



**NISHAT  
CHUNIAN**  
POWER LTD.

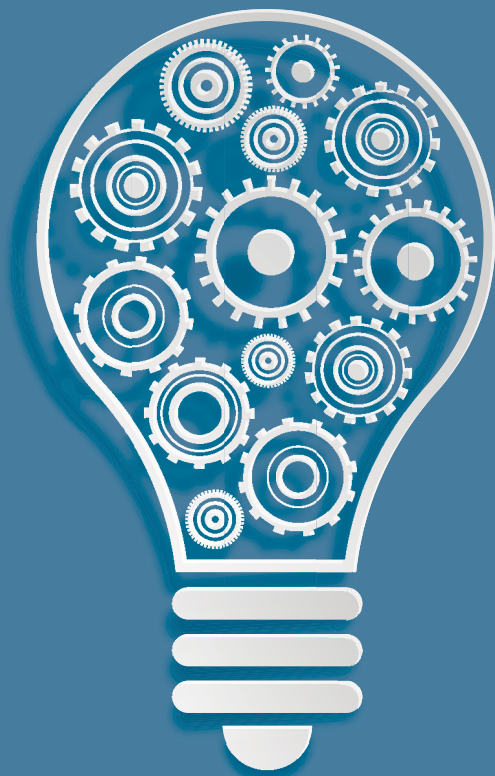
**Condensed Interim Financial Information  
For the Quarter ended September 30,**

**2022**

**(Un-audited)**

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# Company Information

## BOARD OF DIRECTORS:

**Mr. Muhammad Ashraf**

Chairman

**Mr. Farrukh Ifzal**

Chief Executive Officer

**Mr. Aftab Ahmad Khan**

Director

**Mr. Muhammad Azam**

Director

**Mr. Babar Ali Khan**

Director

**Mr. Rehmat Naveed Elahi**

Director

**Mr. Mustaqeem Talish**

Director

**Ms. Samina Aslam**

Director

## AUDIT COMMITTEE AND HR & R COMMITTEE:

**Mr. Muhammad Azam**

Chairman

**Mr. Aftab Ahmad Khan**

Member

**Mr. Rehmat Naveed Elahi**

Member

## CHIEF EXECUTIVE OFFICER:

**Mr. Farrukh Ifzal**

## CHIEF FINANCIAL OFFICER:

**Mr. Muhammad Bilal**

## 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](http://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 Road, Pattoki Kasur.

# DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

## Dear Shareholders,

The Board is pleased to present the company's condensed interim unaudited financial information for the quarter ending Sep 30, 2022. For the quarter, turnover was PKR 8.59 billion (2021: PKR 5.59 billion) with profit after tax of PKR 960 million (2021: PKR 612 million) and an Earning Per Share (EPS) of PKR 2.61 (2021: PKR 1.67).

## Plant Performance

During the quarter ended Sep 30, 2022, the plant's capacity factor was 48.49% (2021: 58.54%) with an availability factor of 77.73% (2021: 80.69%). The Company dispatched 209,538 MWH (2021: 252,997 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 installment under the Master Agreement within six months of the first installment as agreed. The concessions given by IPPs, including the company, pursuant to the Master Agreement and PPA Amendment Agreement has become effective.

In accordance with the Arbitration Submission Agreement ('ASA'), the IPPs under the 2002 Power Policy and GOP have nominated their Arbitrators. The two nominated Arbitrators have appointed the third Arbitrators as per the terms of the ASA.

## 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, 2022, our total receivables from Power Purchaser have amplified to PKR 16.34 billion, out of which PKR 9.36 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 28, 2022

Chief Executive Officer

Director



# DIRECTORS' REVIEW REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

## مجلس انضمام رپورٹ

### محترم حصص داران

بورڈ 30 ستمبر، 2022 کو ختم ہونے والی سہ ماہی کے لئے غیر محاسب شدہ عبوری مالیاتی معلومات پیش کرنے پر خوش ہے۔ سہ ماہی کے دوران، فروخت 8.59 ارب روپے (2021: 5.59 ارب روپے)، بعد از ٹیکس منافع 9610 ملین روپے (2021: 612 ملین روپے) اور فی شیئر آمدنی 2.61 روپے (2021: 1.67 روپے) ہے۔

