



**NISHAT
CHUNIAN
POWER LTD.**

NCPL/PSX/2025-10148

February 28, 2025

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

PUCAR/ Courier

**SUBJECT: SUBMISSION OF FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
DECEMBER 31, 2024**

Dear Sir,

We have to inform you that the financial statements of Nishat Chunian Power Limited for the half year ended December 31, 2024 are being transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

For Nishat Chunian Power Limited


**Syed Tasawar Hussain
Company Secretary**





**NISHAT
CHUNIAN**
POWER LTD.

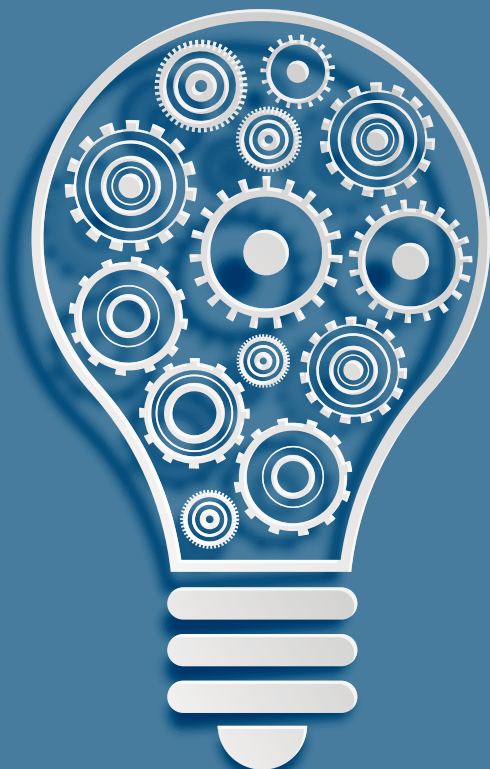
**Condensed Interim Financial Information
For The Half Year Ended December 31,**

2024

(Un-audited)

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Company Information

BOARD OF DIRECTORS:

Mr. Hassan Mansha

Director (Appointed on 06-02-2025)

Mr. Ghazanfar Husain Mirza

Chairman

Mr. Farrukh Ifzal

Chief Executive Officer

Mr. Aftab Ahmad Khan

Director

Ms. Leila Khan

Director

Mr. Sheikh Muhammad Iqbal

Director

Mr. Mustaqeem Talish

Director

Mr. Rehmat Naveed Elahi

Director (Resigned on 27-01-2025)

AUDIT COMMITTEE:

Mr. Sheikh Muhammad Iqbal

Chairman

Mr. Aftab Ahmad Khan

Member

Mr. Mustaqeem Talish

Member

HR & R COMMITTEE:

Mr. Hassan Mansha

Member

Sheikh Muhammad Iqbal

Chairman

Mr. Mustaqeem Talish

Member

CHIEF EXECUTIVE OFFICER:

Mr. Farrukh Ifzal

CHIEF FINANCIAL OFFICER:

Mr. Tanvir Khalid

COMPANY SECRETARY:

Mr. Syed Tasawar Hussain

BANKERS TO THE COMPANY:

Al Baraka Bank (Pakistan) Limited

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

BankIslami Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

MCB Islamic Bank Limited

Meezan Bank Limited

National Bank of Pakistan

The Bank of Punjab

United Bank Limited

Faysal Bank Limited

AUDITORS:

Riaz Ahmad & Co.

Chartered Accountants

LEGAL ADVISERS:

RMA & Co.

Advocates & Legal Consultants

REGISTERED & HEAD OFFICE:

59, Shadman Colony-II, Shadman
Lahore, Pakistan.

Ph: 042-35761730

Fax: 042-35878696-97

www.ncpower.com.pk

SHARE REGISTRAR:

Hameed Majeed Associates (Pvt) Limited

1st Floor, H.M. House 7 - Bank Square,
Lahore

Ph: 042-37235081-2

Fax: 042-37358817

PLANT:

66-Km, Multan Raod, 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 December 31, 2024. During the period under review, turnover was **PKR 2,783 million (2023: PKR 8,722 million)**. Although the company earned an operating profit of **PKR 1,923 million (2023: PKR 2,644 million)**, however due to adjustments as per the Amendment Agreement ('Agreement') signed (along with other IPPs), there is a net loss after tax of **PKR 3,732 million (2023: PKR 2,425 million net profit after tax)** resulting in a loss per share of **PKR 10.16 (2023: EPS PKR 6.60)**.

