating profit of PKR 2,405 million (2024: PKR 4,074 million), however due to adjustments (note 10) as per the Amendment Agreement ('AA') signed along with other IPPs, after discussion with the Task Force constituted by the Prime Minister of Pakistan, there is a net loss after tax of PKR 3,281 million (2024: PKR 3,847 million net profit after tax) resulting in a loss per share of PKR 8.93 (2024: EPS PKR 10.48).

Plant Performance

During the 9 months ended March 31, 2025, the plant's capacity factor was 1.61% (2024: 15.64%) with an availability factor of 99.7% (2024: 91.9%). The Company dispatched 20,762 MWH (2024: 204,216 MWH) to Power Purchaser during this period.

Significant Development

The company along with other IPPs held several round of discussions with the Task Force constituted by the Prime Minister of Pakistan to address the power sector issues. The changes in the contractual framework, as proposed by the Task Force was captured in the AA that was approved by the Board of Directors of the Company and the Federal Cabinet and signed by all the parties on Feb 28, 2025. These amendments along with other changes resulted in conversion of existing tariff to 'Hybrid Take and Pay' model. During the reporting period, the Agreement has been formally executed and the payment of outstanding receivables as per the AA has been received on 27-Mar-2025.

Further, pursuant to the aforesaid AA, The Arbitration Submission Agreement (ASA) dated 15th June 2022, is deemed terminated, and the undertaking dated 15th November 2021, given by the Company for retention of its receivables, shall be released by the CPPA/GOP. The GoP and the Company shall send a joint communication to the tribunal established under the ASA for termination/relinquishment of the arbitration.

Please refer to Note 1.3 of the condensed interim financial statements for further details.

Circular Debt

Circular Debt has been a major issue in previous years for companies operating in the power sector. The Power Purchaser continued its default on its obligation to make timely payments. During the period, the company has executed the AA, whereby it was agreed that all outstanding dues of the company as at October 31, 2024 shall be paid to the company after adjustments (if any) within 90 days of approval from the Federal Cabinet, which shall be full and final settlements of the past payables and claims of the company.

During the reporting period, the payment of outstanding receivable as per the AA has been received.

As of March 31, 2025, the total receivable from the power purchaser is PKR 1.59 billion (2024: PKR 13.17 billion).

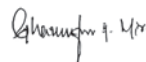
Acknowledgment

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: 25-04-2025



Chief Executive



Director



مختصر حصص داران

مجلس نظماء 31 مارچ 2025 کو ختم ہونے والی نو ماہی کے لئے کمپنی کی عبوری غیر محاسب شدہ مالی معلومات پیش کرنے پر خوشی ہے۔ نو ماہی کے دوران کاروباری حجم 4,032 ملین روپے (2024: 12,479 ملین روپے) رہا۔ اگرچہ کمپنی نے نو ماہی کے دوران 2,405 ملین روپے کا آپریٹنگ منافع حاصل کیا (2024: 4,074 ملین روپے) تاہم، وزیراعظم پاکستان کی تشکیل کردہ ٹاسک فورس کے ساتھ تبادلہ خیال کے بعد اور ترمیمی معاہدے (اے اے) جو دیگر آئی بی بیز کے ساتھ مل کر کیا گیا کے تحت کی گئی ایڈجسٹمنٹس کی بدولت، کمپنی کو بعد از حصول 3,281 ملین روپے کا نقصان (2024: 3,847 ملین روپے) بعد از حصول منافع) ہوا، جس کے نتیجے میں فی حصص نقصان 8.93 روپے (2024: فی حصص آمدنی 10.48 روپے) رہا۔

کارکردگی

31 مارچ 2025 کو ختم ہونے والی نو ماہی کے دوران، پلانٹ کی صلاحیتیں 1.61 فیصد (2024: 15.64 فیصد) رہا جس میں دستیابی کا عنصر 99.7 فیصد (2024: 91.9 فیصد) رہا۔ کمپنی نے اس عرصے کے دوران بجلی کے خریدار کو 20,762 میگا واٹ (2024: 2,216 میگا واٹ) بیچی۔