### کارکردگی

تختہ سہ ماہی 30 ستمبر، 2022 کے دوران، پلانٹ کی صلاحیتی عنصر 48.49 فیصد (2021: 58.54 فیصد) رہا جبکہ سہ ماہی کے دوران پلانٹ کا بجلی کی پیداوار کے لئے موجود رہنے کا عنصر 77.73 فیصد (2021: 80.69 فیصد) رہا۔ سہ ماہی کے دوران کمپنی نے 209,538 میگا واٹ (2021: 252,997 میگا واٹ) بجلی پاور خرید کر لی ہے۔

### اہم پیشرفت

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

ٹائٹھی معاہدے کے مطابق، 2002 کی پاور پالیسی والے آئی پی بیزنس اور GOP نے اپنے ٹائٹھوں کو نامزد کر لیا ہے۔ دو نامزد ٹائٹھوں نے ٹائٹھی معاہدے کی شرائط کے مطابق تیسرے ٹائٹھ کا تقرر کر لیا ہے۔

### گردشی قرضے

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 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، 2022 تک، پاور خریدار سے ہمارے وصولات 16.34 ارب روپے ہو چکے ہیں، جس میں سے 9.36 ارب روپے 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: 28 اکتوبر، 2022

ڈائریکٹر

چیف ایگزیکٹو



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022 (UN-AUDITED)

	Note	Un-audited September 30, 2022 (Rupees in thousand)	Audited June 30, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		17,592,042	20,305,494
<b>TOTAL EQUITY</b>		21,265,511	23,978,963
<b>NON-CURRENT LIABILITIES</b>			
Long term financing-secured	5	-	-
Deferred Income		-	-
		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,626,504	1,015,745
Accrued mark-up/profit		115,503	202,300
Short term borrowings - secured		6,750,400	10,851,726
Current portion of non-current liabilities		8,652	17,291
Unclaimed dividend		42,762	16,563
		8,543,821	12,103,625
<b>TOTAL LIABILITIES</b>		8,543,821	12,103,625
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		29,809,332	36,082,588

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022 (UN-AUDITED)

	Note	Un-audited September 30, 2022 (Rupees in thousand)	Audited June 30, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	9,304,195	9,461,004
Intangible assets		-	-
Long term loans to employees		808	981
Long term security deposits		100	100
		9,305,103	9,462,085
<b>CURRENT ASSETS</b>			
Stores and spares		480,160	445,586
Inventories		1,373,676	2,254,688
Trade debts		16,335,532	13,718,135
Loans, advances, deposits, prepayments and other receivables		1,904,091	1,510,198
Advance income tax - net of provision for taxation		69,466	61,314
Short term investments		330,531	8,609,548
Bank balances		10,773	21,034
		20,504,229	26,620,503
<b>TOTAL ASSETS</b>		<b>29,809,332</b>	<b>36,082,588</b>

DIRECTOR





# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
(Rupees in thousand)			
Revenue From Contract With Customer		8,587,101	5,586,705
Cost of sales	8	(7,318,128)	(4,761,180)
<b>Gross profit</b>		1,268,973	825,525
Administrative expenses		(37,527)	(39,059)
Other expenses		(121,071)	(572)
Other operating income		39,258	33,421
<b>Profit from operations</b>		1,149,633	819,315
Finance cost		(189,616)	(207,398)
<b>Profit before taxation</b>		960,017	611,917
Taxation		-	-
<b>Profit after taxation</b>		960,017	611,917
Earnings per share - basic and diluted (Rupees)	9	2.61	1.67

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Quarter Ended	
	September 30, 2022	September 30, 2021
	(Rupees in thousand)	
<b>Profit after taxation</b>	960,017	611,917
<b>Other comprehensive income for the period</b>		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
<b>Total comprehensive income for the period</b>	960,017	611,917

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Share Capital	Revenue Reserve: Un-appropriated Profit	Total Profit
	(Rupees in thousand)		
<b>Balance as on July 1, 2021 (audited)</b>	3,673,469	17,801,761	21,475,230
Profit for the period	-	611,917	611,917
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	611,917	611,917
<b>Balance as on September 30, 2021 (un-audited)</b>	3,673,469	18,413,678	22,087,147
<b>Balance as on July 1, 2022 (audited)</b>	3,673,469	20,305,494	23,978,963
Profit for the period	-	960,017	960,017
Other comprehensive income for the period	-	-	-
Final Dividend for the year ended June 30, 2022 at Rs 10.00 per share	-	(3,673,469)	(3,673,469)
<b>Total comprehensive income for the period</b>	-	(2,713,452)	(2,713,452)
<b>Balance as on September 30, 2022 (un-audited)</b>	3,673,469	17,592,042	21,265,511