Plant Performance

During the half year ended December 31, 2024, the plant's capacity factor was 0.98% (2023: 17.63%) with an availability factor of 99.56% (2023: 89.28%). The Company dispatched 8,449 MWH (2023: 152,397 MWH) to Power Purchaser during this period.

Significant Development

The company along with other IPPs held several round of discussions with the Task Force constituted by the Prime Minister of Pakistan to address the power sector issues. The changes in the contractual framework, as proposed by the Task Force was captured in the Agreement that was approved by the Board of Directors of the Company on 4th December, 2024. These amendments along with other changes resulted in conversion of existing tariff to 'Hybrid Take and Pay' model, with effect from 1st November 2024 as proposed by the Task Force. Subsequent to the reporting period, the Agreement has been formally executed.

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

Circular Debt

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

As of December 31, 2024 the total receivable from the power purchaser is **PKR 6.8 billion (2023: PKR 13.17 billion)**.

Acknowledgment

The Directors would take this opportunity to thank our valued shareholders who have trust in our Company and like to express their deep appreciation for the services, loyalty, and efforts rendered by the employees of the Company and hope that they will continue to do so in the future.

Dated: February 27, 2025

Chief Executive

Director



محترم حص داران

مجلس نظاماء کو 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لئے کمپنی کی عبوری غیر محاسب شدہ مالی معلومات پیش کرنے پر خوشی ہے۔ ششماہی کے دوران کاروباری حجم 2,783 ملین روپے (2023: 8,722 ملین روپے) رہا۔ اگرچہ کمپنی نے ششماہی کے دوران 1,923 ملین روپے کا آپریٹنگ منافع حاصل کیا (2023: 2,644 ملین روپے)، تاہم، ترمیمی معاہدے 'معاہدہ' (جو دیگر آئی پی بیز کے ساتھ مل کر کیا گیا) کے تحت کی گئی اینڈسٹمنٹس کی بدولت، کمپنی کو بعد از محصول 3,732 ملین روپے کا نقصان (2023: 2,425 ملین روپے) بعد از محصول منافع) ہوا، جس کے نتیجے میں فی حصہ نقصان 10.16 روپے (2023: فی حصہ آمدنی 6.60 روپے) رہا۔

کارکردگی

31 دسمبر 2024 کو ختم ہونے والی ششماہی کے دوران، پلانٹ کی صلاحیتی عنصر 0.98 فیصد (2023: 17.63 فیصد) رہا جس میں دستیابی کا عنصر 99.95 فیصد (2023: 89.28 فیصد) رہا۔ کمپنی نے اس عرصے کے دوران بجلی کے خریدار کو 8,449 میگا واٹ (2023: 152,397 میگا واٹ) پیش کیا۔

اہم پیش رفت

کمپنی نے دیگر آئی پی بیز کے ساتھ مل کر وزیراعظم پاکستان کی تشکیل کردہ ٹاسک فورس کے ساتھ بجلی کے شعبے کے مسائل کے حل کے لیے کی ٹھاکرات کیے۔ ٹاسک فورس کی تجویز کردہ تبدیلیوں کو معاہدے میں شامل کیا گیا، جسے کمپنی کے بورڈ آف ڈائریکٹرز نے 4 دسمبر 2024 کو منظور کیا۔ ان ترامیم اور دیگر تبدیلیوں کے نتیجے میں موجودہ ٹریفک کو بائیں ہڈ ٹیک اینڈ پے ٹائل پر ٹاسک فورس کی تجویز کردہ تاریخ یکم نومبر 2024 سے تبدیل کر دیا گیا ہے۔ 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے بعد، معاہدے کو باضابطہ طور پر نافذ کر دیا گیا ہے۔ مزید تفصیلات کے لیے براہ کرم عبوری مالیاتی گوشواروں کے نوٹ 1.3 کا حوالہ دیں۔

