



**NISHAT  
CHUNIAN**  
POWER LTD.

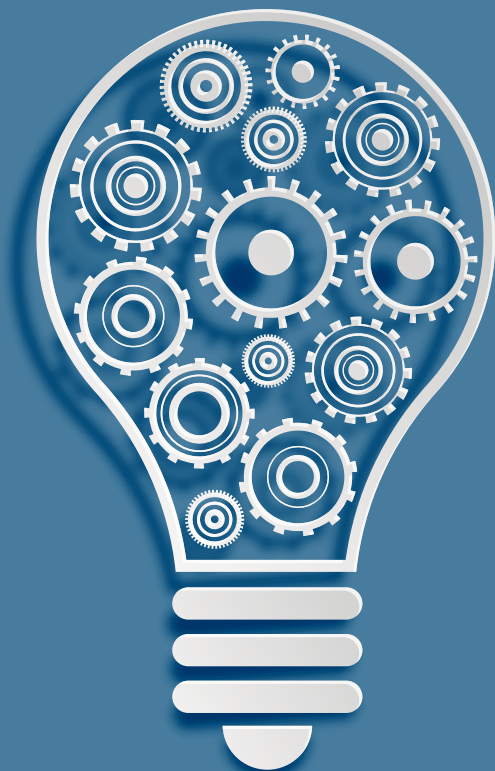
**Condensed Interim Financial Information  
for the Quarter and Nine Months Ended March 31,**

**2024**

**(Un-audited)**

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# Company Information

## Board of Directors:

**Mr. Muhammad Ashraf**

Chairman

**Mr. Farrukh Ifzal**

Chief Executive Officer

**Ms. Nadia Bilal** (Resigned on 05-04-2024)

Director

**Sheikh Muhammad Iqbal**

Director

**Mr. Babar Ali Khan** (Resigned on 02-04-2024)

Director

**Mr. Rehmat Naveed Elahi**

Director

**Mr. Mustaqeem Talish**

Director

**Mr. Aftab Ahmad Khan** (Appointed on 22-04-2024)

Director

**Mr. Ghazanfar Husain Mirza** (Appointed on 09-04-2024)

Director

## AUDIT COMMITTEE AND HR & R COMMITTEE:

**Sheikh Muhammad Iqbal**

Chairman

**Mr. Rehmat Naveed Elahi**

Member

**Mr. Mustaqeem Talish**

Member

## CHIEF EXECUTIVE OFFICER:

**Mr. Farrukh Ifzal**

## CHIEF FINANCIAL OFFICER:

**Mr. Salman Asim**

## COMPANY SECRETARY:

**Mr. Syed Tasawar Hussain**



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

**AUDITORS:** Riaz Ahmad & Company  
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](http://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 half year ended March 31, 2024. For the nine months, turnover was PKR 12.48 billion (2023: PKR 13.87 billion) with a profit after tax of PKR 3.85 billion (2023: PKR 2.73 billion) and an Earning Per Share (EPS) of PKR 10.48 (2023: PKR 7.44).

## Plant Performance

During the 9 months ended March 31, 2024, the plant's capacity factor was 15.64% (2023: 21.50%) with an availability factor of 91.91% (2023: 89.43%). The Company dispatched 204,216 MWH (2023: 275,703 MWH) to Power Purchaser during this period.

## Significant Development

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

In accordance with the Arbitration Submission Agreement ('ASA'), the IPPs under the 2002 Power Policy and GOP have nominated their Arbitrators and these two nominated Arbitrators have appointed the third Arbitrators who is the former President of the UK Supreme Court. Formally adapted terms of reference have been signed by the Claimant, Respondents and the member of Arbitration Tribunal. Subsequently in the current quarter, the initial deposits were made to the International Parties involved in the Arbitration by all the IPPs involved. The IPPs are currently in process of finalizing the process of payment to the Local Parties to the Arbitration.

