



N I S H A T

NISHAT POWER LIMITED



A NEW
VISION FOR
CONTINUED
GROWTH

THIRD QUARTERLY REPORT

FOR THE PERIOD ENDED MARCH 31
2022

CONTENTS

Nishat Power Limited	Page No.
Corporate Profile	2
Directors' Report	4
Directors' Report (Urdu)	7
Unconsolidated Condensed Interim Statement of Financial Position	10-11
Unconsolidated Condensed Interim Statement of Profit or Loss	12
Unconsolidated Condensed Interim Statement of Comprehensive Income	13
Unconsolidated Condensed Interim Statement of Changes in Equity	14
Unconsolidated Condensed Interim Statement of Cash Flows	15
Selected Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information	16-24
Nishat Power Limited and Its Subsidiary	
Directors' Report	26
Directors' Report (Urdu)	27
Consolidated Condensed Interim Statement of Financial Position	28-29
Consolidated Condensed Interim Statement of Profit or Loss	30
Consolidated Condensed Interim Statement of Comprehensive Income	31
Consolidated Condensed Interim Statement of Changes in Equity	32
Consolidated Condensed Interim Statement of Cash Flows	33
Selected Notes to and Forming Part of the Consolidated Condensed Interim Financial Information	34-40

CORPORATE PROFILE

BOARD OF DIRECTORS

Mian Hassan Mansha	Chairman
Mr. Ghazanfar Hussain Mirza	Chief Executive
Mr. Ahmad Aqeel	
Ms. Maleeha Humayun Bangash	
Mr. Mahmood Akthar	
Mr. Shahzad Ahmad Malik	
Mr. Norez Abdullah	

AUDIT COMMITTEE

Mr. Ahmad Aqeel	Member/Chairman
Ms. Maleeha Humayun Bangash	Member
Mr. Shahzad Ahmad Malik	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Hassan Mansha	Member
Mr. Ahmad Aqeel	Member / Chairman
Mr. Ghazanfar Hussain Mirza	Member

CHIEF FINANCIAL OFFICER

Mr. Tanvir Khalid

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

Habib Bank Limited
United Bank Limited
Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
Silk Bank Limited
Bank Islami Pakistan Limited
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
Albaraka Bank Pakistan Limited
The Bank of Punjab
MCB Bank Limited
MCB Islamic Bank Limited
Pak Brunei Investment Co. Limited
Bank Al-Habib Ltd

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISOR

Cornelius, Lane & Mufti
Advocates & Solicitors

REGISTERED OFFICE

53 - A, Lawrence Road, Lahore - Pakistan
UAN: 042-111-11-33-33

HEAD OFFICE

1-B, Aziz Avenue, Canal Bank,
Gulberg-V, Lahore - Pakistan
Tel: +92-42-35717090-96, 35717159-63
Fax: +92-42-35717239
Website: www.nishatpower.com

SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.
Financial & Management Consultants
H.M. House, 7-Bank Square, Lahore - Pakistan.
Tel: 042-37235081-2

PLANT

66-K.M, Multan Road, Jambar Kalan,
Tehsil Pattoki, District Kasur, Punjab - Pakistan.

DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited (The Company) is pleased to present their report together with the Condensed Interim Financial Information for the period ended March 31, 2022.

PRINCIPAL ACTIVITY:

The principal activity of the Company is to build, own, operate and maintain a fuel fired power plant based on Reciprocating Engine Technology having gross capacity of 200MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan.

FINANCIAL RESULTS:

During the period the Company had turnover of Rs 14,304 million (March 2021: Rs 7,879 million) against operating cost of Rs 11,135 million (March 2021: Rs 5,255 million) resulting in a gross profit of Rs 3,169 million (March 2021: Rs 2,624 million). The current period's net profit after tax amounts to Rs 2,800 million resulting earnings per share of Rs 7.908 compared to previous period's profit after tax of Rs 2,183 million and earnings per share of Rs 6.166.

The Power Purchaser continues to default on its payment obligations. The Company took up the matter with the Power Purchaser and Private Power & Infrastructure Board ('PPIB') by giving notices of default pursuant to provisions of Power Purchase Agreement and Implementation Agreement.

Total receivables from Power Purchaser including WPPF and WWF on March 31, 2022 stand at Rs 16,344 million (June 30, 2021: Rs. 19,699 million), out of which overdue receivables are Rs. 12,903 million (June 30, 2021: Rs 14,678 million).

OPERATIONS AND SIGNIFICANT EVENTS:

During the previous year ended June 30, 2021, the Company entered into Master Agreement and Amendment to Power Purchase Agreement with CPPA-G, in order to get payment of its overdue receivables as on November 30, 2020 amounting to Rs 14,252.802 million.

On February 17, 2021, pursuant to Master Agreement, the Power Purchaser and the Company, developed and submitted to NEPRA, tariff adjustment application to prospectively reduce ROE and ROEDC components, i.e. 17% per annum in PKR on NEPRA approved equity at Commercial Operations Date for RoE and RoEDC calculated at USD/PKR exchange rate of PKR 148/USD, with no future USD indexation. However, the existing RoE and RoEDC, together with the applicable indexations, shall continue to be applied until the date, the applicable exchange rate under the present tariff reaches PKR 168/USD1 (i.e., the date of the signing of the MoU), whereupon the revised RoE and RoEDC shall apply for the remainder of the term of the PPA. On March 03, 2021 NEPRA conducted joint hearing for IPPs of 2002 Power Policy, on the above stated tariff adjustment application. On April 02, 2021 NEPRA issued decision in line with above stated tariff adjustment application of the company and also for IPPs of 2002 Power Policy.

As per the Master Agreement, after notification of the above stated revised tariff decision by Government of Pakistan "GOP" and payment of first instalment by Power Purchaser, under the Master Agreement, and till revised tariff effective date (i.e. when last instalment under the below payment mechanism has been paid to the Company), the Company shall, subject to resolution of the outstanding LCIA Award, commence giving discount in future invoices consistent with the notified tariff and Master Agreement. From and after the revised tariff effective date, billing and invoicing shall be as per the notified revised tariff.

During the period, the USD:PKR exchange rate have crossed the threshold of Rs.168/USD and the Company has also received first installment of 40% amounting to Rs.5,701 million on January 06, 2022, in the breakup of 1/3rd cash, 1/3rd in the form of tradeable Ijarah Sukuk, and 1/3rd in the form of tradeable Pakistan Investment Bonds (PIBs). Further, the revised tariff decision has also been notified by GOP on January 06, 2022. As per underlying agreements, the remaining

second installment of 60% amounting to Rs. 8,551.681 million is to be paid by Power Purchaser within six months after the date of first installment.

Therefore, according to the agreements and the NEPRA decision on revised tariff, dated April 02, 2021 and its notification by GOP dated January 06, 2022, the Company has reduced its Capacity Purchase Price (CPP) relating to ROE and ROEDC components, by way of giving discount (effective from 06 January 2022) to CPPA-G, as stated above.

We would also like to draw your attention to note 10 to these unconsolidated condensed interim financial statements which refers to amicable resolution of outstanding LCIA Award relating to the capacity revenue dispute involving Rs 816.033 million for the period of 68 days ('disputed period') in which the plant was not fully available for power generation due to non-availability of fuel owing to non-payment by CPPA-G. Pursuant to the PPA Amendment Agreement, the disputed period has been treated as an Other Force Majeure Event ('OFME') under the PPA. The OFME period has commenced on June 9, 2021 and has ended on August 15, 2021 and remaining disputed receivable amounts have been therefore invoiced and duly acknowledged by the Power Purchaser during the period under review.