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



# CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
<b>Cash (used in) / generated from operations</b>	10	(136,487)	726,942
Finance cost paid		(276,275)	(275,359)
Net decrease in long term loans to employees		173	173
Income tax paid		(8,152)	(946)
Retirement benefits paid		(2,116)	(2,009)
Profit on bank deposit received		338	851
<b>Net cash (outflow) / inflow from operating activities</b>		(422,519)	449,652
<b>Cash flows from investing activities</b>			
Capital expenditure on property, plant and equipment		(77,107)	(45,837)
Proceeds from disposal of property, plant and equipment		22	2,559
Proceeds from sale of Pakistan Investment Bonds and Government Ijara Sukuks		5,806,225	-
Proceeds from short term investments		2,747,585	-
Short term investments made		(307,263)	(2,499,732)
<b>Net cash inflow / (outflow) from investing activities</b>		8,169,462	(2,543,010)
<b>Cash flows from financing activities</b>			
Repayment of long term financing		(8,608)	(8,608)
Dividend paid		(3,647,270)	-
<b>Net cash outflow from financing activities</b>		(3,655,878)	(8,608)
<b>Net increase / (decrease) in cash and cash equivalents</b>		4,091,065	(2,101,966)
<b>Cash and cash equivalents at the beginning of the period</b>		(10,830,692)	(9,724,914)
<b>Cash and cash equivalents at the end of the period</b>		(6,739,627)	(11,826,880)
<b>Cash and cash equivalents</b>			
Cash and bank balances		10,773	3,070
Short term borrowings - secured		(6,750,400)	(11,829,950)
		(6,739,627)	(11,826,880)

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

### 1. The Company and its operations

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 ceased to be the subsidiary of Nishat (Chunian) Limited with effect from August 10, 2022. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited.

The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW 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. The PPA has been extended by a period of 75 days as per the terms of PPA Amendment Agreement dated February 11, 2021. On February 11, 2021, the Company, NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as 'Power Purchaser') have entered into a 'Novation Agreement' to transfer the rights, obligations and liabilities of NTDC under the PPA (as amended by the 'PPA Amendment Agreement') in favour of CPPA-G.

### 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, 2022. These condensed interim financial statements are un-audited.



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (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, 2022.

### 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, 2022.

	Un-audited September 30, 2022	Audited June 30, 2022
	(Rupees in thousand)	
<b>5. Long term financing-secured</b>		
Loan under SBP Refinance Scheme	8,640	17,110
Current portion shown under current liabilities	(8,640)	(17,110)
	-	-

### 6. Contingencies And Commitments

#### 6.1 Contingencies

There are no changes in contingencies from the preceding annual published financial statements of the company for the year ended June 30, 2022, except for the following:

- i) Assistant Commissioner Inland Revenue ('ACIR') has raised a demand of Rupees 1,161.548 million through its order dated 28 November 2013 by disallowing input sales



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Company. Against the aforesaid order, the Company preferred an appeal on 10 December 2013 before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, CIR(A) did not adjudicate upon the Company's other grounds of appeal. Consequently, the Company preferred an appeal on 17 March 2014 before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Federal Board of Revenue ('tax department') also preferred an appeal on 08 May 2014 before the ATIR against the CIR(A)'s order. The ATIR decided the case in favour of the Company on 11 September 2018. However, the tax department filed a sales tax reference with Honorable Lahore High Court, Lahore against the decision. On 31 March 2022, the Honorable Lahore High Court, Lahore set aside the ATIR's judgment and remanded back the case to determine whether payments made against capacity purchase price constitute a taxable or non-taxable supply and to treat the input sales tax adjustment accordingly. Being aggrieved by the decision of the Honorable Lahore High Court, Lahore, the Company has filed leave for appeal before the Honorable Supreme Court of Pakistan on 20 May 2022 and subsequently Honorable Supreme Court of Pakistan accepted the application of leave for appeal and granted the interim relief.