## 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 March 31, 2024, our total receivables from Power Purchaser have surged to PKR 13.64 billion, out of which PKR 12.17 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: April 29, 2024

Chief Executive

Director



### محترم حصص داران

مجلس نظماء کو 31 مارچ 2024 کو ختم ہونے والے نو ماہی کے لئے کمپنی کی عبوری غیر محاسب شدہ مالی معلومات پیش کرنے پر خوشی ہے۔ نو ماہ کے دوران کاروبار 12.48 ارب روپے (2023: 13.87 ارب روپے) رہا جس میں بعد از ٹیکس منافع 3.85 ارب روپے (2023: 2.73 ارب روپے) اور فی حصص آمدنی (ای پی ایس) 10.48 روپے (2023: 7.44 روپے) رہی۔

### کارکردگی

31 مارچ 2024 کو ختم ہونے والے نو ماہ کے دوران، پلانٹ کی صلاحیتی عنصر 15.64% (2023: 21.50%) تھا جس میں دستیابی کا عنصر 91.91% (2023: 89.43%) تھا۔ کمپنی نے اس عرصے کے دوران بجلی کے خریدار کی 204,216 میگا واٹ (2023: 275,703 میگا واٹ) بھیجی۔

### اہم پیش رفت

30 جون 2022 کو کمپنی نے دیگر آئی پی بیز کے ساتھ مل کر بجلی قسط کے معاہدے کے چھ ماہ کے اندر ماسٹر معاہدے کے تحت دوسری اور آخری قسط وصول کی۔ ماسٹر ایگریمنٹ اور پی پی اے ترمیمی معاہدے کے تحت کمپنی سمیت آئی پی بیز کی جانب سے دی جانے والی رعایتیں موثر ہو گئی ہیں۔

ٹائٹل جمع کرانے کے معاہدے (۱۷ اے ایس اے) کے مطابق 2002 کی پاور پالیسی اور بی او پی کے تحت آئی پی بیز نے اپنے ٹائٹل کو نامزد کیا ہے اور ان دونوں معاملوں نے تیسرے ٹائٹل مقرر کیے ہیں جو برطانیہ کی سپریم کورٹ کے سابق صدر ہیں۔ باضابطہ طور پر وضع کردہ شرائط پر دعویدار مدعا علیہان اور ٹائٹل ٹریبونل کے رکن نے دستخط کیے ہیں۔ اس کے بعد رواں سہ ماہی میں ٹائٹل میں شامل تمام آئی پی بیز کی جانب سے ٹائٹل میں شامل بین الاقوامی فریقوں کو ابتدائی قرض جمع کرائی گئی۔ آئی پی بیز فی الحال ٹائٹل میں مقامی فریقوں کو ادائیگی کے عمل کو جتنی شکل دینے کے عمل میں ہیں۔

### گردشی قرضے

ماسٹر معاہدے کے مطابق ادائیگی حاصل کرنے کے باوجود، گردشی قرضہ اب بھی تو انائی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ایک بڑا مسئلہ ہے۔ پاور پریچرر بروقت ادائیگیاں کرنے کی اپنی ذمہ داریوں کو نبھانے میں مسلسل ناکام رہا ہے۔ کمپنی نے پاور پریچرر ایگریمنٹ اینڈ ایملپلمینٹیشن ایگریمنٹ کی شقوں کے مطابق ڈیفالٹ کو نوٹس دے کر بجلی خریدار اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ (پی پی آئی بی) کے سامنے یہ معاملہ اٹھایا ہے۔ 31 مارچ 2024 تک بجلی کے خریدار کی جانب سے ہماری مجموعی وصولیاں بڑھ کر 13.64 ارب روپے ہو گئیں جن میں سے 12.17 ارب روپے واجب الادا ہیں۔

### 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: 29 اپریل 2024

ڈائریکٹر

چیف ایگزیکٹو آفیسر



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024 (UN-AUDITED)

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 385,000,000 (2023: 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 (2023: 367,346,939) ordinary shares of Rs 10 each		3,673,469	3,673,469
Revenue reserve - un-appropriated profit		24,436,569	20,588,588
<b>TOTAL EQUITY</b>		<b>28,110,038</b>	<b>24,262,057</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,851,073	2,341,437
Accrued mark-up/profit		4,120	174,095
Short term loan from holding company - unsecured		-	-
Short term borrowings - secured		320,652	975,099
Current portion of non-current liabilities		-	-
Unclaimed dividend		33,900	34,531
		<b>2,209,745</b>	<b>3,525,162</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,319,783</b>	<b>27,787,219</b>