CHANGE IN ACCOUNTING POLICY:

In financial year 2021, the company changed its accounting policy for valuation of furnace oil inventory. As per the new policy, furnace oil is valued on First In First Out ('FIFO') cost basis whereas previously, it was valued on weighted average cost basis. Such change has resulted in restatement of figures reported for condensed interim statement of profit or loss for the period ended March 31, 2021. For details please refer to note 5.1 of annexed unconsolidated condensed interim financial statements.

OPERATIONAL RESULTS:

The plant operated at an optimal efficiency with 40.31 % (March 2021: 28.06%) average capacity factor and dispatched 518 GWh (March 2021: 360 GWh) of electricity to the Power Purchaser during the period.

COMPOSITION OF BOARD:

Total number of Directors:	
(a) Male	6
(b) Female:	1
Composition:	
(i) Independent Directors	2
(ii) Other Non-executive Directors	4
(iii) Executive Directors	1

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Directors
1	Mr. Ahmad Aqeel (Independent Director) – Chairman
2	Ms. Maleeha Humayun Bangash (Independent Director)
3	Mr. Shahzad Ahmad Malik (Non-Executive Director)

Human Resource and Remuneration Committee:

Sr. #	Name of Directors
1	Mr. Ahmad Aqeel – (Independent Director) - Chairman
2	Mian Hassan Mansha (Non-Executive Director)
3	Mr. Ghazanfar Husain Mirza (Executive Director)

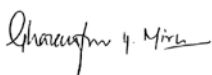
DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 14 of the annexed unconsolidated condensed interim financial statements.

ACKNOWLEDGEMENT:

The Board of Directors appreciates all its stakeholders for their trust and continued support to the Company. The Board also recognizes the contribution made by a very dedicated team of professionals and engineers who served the Company with enthusiasm, and hope that the same spirit of devotion shall remain intact in the future ahead to the Company.

For and on behalf of Board of Directors



Chief Executive Officer
Lahore: April 22, 2022



Director

مجلس نظام کی رپورٹ:

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظام 31 مارچ 2022 کو ختم ہونے والی مدت کے لئے کمپنی کی مندرجہ ذیل مالی معلومات معہ اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کرتی ہے۔

بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی تھر کلاں تحصیل چوک، ضلع قصور، پنجاب، پاکستان میں 200 میگا واٹ کی مجموعی صلاحیت کا حامل انجن مینیکالوجی پر مبنی ایندھن سے چلنے والا ذاتی پاور پلانٹ کی تعمیر، چلانا اور برقرار رکھنا ہے۔

مالیاتی اور آپریشنل نتائج:

کمپنی کو مدت کے دوران 11,135 ملین روپے (مارچ 2021 : 5,255 ملین روپے) کی آپریٹنگ لاگت کے عوض 14,304 ملین روپے (مارچ 2021 : 7,879 ملین روپے) آمدنی ہوئی، جس کے نتیجے میں 3,169 ملین روپے (مارچ 2021 : 2,624 ملین روپے) کا مجموعی منافع ہوا ہے۔ موجودہ مدت کا بعد از ٹیکس خالص منافع گزشتہ سال کی اسی مدت کے بعد از ٹیکس منافع 2,183 ملین روپے اور 6.166 روپے فی شیئر آمدنی کے مقابلہ میں 2,800 ملین روپے اور 7.908 روپے فی شیئر آمدنی رہا ہے۔

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

31 مارچ 2022 کو WPPF اور WWF سمیت پاور پریچر سے کل واجب وصولی 16,344 ملین روپے (30 جون 2021 : 19,699 ملین روپے) ہے، جن میں سے 12,903 ملین روپے (30 جون 2021 : 14,678 ملین روپے) کی واجب الوصول رقم زائد المیعاد ہے۔

آپریٹنگ اور اہم واقعات:

30 جون 2021 کو ختم ہونے والے گزشتہ سال کے دوران، کمپنی نے 30 نومبر 2020 کو اپنی زائد المیعاد قابل وصولیوں 14,252.802 ملین روپے کی ادائیگی حاصل کرنے کے لئے 12 فروری 2021 کو CPPA-G کے ساتھ ماسٹر ایگریمنٹ اور بجلی کی خریداری کے معاہدہ میں ترمیم پر دستخط کئے۔

اس کے بعد، 17 فروری 2021 کو ماسٹر ایگریمنٹ کی بیرونی میں، پاور خریدار اور کمپنی نے نیچر اکو، ROE اور ROEDC کے اجزا کو مستقبل میں کم کرنے کے لئے ٹیرف ایڈجسٹمنٹ کی درخواست جمع کرائی، یعنی ROE اور ROEDC کے لئے کمرشل آپریشن تاریخ تک نیچر کی منظور شدہ ایکویٹی پر پاکستانی روپیہ میں 17% سالانہ کے حساب سے منافع اور مستقبل کے امریکی ڈالر کی اشاریہ کے بغیر، امریکی ڈالر/روپیہ کی شرح تبادلہ کو 148 پاکستانی روپے/امریکی ڈالر پر محض کیا گیا ہے۔ تاہم، موجودہ ROE اور ROEDC، قابل اطلاق اشاریہ سازی کے ساتھ، اس تاریخ تک لاگو ہوتے رہیں گے، جب تک موجودہ نرخ کے تحت قابل اطلاق تبادلہ کی شرح 168/فی امریکی ڈالر (یعنی، مفاہمت نامہ پر دستخط کرنے کی تاریخ) تک پہنچ جائے گی۔ نظر ثانی شدہ ROE اور ROEDC پی پی آئی کے باقی مدت کے لئے لاگو ہوگی۔ 03 مارچ 2021 کو نیچر نے مذکورہ بالا ٹیرف ایڈجسٹمنٹ کی درخواست کے مطابق اور 2002 پاور پالیسی کے آئی پی پی کے لئے بھی فیصلہ جاری کیا۔

اب ماسٹر معاہدے کے تحت حکومت پاکستان کی طرف سے نظر ثانی شدہ ٹیرف کے تعین اور پاور خریدار کے ذریعے بجلی قسط کی ادائیگی کے نوٹیفیکیشن کے بعد، اور ترمیم شدہ ٹیرف مؤثر تاریخ تک (یعنی جب کمپنی کو ادائیگی کے طریقہ کار کے تحت آخری قسط ادا کر دی گئی ہو)، کمپنی بتایا ایل سی آئی

اسے ایوارڈ کے حل ہونے تک، آئندہ انوکس میں اعلان کردہ ٹیرف اور ماسٹر معاہدے کے مطابق رعایت دینا شروع کر دے گی۔ نظر ثانی شدہ ٹیرف کی موثر تاریخ سے اور اس کے بعد، بلیک اور انوکسنگ نظر ثانی شدہ ٹیرف کے مطابق ہونا تھی۔

لہذا، کمپنی کو 06 جنوری 2022 کو 40% کی پہلی قسط کی رقم 5,701 ملین روپے، 1/3rd نقد، 1/3rd بیکل قابل تجارت اجارہ سکوک اور 1/3rd بیکل قابل تجارت پاکستان انویسٹمنٹ بانڈز (PIBs) پر مشتمل وصول ہوئی۔ اس کے علاوہ نظر ثانی شدہ ٹیرف فیصلہ کا بھی 06 جنوری 2022 کو حکومت کی طرف سے اعلان کر دیا گیا ہے۔ بقایا 60% قابل ادائیگی 8,551.68 ملین روپے رقم کی دوسری قسط پہلی قسط کی تاریخ کے بعد چھ ماہ کے اندر متوقع ہے۔