اہم پیش رفت

کمپنی نے دیگر آئی بی بیز کے ساتھ مل کر وزیراعظم پاکستان کی تشکیل کردہ ٹاسک فورس کے ساتھ بجلی کے شعبے کے مسائل کے حل کے لیے کئی مذاکرات کیے۔ ٹاسک فورس کی تجویز کے مطابق معاہدے کے فریم ورک میں تبدیلیاں (اے اے) میں شامل کی گئیں جسے کمپنی کے پورڈ آف ڈائریکٹرز اور وفاقی کابینے نے منظور کیا اور 28 فروری 2025 کو تمام فریقین نے دستخط کیے۔ دیگر تبدیلیوں کے ساتھ ان ترمیم کے نتیجے میں موجودہ ٹیرف کو 'لہا تہر' تک ایک اینڈ پے ماڈل میں تبدیل کر دیا گیا۔ زبر جائزہ مدت کے دوران، معاہدے پر باضابطہ طور پر عمل درآمد کیا گیا ہے اور اسے کے مطابق بتایا جیسا ویلیاں 27 مارچ 2025 کو موصول ہو گئی ہے۔

مزید برآں، مذکورہ بالا معاہدتی معاہدے (اے اے) کے تحت، جو 15 جون 2022 کا تالیف کے لیے پیش کردہ معاہدہ (اے ایس اے) ختم تصور کیا جائے گا، اور کمپنی کی جانب سے مؤرخہ 15 نومبر 2021 کو اپنی واجب الوصول قوم کی توجیل کے لیے دی گئی ضمانت کو CPPA / حکومت پاکستان (GoP) کی جانب سے ختم کر دیا جائے گا۔ حکومت پاکستان اور کمپنی مشترکہ طور پر اے ایس اے کے تحت قائم کردہ ٹریبل کوٹا شی کے خاتمے / دستبرداری کے بارے میں مطلع کریں گے۔ مزید تفصیلات کے لئے براہ مہربانی عبوری مالی گوشواروں کے نوٹ 1.3 سے رجوع کریں۔

گردشی قرضے


گزشتہ برسوں میں گردشی قرضہ توانائی کے شعبے میں کام کرنے والی کمپنیوں کے لیے ایک سنگین مسئلہ رہا ہے۔ بجلی خریدنے والے ادارے نے بروقت ادائیگی کی اپنی ذمہ داری کو مسلسل نظر انداز کیا۔ اس دوران کمپنی نے معاہدتی معاہدہ (اے اے) پر عملدرآمد کیا جس کے تحت یہ طے پایا کہ کمپنی کے 31 اکتوبر 2024 تک کے تمام بقایا جات ضروری روپوں (اگر کوئی ہو) کے بعد وفاقی کابینے کی منظوری کے 90 دن کے اندر ادا کیے جائیں گے، اور یہ ادائیگی کمپنی کے سابقہ تمام واجبات اور وصولیوں کا مکمل اور حتمی تصفیہ شمار ہوگی۔ رپورٹنگ کے عرصے کے دوران، معاہدتی معاہدے (اے اے) کے تحت واجب الادا رقم کی ادائیگی موصول ہو چکی ہے۔


31 مارچ 2025 تک بجلی خریدنے والے ادارے سے وصولی کی کل واجب الادا رقم 1.59 ارب روپے ہے (2024: 13.17 ارب روپے)۔

اظہار تشکر

مجلس نظماء اس موقع پر ہمارے قابل قدر حصص داران کا شکریہ ادا کریں گے جو ہماری کمپنی پر اعتماد رکھتے ہیں اور کمپنی کے ملازمین کی خدمات، وفاداری اور کوششوں کے لئے اپنی تعریف کا اظہار کرنا چاہتے ہیں اور امید کرتے ہیں کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔

تاریخ: 25 اپریل 2025


ڈائریکٹر


چیف ایگزیکٹو آفیسر



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025 (UN-AUDITED)

	Note	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 385,000,000 (2024: 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 (2024: 367,346,939) ordinary shares of Rs 10 each		3,673,469	3,673,469
Revenue reserve-un-appropriated profit		15,790,146	25,500,900
Capital reserve - Overhauling Reserve	5	4,592,540	-
Total equity		24,056,155	29,174,369
NON-CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Trade and other payables		340,169	2,653,700
Accrued mark-up/profit		289	1,439
Short term borrowings - secured		-	123,281
Unclaimed dividend		40,164	33,900
		380,622	2,812,320
CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		24,436,777	31,986,689

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025 (UN-AUDITED)