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, 2024 (UN-AUDITED)

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	9,662,663	9,478,782
Intangible assets		-	-
Long term loans to employees		-	288
Long term security deposits		100	100
		9,662,763	9,479,170
<b>CURRENT ASSETS</b>			
Stores and spares		697,864	628,913
Inventories		1,347,972	808,922
Trade debts	8	13,643,388	13,747,743
Loans, advances, deposits, prepayments and other receivables		1,747,928	1,308,745
Income tax receivable		60,949	45,597
Short term investments		2,024,401	361,770
Bank balances		1,134,518	1,406,359
		20,657,020	18,308,049
<b>TOTAL ASSETS</b>		<b>30,319,783</b>	<b>27,787,219</b>

DIRECTOR





# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

Note	Quarter Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue From Contract				
With Customer	3,757,260	3,301,811	12,479,929	13,868,446
Cost of sales	(2,436,125)	(2,123,134)	(8,510,553)	(10,236,634)
<b>Gross profit</b>	<b>1,321,135</b>	<b>1,178,677</b>	<b>3,969,376</b>	<b>3,631,812</b>
Administrative expenses	(52,714)	(41,119)	(131,540)	(113,779)
Other expenses	-	(52,079)	-	(182,665)
Other operating income	160,915	35,957	235,712	87,691
<b>Profit from operations</b>	<b>1,429,336</b>	<b>1,121,436</b>	<b>4,073,548</b>	<b>3,423,059</b>
Finance cost	(6,245)	(227,514)	(225,248)	(690,750)
<b>Profit before taxation</b>	<b>1,423,091</b>	<b>893,922</b>	<b>3,848,300</b>	<b>2,732,309</b>
Taxation	(216)	(214)	(319)	(574)
<b>Profit after taxation</b>	<b>1,422,875</b>	<b>893,708</b>	<b>3,847,981</b>	<b>2,731,735</b>
<b>Earnings per share - basic and diluted (Rupees)</b>	<b>3.87</b>	<b>2.43</b>	<b>10.48</b>	<b>7.44</b>

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, 2024 (UN-AUDITED)

	Quarter Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in thousand)			
<b>Profit after taxation</b>	1,422,875	893,708	3,847,981	2,731,735
<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>	1,422,875	893,708	3,847,981	2,731,735

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, 2024 (UN-AUDITED)

	Share Capital	Revenue Reserve: Un-appropriated Profit	Total Profit
	(Rupees in thousand)		
<b>Balance as on July 1, 2022 (audited)</b>	3,673,469	20,305,494	23,978,963
Transaction with owners:			
Final dividend for the year ended 30 June 2022 @ Rupees 10 per share	-	(3,673,469)	(3,673,469)
Profit for the period	-	2,731,735	2,731,735
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	2,731,735	2,731,735
<b>Balance as on March 31, 2023 (un-audited)</b>	3,673,469	19,363,760	23,037,229
<b>Balance as on July 1, 2023 (audited)</b>	3,673,469	20,588,588	24,262,057
Transaction with owners:			
Final dividend for the year ended 30 June 2022 @ Rupees 10 per share	-	-	-
Profit for the period	-	3,847,981	3,847,981
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	3,847,981	3,847,981
<b>Balance as on March 31, 2024 (un-audited)</b>	3,673,469	24,436,569	28,110,038

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, 2024 (UN-AUDITED)