معاہدہ اور 02 اپریل 2021 کو نظر ثانی شدہ ٹیرف پر نیچے کے فیصلہ اور 06 جنوری 2022 کو حکومت پاکستان کے نوٹیفکیشن کے مطابق، کمپنی نے مذکورہ بالا کے مطابق ROE اور ROEDC سے متعلق اپنے کپسٹی پر چہرہ پر اس (CPP) میں کمی کا اطلاق 06 جنوری 2022 سے کر دیا ہے۔

ہم آپ کی توجہ ان غیر منجمد عبوری مالی حسابات کے نوٹ 10 پر بھی مبذول کروانا چاہتے ہیں جس میں 68 دنوں کی مدت ('متنازعہ مدت') جس میں CPPAG کی عدم ادائیگی کے باعث ایندھن کی عدم دستیابی کی وجہ سے پلانٹ بجلی کی پیداوار کے لیے مکمل طور پر دستیاب نہیں تھا کے لیے 816.033 ملین روپے کپسٹی رپونینو تنازعہ کے لئے بقایا LCIA ایوارڈ کے خوشگوار حل کا حوالہ دیا گیا ہے۔ پی پی اے ترمیمی معاہدے کے مطابق، متنازعہ مدت کو پی پی اے کے تحت دیگر فورس میچور ایونٹ ('OFME') کے طور پر خیال کیا گیا ہے۔ OFME کی مدت 9 جون 2021 کو شروع ہوئی ہے اور 15 اگست 2021 کو ختم ہوگی اور بقایا متنازعہ قابل وصولیوں کی رقم زبرد جائزہ مدت کے دوران پاور پر چہرہ پر تسلیم کر لی ہے۔

اکاؤنٹنگ پالیسی میں تبدیلی:

مالی سال 2021 میں، کمپنی نے فرنس آنس انونیٹری کی ویلیویشن کے لیے اپنی اکاؤنٹنگ پالیسی کو تبدیل کیا۔ نئی پالیسی کے مطابق، فرنس آنس کی قیمت کا تعین ان فرسٹ آؤٹ ('FIFO') لاگت کی بنیاد پر کیا جاتا ہے جبکہ اس سے قبل اس کی قیمت کا تعین اوسط لاگت کی بنیاد پر کیا جاتا تھا۔ اس طرح کی تبدیلی کے نتیجے میں 31 مارچ 2021 کو ختم ہونے والی مدت کے لیے منجمد عبوری حسابات کے نفع یا نقصان کے بیان کردہ اعداد و شمار میں دوبارہ بیان کیا گیا ہے۔ تفصیلات کے لیے براہ کرم غیر منقولہ منجمد عبوری مالی حسابات کا نوٹ 5.1 ملاحظہ کریں۔

کاروباری نتائج:

مدت کے دوران پلانٹ زیادہ سے زیادہ باکفایت کارکردگی پر چلایا گیا اور پاور پر چہرہ کو اوسط کپسٹی عنصر 40.31 فیصد (مارچ 2021 : 28.06 فیصد) صلاحیت کے ساتھ 518 GWh (مارچ 2021 : 360 GWh) بجلی ترسیل کی گئی۔

بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد

6 (a) مرد

1 (b) عورت

ترتیب

2 (i) آزاد ڈائریکٹرز

4 (ii) دیگر نان ایگزیکٹو ڈائریکٹرز

1 (iii) ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں
بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین
2	محترمہ ملیحہ ہمایوں بنگش (آزاد ڈائریکٹر)
3	جناب شہزاد احمد ملک (نان ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمنڈیشن کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین
2	میاں حسن منشا (نان ایگزیکٹو ڈائریکٹر)
3	جناب غضنفر حسین مرزا (ایگزیکٹو ڈائریکٹر)

ڈائریکٹرز کا مشاہرہ:

کمپنی ز آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو اجلاس فیس کے علاوہ مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے مشاہرہ کی مجموعی رقم منسلکہ غیر منقولہ منجند عبوری مالی حسابات کے نوٹ 14 میں منکشف کی گئی ہے۔

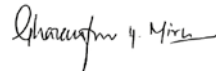
اظہار تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اسٹیک ہولڈرز کے اعتماد اور مسلسل حمایت کا شکریہ ادا کرتا ہے، بورڈ ماہرین اور انجینئرز کی ایک بہت ہی سرشار ٹیم کے حصہ کو تسلیم کرتا ہے جس نے جوش و خروش سے کمپنی کی خدمت کی، اور امید کرتا ہے کہ مستقبل میں کمپنی کے لئے یہی جذبہ برقرار رکھیں گے۔

برائے اور منجانب ڈائریکٹرز



ڈائریکٹر



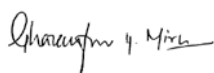
چیف ایگزیکٹو

لاہور: 22 اپریل 2022ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT MARCH 31, 2022

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 2021: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid up share capital 354,088,500 (June 30, 2021: 354,088,500) ordinary shares of Rs 10 each		3,540,885	3,540,885
Capital reserve		3,153,633	3,153,633
Revenue reserve: Un-appropriated profits		20,876,599	19,315,746
		27,571,117	26,010,264
NON-CURRENT LIABILITY			
Long term financing - secured	6	-	36,903
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	55,354	73,805
Short term borrowings - secured		-	3,642,052
Trade and other payables		786,928	932,750
Unclaimed dividend		20,641	17,880
Accrued mark-up		8,921	72,403
		871,844	4,738,890
CONTINGENCIES AND COMMITMENTS			
	7	28,442,961	30,786,057

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE

Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
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ASSETS

NON-CURRENT ASSETS

Fixed assets	8	8,388,336	8,826,575
Long term investments	9	-	-
Long term loans and advances		441	1,461
		8,388,777	8,828,036

CURRENT ASSETS

Stores, spares and loose tools		667,396	656,989
Inventories		1,760,182	649,107
Trade debts	10	15,412,200	18,964,182
Advances, deposits, prepayments and other receivables		1,420,041	1,242,287
Income tax receivable		50,027	42,865
Cash and bank balances		744,338	402,591
		20,054,184	21,958,021
		28,442,961	30,786,057

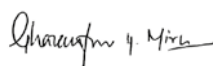

CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2022

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2022	March 31, 2021 (Restated)	March 31, 2022	March 31, 2021 (Restated)
		(Rupees in thousand)		(Rupees in thousand)	
Revenue		4,432,701	2,471,786	14,303,697	7,878,859
Cost of sales	11	(3,183,330)	(1,649,936)	(11,135,066)	(5,255,203)
Gross profit		1,249,371	821,850	3,168,631	2,623,656
Administrative expenses		(83,519)	(78,764)	(236,357)	(216,588)
Other expenses		(34,781)	-	(37,361)	-
Other income		17,005	36,815	57,060	41,798
Finance cost		(7,561)	(74,054)	(151,810)	(265,397)
Profit before taxation		1,140,515	705,847	2,800,163	2,183,469
Taxation		-	-	-	-
Profit after taxation		1,140,515	705,847	2,800,163	2,183,469
Earnings per share - basic and diluted (in Rupees)		3.221	1.993	7.908	6.166

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2022

	Three-month period ended		Nine-month period ended	
	March 31, 2022	March 31, 2021 (Restated)	March 31, 2022	March 31, 2021 (Restated)
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,140,515	705,847	2,800,163	2,183,469
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income	1,140,515	705,847	2,800,163	2,183,469