	Note	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,666,656	9,120,118
Intangible assets		-	-
Long term loans to employees		572	-
Long term security deposits		100	100
		8,667,328	9,120,218
CURRENT ASSETS			
Stores and spares		965,481	848,344
Inventories		1,723,982	2,298,214
Trade debts	8	1,585,004	13,170,211
Loans, advances, deposits, prepayments and other receivables		1,054,066	1,872,427
Income tax receivable		77,178	77,046
Short term investments		4,619,774	2,883,975
Bank balances		5,743,964	1,716,254
		15,769,449	22,866,471
TOTAL ASSETS		24,436,777	31,986,689

Gharunghar Singh

DIRECTOR



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

Note	Quarter Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue From Contract				
With Customer	1,248,222	3,757,260	4,031,553	12,479,929
Cost of sales	9 (782,726)	(2,436,125)	(1,930,414)	(8,510,553)
Gross profit	465,496	1,321,135	2,101,139	3,969,376
Administrative expenses	(105,562)	(52,714)	(238,409)	(131,540)
Other expenses	(5,046)	-	(10,549)	-
Other operating income	127,780	160,915	553,764	235,712
Profit from operations	482,668	1,429,336	2,405,945	4,073,548
Finance cost	(1,395)	(6,245)	(13,522)	(225,248)
Adjustments To Balance				
Payable By Cppa-G	10 -	-	(5,585,132)	-
Profit / (Loss) before taxation	481,273	1,423,091	(3,192,709)	3,848,300
Taxation	(29,968)	(216)	(88,770)	(319)
Profit / (Loss) after taxation	451,305	1,422,875	(3,281,479)	3,847,981
Earnings / (Loss) per share - basic and diluted (Rupees)	1.23	3.87	(8.93)	10.48

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Quarter Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in thousand)			
Profit / (loss) after taxation	451,305	1,422,875	(3,281,479)	3,847,981
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 / (loss) for the period	451,305	1,422,875	(3,281,479)	3,847,981

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Share Capital	Capital Reserve - Overhauling Reserve	Revenue Reserve - Un-appropriated Profit	Total Equity
(Rupees in thousand)				
Balance as on July 1, 2023 (audited)	3,673,469	-	20,588,588	24,262,057
Profit for the period	-	-	3,847,981	3,847,981
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	3,847,981	3,847,981
Balance as on March 31, 2024 (un-audited)	3,673,469	-	24,436,569	28,110,038
Balance as on July 1, 2024 (audited)	3,673,469	-	25,500,900	29,174,369
Transaction with owners:				
Interim cash dividend for three months the period ended 30 September 2024 @ Rupees 5 per share	-	-	(1,836,735)	(1,836,735)
(Loss) for the period	-	-	(3,281,479)	(3,281,479)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(3,281,479)	(3,281,479)
Transfer to overhauling reserve	-	4,592,540	(4,592,540)	-
Balance as on March 31, 2025 (un-audited)	3,673,469	4,592,540	15,790,146	24,056,155

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	Nine Months Ended	
		March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	7,651,326	3,194,893
Finance cost paid		(14,672)	(395,223)
Net decrease in long term loans to employees		(572)	288
Income tax (paid) / refund - net		(88,902)	(15,671)
Retirement benefits paid		(30,053)	(7,280)
Profit on bank deposit received		54,075	52,039
Net cash generated from operating activities		7,571,202	2,829,046
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(16,869)	(892,222)
Proceeds from disposal of property, plant and equipment		6,853	36,706
Proceeds from disposal of short term investments		7,942,663	680,305
Dividend Received		956	-
Short term investments made		(9,523,343)	(2,270,598)
Net cash (used in) / from investing activities		(1,589,740)	(2,445,809)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,830,471)	(631)
Net cash used in financing activities		(1,830,471)	(631)
Net increase in cash and cash equivalents		4,150,991	382,606
Cash and cash equivalents at the beginning of the period		1,592,973	431,260
Cash and cash equivalents at the end of the period		5,743,964	813,866
CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,743,964	1,134,518
Short term borrowings - secured		-	(320,652)
		5,743,964	813,866