	Note	Nine Months Ended	
		March 31, 2024	March 31, 2023
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	10	3,194,893	3,231,477
Finance cost paid		(395,223)	(741,671)
Net decrease in long term loans to employees		288	519
Income tax (paid) / refund - net		(15,671)	18,836
Retirement benefits paid		(7,280)	(6,637)
Profit on bank deposit received		52,039	4,219
<b>Net cash generated from operating activities</b>		<b>2,829,046</b>	<b>2,506,743</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(892,222)	(317,674)
Proceeds from disposal of property, plant and equipment		36,706	736
Proceeds from disposal of short term investments		680,305	8,553,134
Short term investments made		(2,270,598)	(307,263)
<b>Net cash (used in) / from investing activities</b>		<b>(2,445,809)</b>	<b>7,928,933</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	(17,110)
Dividend paid		(631)	(3,655,388)
<b>Net cash used in financing activities</b>		<b>(631)</b>	<b>(3,672,498)</b>
<b>Net increase in cash and cash equivalents</b>		<b>382,606</b>	<b>6,763,178</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>431,260</b>	<b>(10,830,692)</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>813,866</b>	<b>(4,067,514)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		1,134,518	1,001,139
Short term borrowings - secured		(320,652)	(5,068,653)
		<b>813,866</b>	<b>(4,067,514)</b>

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, 2024 (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 Board of Directors of NCL in its meeting held on 21 February 2022 has approved a Scheme of Compromises, Arrangement and Reconstruction (Under Sections 279 to 283 and 285 of the Companies Act, 2017) amongst NCL and its members and Nishat Chunian Properties (Private) Limited (Subsidiary of NCL) and its members. One of the principal objects of the Scheme was to make NCL and Nishat Chunian Power Limited totally independent of each other by the transfer amongst the members of NCL of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by NCL. On 29 June 2022, the Honourable Lahore High Court, Lahore approved the aforesaid Scheme. The Effective Date of the Scheme for this purpose was the commencement date of book closure i.e. 10 August 2022 as announced by NCL in accordance with Pakistan Stock Exchange Limited Regulations. After the completion of necessary corporate and legal formalities in this regard, the Company ceased to be the Subsidiary of NCL with effect from 10 August 2022.
- 1.3** The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 31-Q, Gulberg II, Lahore. On 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.

## 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:



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

- 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, 2023. These condensed interim financial statements are un-audited.

### 3. Accounting Policies

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

### 4. Critical Accounting Estimates and Judgments

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

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



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
<b>5. Long Term Financing-Secured</b>		
<b>5.1 From Banking Companies</b>		
Loan under SBP Refinance Scheme	-	-
Current portion shown under current liabilities	-	-
	-	-

## 6. Contingencies and Commitments

### 6.1 Contingencies

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

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
<b>6.2 Commitments</b>			
Commitments in respect of other than capital expenditure		114,549	418,877
<b>7 Property, plant and equipment</b>			
Operating fixed assets	7.1	9,157,823	8,792,326
Capital work-in-progress	7.2	-	44,308
Major spare parts and standby equipment		504,840	642,148
		9,662,663	9,478,782



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
<b>7.1 Operating fixed assets</b>			
Opening written down value		8,792,326	9,189,900
Additions during the period/year	7.1.1	936,530	369,180
		9,728,856	9,559,080
Written down value of disposals during the period/year		(35,765)	(254)
		9,693,091	9,558,826
Depreciation charged during the period/year		(535,268)	(766,500)
		9,157,823	8,792,326
<b>7.1.1 Following is the detail of additions during the period/year</b>			
Freehold land		-	-
Building on freehold land		17,132	-
Plant and machinery		846,227	358,691
Electric installations		13,280	295
Computer equipment		-	2,478
Office equipment		8,025	1,060
Furniture and fixtures		13,686	-
Vehicles		38,180	6,656
		936,530	369,180
<b>7.2 Capital work-in-progress</b>			
Advance for purchase of vehicle		-	-
Plant and machinery		-	44,308
		-	44,308
<b>8 Trade debts</b>			
Other than related parties - considered good		13,643,388	13,747,743





## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

- 8.1** These represent trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free, however, delayed payment mark-up at the rate of three months KIBOR plus 2.00% per annum for first sixty days and three months KIBOR plus 4.50% per annum after first sixty days, each compounded semi-annually, is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the period on outstanding amounts ranged from 25.57% to 28.44% (30 June 2023: 16.80% to 26.58%) per annum. Trade debts include unbilled receivables of Rupees 872.000 million (30 June 2023: Rs 4,958.202 million).