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

	Share capital	Capital reserve: Maintenance reserve (Rupees in thousand)	Revenue reserve: Un-appropriated profits	Total
Balance as at June 30, 2020 - audited - restated	3,540,885	3,153,633	16,988,701	23,683,219
Profit for the period - restated	-	-	2,183,469	2,183,469
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,183,469	2,183,469
Transactions with owners in their capacity as owners:				
Final dividend for the year ended June 30, 2020 @ Rupee 1 per share	-	-	(354,089)	(354,089)
Balance as at March 31, 2021 (un-audited)	3,540,885	3,153,633	18,818,081	25,512,599
Balance as at June 30, 2021 - audited	3,540,885	3,153,633	19,315,746	26,010,264
Profit for the period	-	-	2,800,163	2,800,163
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,800,163	2,800,163
Transactions with owners in their capacity as owners:				
Final dividend for the year ended June 30, 2021 @ Rupee 1.5 per share	-	-	(531,133)	(531,133)
Interim dividend for the half year ended December 31, 2021 @ Rupee 2.0 per share	-	-	(708,177)	(708,177)
Balance as at March 31, 2022 (un-audited)	3,540,885	3,153,633	20,876,599	27,571,117

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER


DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

		Nine-month period ended	
	Note	March 31, 2022	March 31, 2021
		(Rupees in thousand)	
Cash generated from operations			
Cash generated from operations	12	5,624,886	2,079,408
Finance cost paid		(215,292)	(365,341)
Income tax paid		(7,162)	(2,591)
Long term loans and advances - net		1,020	1,165
Retirement benefits paid		(21,493)	(6,720)
Net cash generated from operating activities		5,381,959	1,705,921
Cash flows from investing activities			
Purchase of fixed assets		(132,372)	(124,116)
Investment in subsidiary		(1,750)	-
Purchase of short term investments		(5,700,721)	(18,344)
Proceeds from sale of short term investments		5,667,927	36,979
Proceeds from disposal of operating fixed assets		43,458	36,683
Profit on bank deposits received		17,201	4,546
Net cash used in investing activities		(106,257)	(64,252)
Cash flows from financing activities			
Proceeds from long term finances		-	76,937
Repayment of long term finances		(55,354)	(21,601)
Dividend paid		(1,236,549)	(356,249)
Net cash used in financing activities		(1,291,903)	(300,913)
Net increase in cash and cash equivalents		3,983,799	1,340,756
Cash and cash equivalents at the beginning of the period		(3,239,461)	(4,745,915)
Cash and cash equivalents at the end of the period	13	744,338	(3,405,159)

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2022

1. THE COMPANY AND ITS ACTIVITIES

Nishat 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, the Companies Act, 2017). The Company is a subsidiary of Nishat Mills Limited. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited.

The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 53-A, Lawrence Road, Lahore. The address of the head office of the Company is 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The Company had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from June 09, 2010. On February 12, 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 June 8, 2021 was extended by sixty eight (68) days to August 15, 2021. Therefore, the existing term of the PPA Agreement has been extended by sixty eight days to twenty five years and sixty eight days ending on August 15, 2035.

2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan 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 and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PRESENTATION AND MEASUREMENT

These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review. These condensed interim financial statements do not include all the information and disclosures required in an audited financial statements and therefore should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2021.

These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

The Company is required to issue consolidated condensed interim financial statements along with its unconsolidated condensed interim financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Consolidated condensed interim financial statements are prepared separately.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING STANDARDS

4.1 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards have been published that are applicable to the Company's unconsolidated condensed interim financial statements covering annual periods, beginning on or after the following dates:

4.1.1 Standards, amendments and interpretations to existing standards that are effective in current year

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended June 30, 2021.

5.1 Change in accounting policy

During the year ended June 30, 2021, the Company had changed its accounting policy for valuation of furnace oil inventory. As per the new policy, furnace oil is valued on First In First Out ('FIFO') cost basis whereas previously, it was valued on weighted average cost basis. The accounting policy has been revised as the new policy is more in line with the basis adopted by National Electric Power Regulatory Authority ('NEPRA') for determination of fuel cost component of the Company's tariff. Hence, the new policy provides more relevant information because it results in a consistent measurement of furnace oil inventory.

The change in accounting policy has been applied retrospectively and the comparative information has been restated in accordance with the treatment specified in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Effects of re-statement are as follows:

(Un-audited) Nine-month period ended March 31, 2021			
As previously reported	Restated	Restatement	
(Rupees in thousand)			
Effect on statement of profit or loss:			
Cost of sales	5,313,834	5,255,203	(58,631)
Earnings per share - basic and diluted (in Rupees)			
	6.001	6.166	0.165

- 5.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended June 30, 2021.

	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
6. LONG TERM FINANCING - SECURED		
Opening balance	110,708	73,823
Loan disbursements during the period/year	-	76,937
Less: Repayments during the period/year	(55,354)	(40,052)
	55,354	110,708
Less: Current portion shown under current liabilities	(55,354)	(73,805)
	-	36,903

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in contingencies i.e. (contingent liabilities) from the preceding annual published unconsolidated financial statements of the Company for the year ended June 30, 2021 except for the following:

The banks have issued the following on behalf of the company:

- Letters of guarantee of Rs 12.3 million (2021: Rs 11.5 million) in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court in respect of suit filed for levy of infrastructure cess.
- Letters of guarantee of Rs 1.6 million (2021: Nil) in favour of Collector of Customs Lahore and Collector of Customs Karachi under directions of Lahore High Court and Sindh High Court respectively, in respect of suit filed for concessionary rate of duty under Customs Act, 1969.
- Letters of guarantee of Rs Nil (2021: Rs 500 million) in favour of fuel suppliers.

7.2 Commitments

- Letters of credit and contracts for other than capital expenditure aggregating to Rs 540.642 million (June 30, 2021: Rs. 2.327 million).

		Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
8. FIXED ASSETS			
Property, plant and equipment:			
Operating fixed assets	note 8.1	8,284,095	8,732,332
Capital work-in-progress		19,105	579
Major spare parts and standby equipment		85,136	93,664
		<u>8,388,336</u>	<u>8,826,575</u>
8.1 Operating fixed assets			
Opening net book value		8,732,332	9,259,765
Additions during the period / year	- note 8.1.1	122,373	199,932
Net book value of deletions during the period / year		(4,583)	(2,488)
Depreciation charged for the period / year		(566,027)	(724,877)
		<u>8,284,095</u>	<u>8,732,332</u>
8.1.1 Additions during the period / year			
Freehold land		98,146	-
Buildings and roads on freehold land		525	-
Plant and machinery		8,528	3,043
Computer equipment		2,639	2,905
Furniture and fixtures		320	69
Office equipment		769	829
Vehicles		11,446	193,086
		<u>122,373</u>	<u>199,932</u>

9. LONG TERM INVESTMENTS

9.1 Investment in Nishat Energy Limited

	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
250,000 (June 30, 2021: 250,000) fully paid ordinary shares of Rs 10 each [Equity held 25% (June 30, 2021: 25%)] - Cost	-	-
	<u>-</u>	<u>-</u>

The Company directly holds 250,000 fully paid ordinary shares of Rs 10 each, in its associate, Nishat Energy Limited ('NEL'), representing its 25% equity. NEL is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore. NEL is no longer considered a going concern by its management and hence, the investment is fully impaired.

Un-audited	Audited
March 31,	June 30,
2022	2021
(Rupees in thousand)	

9.2 Investment in Lalpir Solar Power (Private) Limited

275,000 (June 30, 2021: 100,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (June 30, 2021: 100%)] - Cost

-	-
-	-

The Company directly holds 275,000 fully paid ordinary shares of Rs 10 each, in its wholly owned subsidiary, Lalpir Solar Power (Private) Limited ('LSPPL'), representing 100% of its equity. LSPPL is a private company limited by shares incorporated in Pakistan to build, own, operate and maintain or invest in a solar power project. The address of the registered office of LSPPL is 53-A, Lawrence Road, Lahore. LSPPL is no longer considered a going concern by its management, and hence the investment is fully impaired.