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (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 23 February 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 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. On 13 November 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 21 July 2010. On 11 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 20 July 2021 was extended by seventy five (75) days to 04 October 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 04 October 2035.
- 1.3** During the half year ended 31 December 2024, Prime Minister of Pakistan constituted a Task Force to amend the Power Purchase Agreement, Implementation Agreement and to revise tariff of the Company. After several rounds of discussions with the Task Force, the Company consented to amend the Power Purchase Agreement, Implementation Agreement and to convert the existing tariff to 'Hybrid Take and Pay' model as proposed by the Task Force. On 04 December 2024, Board of Directors of the Company approved the execution of Amendment Agreement with the Government of Pakistan ('GoP') and the Power Purchaser to implement the proposed amendments with effect from 01 November 2024. As a result, following significant amendments in Power Purchase Agreement and Implementation Agreement have been agreed and taken place:
- Quarterly indexation for local fixed O&M and local variable O&M has been revised which shall be lower of 5% per annum or actual average National Consumer Price Index ('NCPI') for the preceding twelve months. Whereas, existing indexation mechanism for foreign fixed O&M and foreign variable O&M shall continue provided that PKR/USD depreciation will be allowed for up to 70% of the actual annual depreciation;
 - The cost of the working capital component has been rebased and revised working capital components shall be indexed at KIBOR + 1% in future;



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

- Return of Equity tariff component has been revised to be paid in a 'Hybrid Take and Pay' model;
- Insurance component of CPP has been capped at 0.9% of allowed EPC cost as per existing mechanism;
- The Company has agreed to waive off delayed payment markup on unpaid invoices by the Power Purchaser accrued upto 31 October 2024; (Note 10)
- Rate of markup on delayed payments by the Power Purchaser has been reduced to 3 months KIBOR + 1%;
- Power Purchaser shall pay Rupees 6,673.160 million payable as on 31 October 2024 to the Company as full and final settlement of all past payables and claims within 90 days from the date of approval of this Amendment Agreement by the Cabinet. Payment for the same has been received by the company during the period.
- Annual estimated O&M costs proportionately derived for reserve established for all overhauls shall be recognized in the financial statements;
- GoP shall unconditionally and irrevocably withdraw and extinguish all claims against the Company under the Arbitration Submission Agreement as more fully explained in note 6.1(i) to these condensed interim financial statements. Further, the undertaking provided by the Company to Power Purchaser to retain its receivables, as more fully explained in note 6.1(i) these condensed interim financial statements, till the conclusion of Arbitration Submission Agreement shall be returned;
- LCIA Arbitration clause in PPA has been substituted with the Arbitration under local laws with the venue of Arbitration to be Islamabad;
- Standard Operating Procedures shall be followed for fuel savings and O&M savings as mutually agreed with the Power Purchaser under the Amendment Agreement.

During the half year ended 31 December 2024, the Parties have started complying with the conditions stipulated in the above-mentioned Amendment Agreement. Subsequent to the reporting period, the Amendment Agreement has formally been executed.

The management has also assessed the accounting implications of the abovementioned developments in relation to the impairment of Cash Generating Unit ("CGU") comprising of tangible assets under IAS 36 'Impairment of Assets'. However, according to management's assessment, there is no impact on these condensed interim financial statements.



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

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
- 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, 2024. 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, 2024.

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, 2024.



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

5. Capital Reserve - Overhauling Reserve

Pursuant to the amendments in Amendment Agreement as more fully explained in note 1.3 to these condensed interim financial statements, capital reserve amounting to Rupees 4,592.540 million has been recognized in these condensed interim financial statements. This capital reserve is set aside from retained earnings for the purpose of repair and maintenance costs associated with overhauling of the plant based on annual estimated O&M costs.

6. Contingency 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 30 June 2024 except for the following:

- i) In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the 'IPPs', including the Company, in the tariff components. On 11 February 2021, the Company and CPPA-G have signed ""Master Agreement"" and ""PPA Amendment Agreement"" wherein it was agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP. On 15 November 2021, the Company had authorized GoP / CPPA-G to retain Rupees 8,360 million of its trade debts until the Arbitration Tribunal renders the Award which shall be final and binding. During the year ended 30 June 2023, Arbitration Tribunal was constituted under the terms of 'Arbitration Submission Agreement'. On 29 September 2023, mutually agreed Terms of Reference were formally adapted and proceedings under these Terms of Reference were initiated. On February 28, 2025, the Company, CPPA-G and the Government of Pakistan ('GoP'), signed an Amendment Agreement in light of the discussion held with the Task Force as explained in the note 1.3 of these condensed interim financial statements. Wherein, along with other things it was unconditionally and irrevocably agreed by the GOP to withdraw and extinguish all claims against the Company under the Arbitration Submission Agreement and also in relation to the undertaking given by the company to retain receivable. As a result, there are no more amounts that maybe payable by the company to CPPA-G/GoP, and according to the the Amendment Agreement, the Arbitration Submission Agreement (ASA) dated 15th June 2022, is deemed terminated, the undertaking shall be released and GoP and the Company shall send a joint communication to the tribunal established under the ASA for termination/relinquishment of the arbitration.