Un-audited		Un-audited	
Quarter Ended		Nine Months Ended	
March 31,	March 31,	March 31,	March 31,
2024	2023	2024	2023
(Rupees in thousand)			

### 9. Cost of Sales

Raw material consumed	1,948,858	1,728,688	6,979,041	8,986,556
Salaries and other benefits	45,656	40,954	125,428	111,425
Store, spares and loose tools consumed	60,050	68,340	257,325	211,525
Electricity consumed in - house	15,630	11,461	39,991	29,629
Insurance	119,193	85,901	347,426	262,782
Travelling and conveyance	9,510	9,882	30,951	27,687
Postage and telephone	866	1,416	3,288	3,995
Repair & Maintenance	58,740	5,030	160,753	17,529
Entertainment	13	-	400	-
Depreciation on operating fixed assets	172,212	169,626	537,762	562,994
Amortization on Intangible	-	-	-	-
Fee & Subscription	2	-	6,339	5,311
Miscellaneous	5,395	1,836	21,849	17,201
	<b>2,436,125</b>	<b>2,123,134</b>	<b>8,510,553</b>	<b>10,236,634</b>



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

	Un-audited Nine Months Ended	
	March 31, 2024	March 31, 2023
	(Rupees in thousand)	
<b>10. Cash Generated from Operations</b>		
Profit before taxation	3,848,300	2,732,309
<b>Adjustments for non-cash charges and other items</b>		
- Depreciation on operating fixed assets	535,268	569,315
- Amortization of deferred grant	-	(181)
- Loss / (Gain) on disposal of operating fixed assets	(941)	3,478
- (Profit) on bank deposits and investments	(110,918)	(40,214)
- (Gain) / loss on disposal of short term investments	(13,559)	41,446
- Unrealized loss on remeasurement of investment at fair value through profit or loss	100	1,635
- Provision for employee retirement benefits	7,280	6,637
- Finance cost	225,248	690,750
Cash flows generated from operating activities before working capital changes	4,490,778	4,005,175
Effect on cash flow due to working capital changes:		
<b>(Increase)/ decrease in current assets:</b>		
- Stores and spares	68,357	(345,194)
- Inventories	(539,050)	798,514
- Trade debts	104,355	(1,433,317)
- Loans, advances, deposits, prepayments and other receivables	(439,183)	73,919
	(805,521)	(906,078)
<b>Increase/(decrease) in current liabilities:</b>		
Trade and other payables	(490,364)	132,380
	(1,295,885)	(773,698)
	3,194,893	3,231,477

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (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		Un-audited	
	Quarter Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand)				
<b>i) Transactions:</b>				
<b>Former Holding company*</b>				
Common facilities cost	-	-	-	2,129
<b>Associated company</b>				
Common facilities cost	-	4,950	9,900	12,721
<b>Associated company of former holding company*</b>				
Donations made	-	-	-	72,500
<b>Key management personnel of the Company and former holding company*</b>				
Remuneration to chief executive officer, directors and executives	23,107	14,599	58,641	42,714
Repayment of long term loans	233	251	579	597
Mark-up on long term loans	16	24	60	78
Consultancy charges	12,067	11,908	36,200	35,725
<b>Post employment benefit plan</b>				
Company's contribution to provident fund trust	2,716	2,432	7,280	6,637

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



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

Un-audited      Audited  
March 31,      June 30,  
2024              2023  
(Rupees in thousand)

**ii) Period end balances:**

**Other related parties**

Loan to key management personnel	462	981
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**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 March 31, 2024**

	Level 1	Level 2	Level 3	Total
<b>(Rupees in thousand)</b>				
<b>Financial asset</b>				
Financial asset at fair value through profit or loss	26,744	-	-	26,744

**Recurring fair value measurements  
at June 30, 2023**

	Level 1	Level 2	Level 3	Total
<b>(Rupees in thousand)</b>				
<b>Financial asset</b>				
Financial assets at fair value through profit or loss	13,185	-	-	13,185

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.



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

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.

### 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, 2023.

### 14 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 29 April 2024 by the Board of Directors of the Company.

### 15. Date of authorization for issue

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

### 16. General

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR







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