10. TRADE DEBTS

Refer to Trade debts note 1.1 to the company's unconsolidated financial statements for the year ended June 30, 2021, an amount of Rs 816.033 million was included in trade debts relating to capacity revenue not acknowledged by NTDC/CPPA-G and the company had contested it at various forums including arbitration in the London Court of International Arbitration ('LCIA').

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC/CPPA-G to pay certain amounts to the company. Thereafter, on November 29, 2017, company filed an application before Lahore High Court for implementation/enforcement of Final Award that is pending adjudication.

On February 12, 2021, as part of the PPA Amendment Agreement as referred to in note 1.1 to the company's unconsolidated financial statements for the year ended June 30, 2021, the CPPA-G and the company settled the dispute through the extension period of 68 days treated as "Other Force Majeure Event" ('OFME') under the PPA. Further, CPPA-G agreed to make certain payments to the company, subject to certain terms, as compensation of the withheld capacity payments. In return, the company agreed to forgo certain amounts declared under the Final Award as enumerated above. Further, subject to fulfillment of certain conditions, the company and CPPA-G agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honorable Lahore High Court.

On June 30, 2021, out of the recognized receivable of Rs 816.033 million, the company had written off amounts aggregating Rs 141.47 million.

During the current period, pursuant to the provisions of PPA Amendment Agreement as mentioned above, under the OFME period, the remaining receivable amounts out of Rs 816.033 million have been acknowledged by the CPPA-G.

	Un-audited Three month period ended		Un-audited Nine month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)		(Rupees in thousand)	
11. COST OF SALES				
Raw materials consumed	2,781,426	1,279,713	9,950,201	4,158,479
Salaries and other benefits	77,286	72,335	217,025	201,133
Repairs and maintenance	3,244	3,229	15,575	8,876
Stores, spares and loose tools consumed	50,829	25,179	124,611	83,476
Electricity consumed				
in-house	11,628	10,276	27,315	29,206
Insurance	70,451	72,128	210,131	216,585
Travelling and conveyance	6,961	5,904	19,085	16,825
Printing and stationery	181	168	596	633
Postage and telephone	165	175	488	558
Vehicle running expenses	1,200	925	3,668	2,898
Entertainment	256	264	1,651	618
Depreciation on fixed assets	165,632	164,413	519,661	496,262
Amortization of				
intangible asset	-	377	-	1,131
Fee and subscription	1,010	748	3,632	3,026
Miscellaneous	13,061	14,102	41,427	35,497
	<u>3,183,330</u>	<u>1,649,936</u>	<u>11,135,066</u>	<u>5,255,203</u>

	Un-audited Nine month period ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
12. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,800,163	2,183,469
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	566,029	539,057
Amortization on intangible assets	-	1,131
Profit on bank deposits	(17,274)	(4,893)
Finance cost	151,810	265,397
Provision for employee retirement benefits	21,493	19,945
Impairment loss on investment in subsidiary	1,750	-
Gain on disposal of operating fixed assets	(38,875)	(35,000)
Capital Gain/(Loss) on sale of government securities	32,793	-
Operating profit before working capital changes	3,517,889	2,969,106
Effect on cash flow due to working capital changes:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(10,407)	(13,529)
Inventories	(1,111,075)	(707,256)
Trade debts	3,551,982	(258,517)
Advances, deposits, prepayments and other receivables	(177,681)	(202,230)
	2,252,819	(1,181,532)
(Decrease) / increase in current liabilities		
Trade and other payables	(145,822)	291,834
	2,106,997	(889,698)
	<u>5,624,886</u>	<u>2,079,408</u>

	Un-audited	
	Nine month period ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	744,338	51,142
Short term borrowings - secured	-	(3,456,301)
	<u>744,338</u>	<u>(3,405,159)</u>

14. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary and associate of the 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. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions during the period are as below:

Relationship with the Company	Nature of transactions	(Un-audited)	
		Nine month period ended	
		March 31, 2022	March 31, 2021
		(Rupees in thousand)	
i. Holding company	Dividends paid	632,215	180,621
ii. Entities on the basis of common directorship	Purchases of goods and services	65,885	53,401
	Rental expense	6,920	9,346
	Insurance premium	209,098	215,685
iii. Group entity	Interest on deposit accounts	17,200	283
	Insurance premium	5,087	4,940
iv. Post employment benefit plan	Expense charged in respect of Retirement benefit plan	21,494	19,945
v. Key management personnel	Remuneration	23,192	22,895

	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
Period end balances		
Payable to related parties		
- Companies on basis of common directorship	74	59
- Group entity	-	2,741
Bank deposits with related parties		
- Group entity	742,859	1,642
Receivable from related parties		
- Companies on basis of common directorship	6,454	-
- Group entity	-	4,900

15. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 22, 2022 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

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

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Condensed Interim Financial Statements

for the Third Quarter Ended March 31, 2022

DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited (The Company) is pleased to present their report together with the Consolidated Condensed Interim Financial Information for the period ended March 31, 2022 for the Company and its subsidiary Lalpir Solar Power (Private) Limited (the Group).

PRINCIPAL ACTIVITY OF SUBSIDIARY COMPANY AND BRIEF OVER ITS OPERATIONS

In the financial year 2016, the Company incorporated a wholly owned subsidiary, Lalpir Solar Power (Private) Limited ('LSPPL'), since then the Company has taken up 100,000 shares of the LSPPL. The principal activity of LSPPL is to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of upto approx. 19 MWp. The project site is located at Mehmood Kot, District Muzaffar Garh, Multan. The Company achieved various milestones like approval of Feasibility Study, No Objection Certificate ('NOC') from Environment Protection Agency (EPA) and approval of Grid Interconnection study from Multan Electric Power Company (MEPCO). However, the upfront solar tariff announced by National Electric Power Regulatory Authority (NEPRA) had expired on June 30, 2016. Meanwhile LSPPL had also obtained the approval from NTDCL for Grid Interconnection Study, and generation license from NEPRA in year 2018.

The management of LSPPL continuously tried its best to get Power Acquisition Request and Consent to Procure Power from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) so that development of the project can be moved forward. However, CPPA-G informed LSPPL that Ministry of Energy has conveyed the Cabinet Committee on Energy (CCOE) decision to CPPA-G that 145 projects had been approved by the Cabinet for necessary action. The CPPA-G stated that power project of LSPPL is not included in the list of 145 projects. Therefore, CPPA-G is of the view that request of LSPPL for Power Acquisition Consent cannot be entertained.

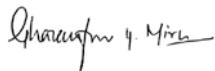
Subsequently, Alternate Energy Development Board (AEDB) informed that Solar PV Power Project of LSPPL is placed under category III of the amended decision of the Cabinet Committee on Energy (CCoE). All category III projects are allowed by the CCoE to proceed ahead, subject to becoming successful in the competitive bidding process to be undertaken by AEDB, based on the quantum ascertained for each technology by Indicative Generation Capacity Expansion Plan (IGCEP) by NTDCL. However, no such competitive bidding process has been undertaken. The response of CPPA-G and AEDB have made the Solar PV Power Project of LSPPL more complicated.

Accordingly, there does not seem to be any commercial justification to retain this company and incur costs thereon. Therefore, the Board of Directors of the Company has decided to voluntary winding up the Subsidiary LSPPL, subject to the approval of shareholders through special resolution. The Subsidiary will be wound up voluntary in accordance with the requirement of the Companies Act, 2017. Therefore, Condensed Interim Financial Information of LSPPL for the period ended March 31, 2022 have been prepared on non-going concern basis.