Based on the facts stated above, no provision in respect of this matter has been made in these condensed interim financial statements.



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

- ii) An amendment order dated 31 January 2023 was issued by ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2019 whereby income tax of Rupees 63.606 million was levied on account of minimum tax on capacity sales. On 10 February 2023, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the aforesaid order. Pursuant to the Tax Laws (Amendment) Act, 2024, the appeal was transferred to Appellate Tribunal Inland Revenue (ATIR). On 15 August 2024, ATIR decided the appeal in favour of the Company. No further proceedings in this matter have been initiated by the department yet.
- iii) On 31 October 2024, Additional Commissioner Inland Revenue (ACIR) passed an order relating to tax year 2022 under section 122(5A) of the Income Tax Ordinance, 2001 whereby tax demand of Rs. 38.616 million has been raised against the Company. Being aggrieved with the order, the Company has filed an application for the rectification of order before ACIR and also filed an appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing. The ACIR, vide rectification order dated 18 March 2025, reduced the demand to Rs. 21.3 million. The company has already preferred an appeal before the ATIR, which is pending adjudication. Based on the advice of tax advisor, the management expects favorable outcome in this matter. Accordingly, no provision has been recognized in these condensed interim financial statements.
- iv) On 14 May 2024, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for tax periods from July 2018 to June 2019 wherein aggregate demand of Rupees 10.955 million including penalty and default surcharge on various issues was raised against the Company. Being aggrieved with the order of DCIR, the Company preferred an appeal before the ATIR on 30 May 2024. On 29 October 2024, ATIR decided the appeal in favor of the Company. No further proceedings in this matter have been initiated by the department yet.

		Un-audited March 31, 2025	Audited June 30, 2024
	Note	(Rupees in thousand)	
6.2	Commitments		
	Commitments in respect of other than capital expenditure	6,884	113,671
7.	Property, plant and equipment		
	Operating fixed assets	8,205,106	8,658,568
	Major spare parts and standby equipment	461,550	461,550
		8,666,656	9,120,118



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024
7.1 Operating fixed assets			
Opening written down value		8,658,568	8,792,326
Additions during the period/year	7.1.1	16,869	718,843
		8,675,437	9,511,169
Written down value of disposals during the period/year		(4,287)	(125,730)
		8,671,150	9,385,439
Depreciation charged during the period/year		(466,044)	(726,871)
		8,205,106	8,658,568
7.1.1 Following is the detail of additions during the period/year			
Building on freehold land		-	24,766
Plant and machinery		-	619,772
Electric installations		-	14,082
Computer equipment		180	8,358
Office equipment		1,450	-
Furniture and fixtures		244	13,685
Vehicles		14,995	38,180
		16,869	718,843
7.1.2 Book value of disposals / derecognitions during the period / year			
Plant and machinery		-	98,623
Computer equipment		4	-
Vehicles		4,283	26,938
		4,287	125,561
7.3 Book value of fixed asset written off during the period / year			
Computer equipment		-	169
8. Trade debts			
Other than related parties - considered good		1,585,004	13,170,211



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (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. Pursuant to Amendment Agreement as more fully explained in note 1.3 to these condensed interim financial statements, rate of delayed payment mark-up has been reduced to three months KIBOR plus 1.00% per annum without compounding is charged in case amounts are not paid within due dates. Further, mark-up on delayed payment upto 31 October 2024 has been waived off by the Company and therefore, written off in these condensed interim financial statements (note 10). The rate of delayed payment mark-up charged during the period on outstanding amounts ranged from 12.84% to 22.87% (30 June 2024: 22.19% to 28.49%) per annum.