	Un-audited September 30, 2022	Audited June 30, 2022
	(Rupees in thousand)	
<b>6.2 Commitments</b>		
Commitments in respect of other than capital expenditure	105,033	318,468
<b>7. Property, plant and equipment</b>		
Operating fixed assets	9,068,761	9,189,900
Capital work-in-progress	2,067	12,067
Major spare parts and standby equipments	233,367	259,037
	9,304,195	9,461,004



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Un-audited September 30, 2022	Audited June 30, 2022
	(Rupees in thousand)	
<b>7.1 Operating fixed assets</b>		
Opening written down value	9,189,900	9,625,622
Additions during the period/year <span style="float: right;">Note 7.1.1</span>	112,778	509,363
Written down value of disposals during the period/year	-	(98)
Depreciation charged during the period/year	(233,917)	(944,987)
	9,068,761	9,189,900
<b>7.1.1 Following is the detail of additions during the period/year</b>		
Freehold land	-	153,228
Buildings on freehold land	-	12,769
Plant & machinery	111,183	311,600
Electric installations	295	394
Computer equipment	1,300	1,994
Office equipment	-	187
Furniture and fixtures	-	226
Vehicles	-	28,965
	112,778	509,363





## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Un-audited Quarter Ended	
	September 30, 2022	September 30, 2021
	(Rupees in thousand)	
<b>8. Cost of sales</b>		
Raw material consumed	6,871,252	4,387,186
Salaries and other benefits	37,207	36,479
Store, spares and loose tools consumed	68,526	24,570
Electricity consumed in - house	3,851	1,262
Insurance	76,250	57,510
Travelling and conveyance	8,826	5,524
Postage and telephone	1,269	898
Repair & Maintenance	5,595	3,178
Entertainment	41	53
Depreciation on operating fixed assets	231,798	236,983
Amortization on Intangible	-	602
Fee & Subscription	4,897	4,106
Miscellaneous	8,616	2,829
	<b>7,318,128</b>	<b>4,761,180</b>
<b>9. Basic and Diluted earnings per share</b>		
Net profit for the period (Rupees in thousand)	960,017	611,917
Weighted average number of ordinary shares (Number)	367,346,939	367,346,939
Earnings per share (Rupees)	2.61	1.67



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Un-audited Quarter Ended	
	September 30, 2022	September 30, 2021
	(Rupees in thousand)	
<b>10. Cash (used in) / generated from operations</b>		
Profit before taxation	960,017	611,917
<b>Adjustment for non-cash charges and other items:</b>		
- Depreciation on operating fixed assets	233,916	237,934
- Loss on disposal of financial instruments	41,446	-
- Unrealized loss on remeasurement of investment at fair value through profit or loss	3,356	-
- Exchange loss	3,769	-
- Amortization of intangible assets	-	602
- Amortization of deferred grant	(169)	(812)
- Gain on disposal of operating fixed assets	(22)	(2,559)
- Profit on bank deposits and investments	(12,670)	(16,945)
- Provision for employee retirement benefits	2,116	2,009
- Finance cost	189,616	207,398
Cash flows generated from operating activities before working capital changes	1,421,375	1,039,544
Effect on cash flow due to working capital changes:		
<b>(Increase)/ decrease in current assets:</b>		
- Stores and spares	(34,574)	(49,438)
- Inventories	881,012	(928,085)
- Trade debts	(2,617,397)	122,972
- Loans, advances, deposits, prepayments and other receivables	(393,893)	(192,028)
	(2,164,852)	(1,046,579)
<b>Increase/(decrease) in current liabilities:</b>		
Trade and other payables	606,990	733,977
	(1,557,862)	(312,602)
	(136,487)	726,942



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

### 11. 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, 2022	September 30, 2021
	(Rupees in thousand)	
<b>i) Transactions:</b>		
<b>Holding Company*</b>		
Common facilities cost	2,129	4,950
Reimbursement of expenses	227	36
<b>Associated Company*</b>		
Common facilities cost	2,821	-
Reimbursement of expenses	194	-
<b>Associated Company of the Holding Company</b>		
Donation Paid	72,500	-
<b>Key management personnel</b>		
Remuneration	11,578	19,332
Long term loan repayment	173	542
Mark up on loans	25	108
<b>Other related party</b>		
Consultancy charges	11,908	10,826
<b>Post employment benefit plan</b>		
Company's contribution to provident fund trust	2,116	2,009

\* Nishat (Chunian) Limited ceased to be the holding company with effect from August 10, 2022, however it is an associated undertaking of the company based on the common directorship.



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	Un-audited September 30, 2022 (Rupees in thousand)	Audited June 30, 2022
<b>ii) Period / year end balances:</b>		
<b>Other related parties</b>		
Loan to key management personnel	1,501	1,674

### 12. 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, 2022 (UN-AUDITED)

## 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 June 30, 2022.

## 14. Date of authorisation for issue

These condensed interim financial statements were authorized for issue on October 28, 2022 by the Board of Directors of the Company.

## 15. 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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