ACKNOWLEDGEMENT:

The Board of Directors appreciates all its stakeholders for their trust and continued support to the Company.

For and on behalf of Board of Directors



Chief Executive Officer
Lahore: April 22, 2022


Director

مجلس نظماء کی رپورٹ consolidated منجمد عبوری مالی معلومات

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظماء 31 مارچ 2022 کو ختم ہونے والی مدت کے لئے کمپنی کی consolidate منجمد عبوری مالی معلومات معرانی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

لال پیرسولر پاور (پرائیویٹ) لمیٹڈ مالی سال 2016 سے کمپنی ایک مکمل ملکیتی ذیلی کمپنی، لال پیرسولر پاور (پرائیویٹ) لمیٹڈ ('LSPPL') رکھتی ہے، اور اس کے 100,000 حصص کی مالک ہے۔ LSPPL کی بنیادی سرگرمی ایک اندازے کے مطابق 19 MWp بجلی پیدا کرنے کی صلاحیت کے ساتھ 20 MWp تک کی مجموعی صلاحیت کے حامل شمسی توانائی کے منصوبے میں سرمایہ کاری یا ذاتی تعمیر، چلانا اور برقرار رکھنا ہوگی۔ منصوبے کی سائٹ محمود کوٹ، ضلع مظفر گڑھ، ملتان میں واقع ہے۔ کمپنی نے مہمانہ مطالعہ کی منظوری، ماحولیاتی تحفظ ایجنسی (EPA) سے کوئی اعتراض نہیں کاغذ کیا (این او سی) اور ملتان الیکٹرک پاور کمپنی (مپیک) سے گزراؤ کنکشن مطالعہ کی منظوری کی طرح کے مختلف سنگ میلوں کو حاصل کیا۔ دریں اثناء، فیڈرل الیکٹرک پاور ریگولیٹری اتھارٹی (NEPRA) کی طرف سے اعلان کردہ اپ فرنٹ شمسی ٹیرف 30 جون 2016 کو ختم ہو چکا ہے۔ اسی اثناء میں LSPPL نے NTDCL سے گزراؤ کنکشن مطالعہ کی منظوری اور سال 2018 میں، پھر اسے جزییشن لائسنس حاصل کیا۔

LSPPL کی انتظامیہ نے سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ (CPGA-G) سے پاور ایکوزیشن درخواست اور بجلی خریدنے کی رضامندی حاصل کرنے کے لئے مسلسل اپنی بہترین کوششیں کی ہیں تاکہ منصوبہ ڈیولپمنٹ کو آگے بڑھایا جاسکے۔ تاہم، CPGA-G نے LSPPL کو مطلع کیا کہ وزارت توانائی نے CPGA-G کو توانائی کی کابینہ کمیٹی (CCoE) کا فیصلہ پہنچایا ہے کہ ضروری ایکشن کے لئے کابینہ کی طرف سے 145 منصوبے منظور کئے گئے تھے۔ CPGA-G نے مطلع کیا کہ LSPPL کا پاور منصوبہ 145 منصوبوں کی فہرست میں شامل نہیں ہے۔ لہذا، CPGA-G کا نظریہ یہ ہے کہ پاور ایکوزیشن رضامندی کے لئے LSPPL کی درخواست قبول نہیں کی جاسکتی ہے۔

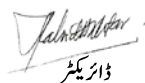
اس کے بعد، متبادل توانائی ترقیاتی بورڈ (اے ای ڈی بی) نے بتایا کہ LSPPL کا سولر پی وی پاور پروجیکٹ کابینہ کمیٹی برائے توانائی (CCoE) کے ترمیم شدہ فیصلہ کیلئے III کے تحت رکھا گیا ہے۔ NTDCL کی طرف سے انڈیکٹیو جزییشن کمیٹی توسیعی پلان (IGCEP) کی طرف سے ہر نیکنالوجی کے لیے طے شدہ کوڈم کی بنیاد پر، AEDB کی طرف سے لینے کے لئے مسابقتی بولی کے عمل میں کامیاب ہونے کے حوالہ سے، CCoE کی طرف سے تمام کیلئے III کے پروجیکٹس کو آگے بڑھانے کی اجازت ہے۔ تاہم، ایسی کوئی مسابقتی بولی لگانے کا عمل شروع نہیں کیا گیا۔ CPGA-G اور AEDB کے رد عمل نے LSPPL کے سولر PV پاور پروجیکٹ کو مزید پیچیدہ بنا دیا ہے۔

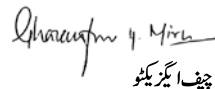
اس کے مطابق، اس کمپنی کو برقرار رکھنے اور اس پر اخراجات اٹھانے کا کوئی تجارتی جواز نہیں لگتا ہے۔ لہذا، کمپنی کے بورڈ آف ڈائریکٹرز نے خصوصی قرارداد کے ذریعے حصص یافتگان کی منظوری سے مشروط LSPPL کو رضا کارانہ طور پر ختم کرنے کا فیصلہ کیا ہے۔ ذیلی کمپنی کمپنیز ایکٹ، 2017 کی ضرورت کے مطابق رضا کارانہ طور پر ختم ہو جائے گی۔ اس لیے 31 مارچ 2022 کو ختم ہونے والی مدت کے لیے LSPPL کے مالیاتی حسابات غیر گونگ کنسرن بنیاد پر تیار کئے گئے ہیں۔

اعظہار تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اسٹیک ہولڈرز کے اعتماد اور مسلسل حمایت کا شکریہ ادا کرتا ہے،

برائے اور منجانب ڈائریکٹرز


ڈائریکٹر

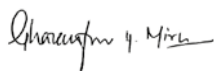

چیف ایگزیکٹو

لاہور: 22 اپریل 2022ء

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT MARCH 31, 2022

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 2021: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid up share capital 354,088,500 (June 30, 2021: 354,088,500) ordinary shares of Rs 10 each		3,540,885	3,540,885
Capital reserve		3,153,633	3,153,633
Revenue reserve: Un-appropriated profits		20,877,449	19,314,803
		27,571,967	26,009,321
NON-CURRENT LIABILITY			
Long term financing - secured	6	-	36,903
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	55,354	73,805
Short term borrowings - secured		-	3,642,052
Trade and other payables		787,024	933,704
Unclaimed dividend		20,641	17,880
Accrued mark-up		8,921	72,403
		871,940	4,739,844
CONTINGENCIES AND COMMITMENTS			
	7	28,443,907	30,786,068

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE

Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
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ASSETS

NON-CURRENT ASSETS

Fixed assets	8	8,388,336	8,826,575
Investment accounted for under equity method	9	-	-
Long term loans and advances		441	1,461
		8,388,777	8,828,036

CURRENT ASSETS

Stores, spares and loose tools		667,396	656,989
Inventories		1,760,182	649,107
Trade debts	10	15,412,200	18,964,182
Advances, deposits, prepayments and other receivables		1,420,142	1,242,287
Income tax receivable		50,045	42,876
Cash and bank balances		745,165	402,591
		20,055,130	21,958,032
		28,443,907	30,786,068

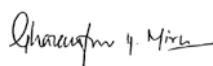

CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2022

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2022	March 31, 2021 (Restated)	March 31, 2022	March 31, 2021 (Restated)
		(Rupees in thousand)		(Rupees in thousand)	
Revenue		4,432,701	2,471,786	14,303,697	7,878,859
Cost of sales	11	(3,183,330)	(1,649,936)	(11,135,066)	(5,255,203)
Gross profit		1,249,371	821,850	3,168,631	2,623,656
Administrative expenses		(83,530)	(78,764)	(237,119)	(216,588)
Other expenses		(34,781)	-	(35,611)	-
Other income		17,026	36,816	57,107	41,799
Finance cost		(7,561)	(74,054)	(151,811)	(265,397)
Profit before taxation		1,140,525	705,848	2,801,197	2,183,470
Taxation		-	30	759	30
Profit after taxation		1,140,525	705,878	2,801,956	2,183,500
Earnings per share - basic and diluted (in Rupees)		3.221	1.994	7.913	6.167