	Un-audited Quarter Ended		Un-audited Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in thousand)			
9. Cost of Sales				
Raw material consumed	382,043	1,948,858	688,047	6,979,041
Salaries and other benefits	51,143	45,656	143,633	125,428
Store, spares and loose tools consumed	30,912	60,050	134,986	257,325
Electricity consumed in - house	14,514	15,630	56,182	39,991
Insurance	126,359	119,193	383,946	347,426
Travelling and conveyance	7,177	9,510	21,505	30,951
Postage and telephone	695	866	2,086	3,288
Repair & Maintenance	12,253	58,740	19,372	160,753
Entertainment	8	13	85	400
Depreciation on operating fixed assets	153,810	172,212	455,307	537,762
Fee & Subscription	-	2	9,144	6,339
Miscellaneous	3,812	5,395	16,121	21,849
	782,726	2,436,125	1,930,414	8,510,553
10. Adjustments To Balance Payable By CPPA-G				
Delayed payment interest written off	-	-	2,301,398	-
Sharing of prior years earnings (fuel and O&M)	-	-	3,283,734	-
	-	-	5,585,132	-



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Un-audited	
	March 31, 2025	March 31, 2024
(Rupees in thousand)		
11. Cash Generated from Operations		
(Loss) / profit before taxation	(3,192,709)	3,848,300
Adjustments for non-cash charges and other items		
- Depreciation on operating fixed assets	466,044	535,268
- (Gain) on disposal of operating fixed assets	(2,566)	(941)
- (Profit) on bank deposits and investments	(221,290)	(110,918)
- (Gain) / loss on disposal of short term investments	-	(13,559)
- Unrealized loss on remeasurement of investment at fair value through profit or loss	7,917	100
- Provision for employee retirement benefits	15,027	7,280
- Finance cost	13,522	225,248
- Adjustments To Balance Payable By Cppa-G	5,585,132	-
- Exchange Loss	1,454	-
Cash flows generated from operating activities before working capital changes	2,672,531	4,490,778
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets:		
- Stores and spares	(117,137)	68,357
- Inventories	574,232	(539,050)
- Trade debts	6,015,101	104,355
- Loans, advances, deposits, prepayments and other receivables	821,584	(439,183)
	7,293,780	(805,521)
Increase/(decrease) in current liabilities:		
Trade and other payables	(2,314,985)	(490,364)
	4,978,795	(1,295,885)
	7,651,326	3,194,893

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (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		Un-audited	
	Quarter Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
(Rupees in thousand)				
i) Transactions:				
Associated company				
Common facilities cost	-	-	-	9,900
Purchase of goods and services	34,709	-	96,012	-
Insurance Premium	98	-	328,651	-
Dividend paid	-	-	500,642	-
Other related Entities				
Dividend paid	-	-	71,915	-
Insurance Premium	2,315	-	265,646	-
Insurance Claim received	367	-	367	-
Return on investments/deposits	112,303	-	461,923	-
Key management personnel of ok the Company				
Remuneration to chief executive officer, directors and executives	26,063	23,107	94,302	58,641
Repayment of long term loans	-	233	-	579
Mark-up on long term loans	-	16	-	60
Dividend Paid	-	-	71,219	-
Consultancy charges	-	12,067	-	36,200
Post employment benefit plan				
Company's contribution to provident fund trust	5,592	2,716	15,027	7,280



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

	Un-audited March 31, 2025	Audited June 30, 2024
	(Rupees in thousand)	
Period end balances:		
Payable to related parties		
Associated company	870	-
Other related Entities	2,535	947
Receivable from related parties		
Associated company	18,659	50
Bank Deposit with related entities		
Other related Entities	9,822,858	1,060,341

13. 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 March 31, 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial asset				
Financial asset at fair value through profit or loss	4,234,678	-	-	4,234,678



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

Recurring fair value measurements at June 30, 2024	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial asset				
Financial assets at fair value through profit or loss	2,539,518	-	-	2,539,518

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 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.

(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



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2025 (UN-AUDITED)

Company for the year ended June 30, 2024.

15 Event After The Reporting Period

The Board of Directors has approved an interim cash dividend for the quarter ended 31 March 2025 of Rupees 2 per share at their meeting held on 25 April 2025. 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.

16 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 25 April 2025 by the Board of Directors of the Company.

17 Corresponding figures

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

18 General

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR





**NISHAT
CHUNIAN**
POWER LTD.

59, Shadman Colony-II, Shadman Lahore, Pakistan.
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696
www.ncpower.com.pk