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE

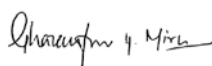

CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2022

	Three-month period ended		Nine-month period ended	
	March 31, 2022	March 31, 2021 (Restated)	March 31, 2022	March 31, 2021 (Restated)
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,140,525	705,878	2,801,956	2,183,500
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income	1,140,525	705,878	2,801,956	2,183,500

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

	Share capital	Capital reserve: Maintenance reserve	Revenue reserve: Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as at June 30, 2020 - audited - restated	3,540,885	3,153,633	16,988,573	23,683,219
Profit for the period - restated	-	-	2,183,500	2,183,500
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,183,500	2,183,500
Transactions with owners in their capacity as owners:				
Final dividend for the year ended June 30, 2020 @ Rupee 1 per share	-	-	(354,089)	(354,089)
Balance as at March 31, 2021 (un-audited)	3,540,885	3,153,633	18,817,984	25,512,630
Balance as at June 30, 2021 - audited	3,540,885	3,153,633	19,314,803	26,009,321
Profit for the period	-	-	2,801,956	2,801,956
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,801,956	2,801,956
Transactions with owners in their capacity as owners:				
Final dividend for the year ended June 30, 2021 @ Rupee 1.5 per share	-	-	(531,133)	(531,133)
Interim dividend for the half year ended December 31, 2021 @ Rupee 2.0 per share	-	-	(708,177)	(708,177)
Balance as at March 31, 2022 (un-audited)	3,540,885	3,153,633	20,877,449	27,571,967

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

		Nine-month period ended	
	Note	March 31, 2022	March 31, 2021
		(Rupees in thousand)	
Cash generated from operations			
Cash generated from operations	12	5,624,915	2,079,409
Finance cost paid		(215,293)	(365,341)
Income tax paid		(6,410)	(2,591)
Long term loans and advances - net		1,020	1,165
Retirement benefits paid		(21,493)	(6,720)
Net cash generated from operating activities		5,382,739	1,705,922
Cash flows from investing activities			
Purchase of fixed assets		(132,372)	(124,116)
Investment in subsidiary		(1,750)	-
Purchase of short term investments		(5,700,721)	(18,344)
Proceeds from sale of short term investments		5,667,927	36,979
Proceeds from disposal of operating fixed assets		43,458	36,683
Profit on bank deposits received		17,248	4,546
Net cash used in investing activities		(106,210)	(64,252)
Cash flows from financing activities			
Proceeds from long term finances		-	76,937
Repayment of long term finances		(55,354)	(21,601)
Dividend paid		(1,236,549)	(356,249)
Net cash used in financing activities		(1,291,903)	(300,913)
Net increase in cash and cash equivalents		3,984,626	1,340,757
Cash and cash equivalents at the beginning of the period		(3,239,461)	(4,745,915)
Cash and cash equivalents at the end of the period	13	745,165	(3,405,158)

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2022

1. THE GROUP AND ITS ACTIVITIES

The group comprises of 'Nishat Power Limited (the 'parent company') and Lalpir Solar (Private) Limited (the 'subsidiary') .

The parent company is a public company limited by shares incorporated in Pakistan on February 23, 2007 under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The parent company is a subsidiary of Nishat Mills Limited. The parent company's ordinary shares are listed on the Pakistan Stock Exchange Limited.

The principal activity of the parent company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the parent company is 53-A, Lawrence Road, Lahore. The address of the head office of the parent company is 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The parent company had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from June 09, 2010. On February 12, 2021, the parent 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 parent company entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on June 8, 2021 was extended by sixty eight (68) days to August 15, 2021. Therefore, the existing term of the PPA Agreement has been extended by sixty eight days to twenty five years and sixty eight days ending on August 15, 2035.

The subsidiary was incorporated in Pakistan on November 19, 2015 as a private company limited by shares. It is a wholly owned subsidiary of Nishat Power Limited. The registered office of the subsidiary is situated at 53-A, Lawrence Road, Lahore. The principal activity of the subsidiary is to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MW.

The management continuously tried its best to get Power Acquisition Request and Consent to Procure Power from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) so that development of the solar power project can be moved forward. However, CPPA-G informed that Ministry of Energy has conveyed the Cabinet Committee on Energy (CCoE) decision to CPPA-G and further sent a list of 145 projects as approved by the Cabinet for necessary action. The CPPA-G stated that this solar power project is not included in the list of 145 projects, therefore, CPPA-G is of the view that the request cannot be entertained. Furthermore, during the prior year, Alternate Energy Development Board (AEDB) informed that the Solar PV Power Project is placed under category III of the decision of the CCoE to proceed ahead subject to becoming successful in the competitive bidding process to be undertaken by AEDB, based on the quantum ascertained for each technology by Indicative Generation Capacity Expansion Plan (IGCEP) by NTDC.

The management understands that to-date, no such competitive bidding process has been undertaken. The response of CPPA-G and AEDB have made this project more complicated. During the year, on request of the group, the Letter of Intent had been cancelled by AEDB. Subsequent to year end, on request of the Company, NEPRA has cancelled the Generation License of the Company. Hence, voluntary winding up of the subsidiary under the Companies Act, 2017 is being considered. In the view of the aforesaid reasons, the subsidiary is not considered a going concern.

The parent company has an associate, Nishat Energy Limited ('NEL'). The parent company directly holds 25% ordinary shares in NEL, which is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore.

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan 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 and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PRESENTATION AND MEASUREMENT

These consolidated condensed interim financial statements are un-audited. These condensed interim financial statements do not include all the information and disclosures required in an audited financial statements and therefore should be read in conjunction with the group's annual audited financial statements for the year ended June 30, 2021.

These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING STANDARDS

4.1 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards have been published that are applicable to the group's consolidated condensed interim financial statements covering annual periods, beginning on or after the following dates:

4.1.1 Standards, amendments and interpretations to existing standards that are effective in current year

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2021 but are considered not to be relevant or to have any significant effect on the group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

4.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the group's accounting periods beginning on or after January 01, 2022, but are considered not to be relevant or to have any significant effect on the group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended June 30, 2021.

5.1 Change in accounting policy

During the year ended June 30, 2021, the parent company had changed its accounting policy for valuation of furnace oil inventory. As per the new policy, furnace oil is valued on First In First Out ('FIFO') cost basis whereas previously, it was valued on weighted average cost basis. The accounting policy has been revised as the new policy is more in line with the

basis adopted by National Electric Power Regulatory Authority ('NEPRA') for determination of fuel cost component of the parent company's tariff. Hence, the new policy provides more relevant information because it results in a consistent measurement of furnace oil inventory.

The change in accounting policy has been applied retrospectively and the comparative information has been restated in accordance with the treatment specified in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Effects of re-statement are as follows:

	(Un-audited) Nine-month period ended March 31, 2021		
	As previously reported	Restated	Restatement
	(Rupees in thousand)		
Effect on statement of profit or loss:			
Cost of sales	5,313,834	5,255,203	(58,631)
Earnings per share - basic and diluted (in Rupees)	6.001	6.166	0.165

- 5.2 The group's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended June 30, 2021.

	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
6. LONG TERM FINANCING - SECURED		
Opening balance	110,708	73,823
Loan disbursements during the period/year	-	76,937
Less: Repayments during the period/year	(55,354)	(40,052)
	55,354	110,708
Less: Current portion shown under current liabilities	(55,354)	(73,805)
	-	36,903

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in contingencies i.e. (contingent liabilities) from the preceding annual published consolidated financial statements of the group for the year ended June 30, 2021 except for the following:

The banks have issued the following on behalf of the group:

- Letters of guarantee of Rs 12.3 million (2021: Rs 11.5 million) in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court in respect of suit filed for levy of infrastructure cess.
- Letters of guarantee of Rs 1.6 million (2021: Nil) in favour of Collector of Customs Lahore and Collector of Customs Karachi under directions of Lahore High Court and Sindh High Court respectively, in respect of suit filed for concessionary rate of duty under Customs Act, 1969.
- Letters of guarantee of Rs Nil (2021: Rs 500 million) in favour of fuel suppliers.

7.2 Commitments

- Letters of credit and contracts for other than capital expenditure aggregating to Rs 540.642 million (June 30, 2021: Rs. 2.327 million).

		Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
8. FIXED ASSETS			
Property, plant and equipment:			
Operating fixed assets	note 8.1	8,284,095	8,732,332
Capital work-in-progress		19,105	579
Major spare parts and standby equipment		85,136	93,664
		<u>8,388,336</u>	<u>8,826,575</u>
8.1 Operating fixed assets			
Opening net book value		8,732,332	9,259,765
Additions during the period / year	- note 8.1.1	122,373	199,932
Net book value of deletions during the period / year		(4,583)	(2,488)
Depreciation charged for the period / year		(566,027)	(724,877)
		<u>8,284,095</u>	<u>8,732,332</u>
8.1.1 Additions during the period / year			
Freehold land		98,146	-
Buildings and roads on freehold land		525	-
Plant and machinery		8,528	3,043
Computer equipment		2,639	2,905
Furniture and fixtures		320	69
Office equipment		769	829
Vehicles		11,446	193,086
		<u>122,373</u>	<u>199,932</u>

9. INVESTMENT ACCOUNTED FOR UNDER EQUITY METHOD

9.1 Investment in Nishat Energy Limited

	Un-audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
250,000 (June 30, 2021: 250,000) fully paid ordinary shares of Rs 10 each [Equity held 25% (June 30, 2021: 25%)] - Cost	-	-
	<u>-</u>	<u>-</u>

The parent company directly holds 250,000 fully paid ordinary shares of Rs 10 each, in its associate, Nishat Energy Limited ('NEL'), representing its 25% equity. NEL is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore. NEL is no longer considered a going concern by its management and hence, the investment is fully impaired.

10. TRADE DEBTS

Refer to Trade debts note 1.1 to the group's consolidated financial statements for the year ended June 30, 2021, an amount of Rs 816.033 million was included in trade debts relating to capacity revenue not acknowledged by NTDC/CPPA-G and the parent company had contested it at various forums including arbitration in the London Court of International Arbitration ('LCIA').

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC/CPPA-G to pay certain amounts to the parent company. Thereafter, on November 29, 2017, parent company filed an application before Lahore High Court for implementation/enforcement of Final Award that is pending adjudication.

On February 12, 2021, as part of the PPA Amendment Agreement as referred to in note 1.1 to the group's consolidated financial statements for the year ended June 30, 2021, the CPPA-G and the parent company settled the dispute through the extension period of 68 days treated as "Other Force Majeure Event" ('OFME') under the PPA. Further, CPPA-G agreed to make certain payments to the parent company, subject to certain terms, as compensation of the withheld capacity payments. In return, the parent company agreed to forgo certain amounts declared under the Final Award as enumerated above. Further, subject to fulfillment of certain conditions, the parent company and CPPA-G agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honorable Lahore High Court.

On June 30, 2021, out of the recognized receivable of Rs 816.033 million, the parent company had written off amounts aggregating Rs 141.47 million.

During the current period, pursuant to the provisions of PPA Amendment Agreement as mentioned above, under the OFME period, the remaining receivable amounts out of Rs 816.033 million have been acknowledged by the CPPA-G.

11. COST OF SALES

	Un-audited Three month period ended		Un-audited Nine month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)		(Rupees in thousand)	
Raw materials consumed	2,781,426	1,279,713	9,950,201	4,158,479
Salaries and other benefits	77,286	72,335	217,025	201,133
Repairs and maintenance	3,244	3,229	15,575	8,876
Stores, spares and loose tools consumed	50,829	25,179	124,611	83,476
Electricity consumed in-house	11,628	10,276	27,315	29,206
Insurance	70,451	72,128	210,131	216,585
Travelling and conveyance	6,961	5,904	19,085	16,825
Printing and stationery	181	168	596	633
Postage and telephone	165	175	488	558
Vehicle running expenses	1,200	925	3,668	2,898
Entertainment	256	264	1,651	618
Depreciation on fixed assets	165,632	164,413	519,661	496,262
Amortization of intangible asset	-	377	-	1,131
Fee and subscription	1,010	748	3,632	3,026
Miscellaneous	13,061	14,102	41,427	35,497
	<u>3,183,330</u>	<u>1,649,936</u>	<u>11,135,066</u>	<u>5,255,203</u>

	Un-audited Nine month period ended	
	March 31, 2022	March 31, 2021
(Rupees in thousand)		
12. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,801,197	2,183,500
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	566,029	539,057
Amortization on intangible assets	-	1,131
Profit on bank deposits	(17,321)	(4,893)
Finance cost	151,811	265,397
Provision for employee retirement benefits	21,493	19,945
Impairment loss on investment in subsidiary	1,750	-
Gain on disposal of operating fixed assets	(38,875)	(35,000)
Capital Gain/(Loss) on sale of government securities	32,793	-
Operating profit before working capital changes	3,518,877	2,969,137
Effect on cash flow due to working capital changes:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(10,407)	(13,529)
Inventories	(1,111,075)	(707,256)
Trade debts	3,551,982	(258,517)
Advances, deposits, prepayments and other receivables	(177,782)	(202,230)
	2,252,718	(1,181,532)
(Decrease) / increase in current liabilities		
Trade and other payables	(146,680)	291,834
	2,106,038	(889,698)
	5,624,915	2,079,439
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	745,165	51,142
Short term borrowings - secured	-	(3,456,301)
	745,165	(3,405,159)
14. TRANSACTIONS WITH RELATED PARTIES		

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary and associate of the 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. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions during the period are as below:

		(Un-audited) Nine month period ended	
		March 31, 2022	March 31, 2021
Relationship with the Company	Nature of transactions	(Rupees in thousand)	
i. Holding company	Dividends paid	632,215	180,621
ii. Entities on the basis of common directorship	Purchases of goods and services	65,885	53,401
	Rental expense	6,920	9,346
	Insurance premium	209,098	215,685
iii. Group entity	Interest on deposit accounts	17,200	283
	Insurance premium	5,087	4,940
iv. Post employment benefit plan	Expense charged in respect of Retirement benefit plan	21,494	19,945
v. Key management personnel	Remuneration	23,192	22,895
		Un-audited March 31, 2022	Audited June 30, 2021
		(Rupees in thousand)	
Period end balances			
Payable to related parties			
- Companies on basis of common directorship		74	59
- Group entity		-	2,741
Bank deposits with related parties			
- Group entity		742,859	1,642
Receivable from related parties			
- Companies on basis of common directorship		6,454	-
- Group entity		-	4,900

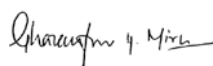
15. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 22, 2022 by the Board of Directors of the parent company.

16. CORRESPONDING FIGURES

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

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



N I S H A T

NISHAT POWER LIMITED

53-A, Lawrence Road, Lahore.

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