گردشی قرضے

گردشی قرضہ ہمیشہ ہی توانائی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ایک بڑا مسئلہ رہا ہے۔ پاور پرچیزر بروقت ادائیگیاں کرنے کی اپنی ذمہ داریوں کو نبھانے میں مسلسل ناکام رہا ہے۔ دسمبر 2024 کو ختم ہونے والی ششماہی کے بعد، کمپنی نے معاہدے پر دستخط کیے، جس کے تحت یہ طے پایا کہ 31 اکتوبر 2024 تک کے تمام بقیات جات، (کسی موجوداؤڈ جسٹسٹ کے بعد)، وفاقی کابینہ کی منظوری کے بعد 90 دنوں میں ادا کیے جائیں گے، اور یہ ادائیگیاں کمپنی کے تمام پرانے واجبات اور دعووں کا حتمی تصفیہ ہوں گی۔

31 دسمبر 2024 تک بجلی کے خریدار کی جانب سے ہماری مجموعی وصولیاں 6.8 ارب (2023: 13.17 ارب روپے) ہیں۔

اظہار تشکر

مجلس نظاماء اس موقع پر ہمارے قابل قدر حص 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: 27 فروری 2025

ڈائریکٹر

چیف ایگزیکٹو آفیسر



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat Chunian Power Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of NISHAT CHUNIAN POWER LIMITED as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2024.

Scope of Review

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

Conclusion

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

Emphasis of matter

We draw attention to note 1.3 to the condensed interim financial statements which highlights the signing of Amendment Agreement to alter certain contractual arrangements for sale and purchase of electricity and to amicably resolve the disputes between the Parties. Our conclusion is not qualified in respect of this matter.

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

RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

Date: 27 February 2025

UDIN: RR202410132FuExDLTBp



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024 (UN-AUDITED)

	Note	Un-audited December 31, 2024 (Rupees in thousand)	Audited June 30, 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
385,000,000 (June 30, 2024: 385,000,000)			
ordinary shares of Rupees 10 each		3,850,000	3,850,000
Issued, subscribed and paid-up share capital			
367,346,939 (June 30, 2024: 367,346,939)			
ordinary shares of Rupees 10 each		3,673,469	3,673,469
Capital reserve - overhauling reserve	4	4,592,540	-
Revenue reserve - un-appropriated profit		15,338,841	25,500,900
Total equity		23,604,850	29,174,369
LIABILITIES			
NON-CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Trade and other payables		963,256	2,653,700
Accrued mark-up / profit		10,798	1,439
Short term borrowings		1,032,530	123,281
Unclaimed dividend		49,323	33,900
		2,055,907	2,812,320
TOTAL LIABILITIES		2,055,907	2,812,320
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		25,660,757	31,986,689

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

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024 (UN-AUDITED)

	Note	Un-audited December 31, 2024 (Rupees in thousand)	Audited June 30, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	8,817,642	9,120,118
Intangible assets		-	-
Long term security deposit		100	100
		8,817,742	9,120,218
CURRENT ASSETS			
Stores and spares		937,074	848,344
Inventories		2,035,947	2,298,214
Trade debts	7	6,803,967	13,170,211
Loans, advances, deposits, prepayments and other receivables		1,909,135	1,872,427
Advance income tax and prepaid levy - net		100,567	77,046
Short term investments		4,927,454	2,883,975
Bank balances		128,871	1,716,254
		16,843,015	22,866,471
TOTAL ASSETS		25,660,757	31,986,689

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

Note	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees in thousand)				
Revenue From Contract with Customer	2,783,331	8,722,669	706,135	1,917,015
Cost of sales	(1,147,688)	(6,074,428)	(453,135)	(808,039)
Gross profit	1,635,643	2,648,241	253,000	1,108,976
Administrative expenses	(132,847)	(78,826)	(66,087)	(38,685)
Other expenses	(5,503)	-	(1,206)	-
	(138,350)	(78,826)	(67,293)	(38,685)
	1,497,293	2,569,415	185,707	1,070,291
Other income	425,984	74,797	186,840	47,559
Profit from operations	1,923,277	2,644,212	372,547	1,117,850
Finance cost	(12,127)	(219,003)	(11,224)	(78,284)
	1,911,150	2,425,209	361,323	1,039,566
Adjustments to Balance Payable by CPPA-G	(5,585,132)	-	(5,585,132)	-
(Loss) / Profit Before Levy and Taxation	(3,673,982)	2,425,209	(5,223,809)	1,039,566
LEVY	(38,199)	(103)	(14,162)	(33)
(Loss) / Profit Before Taxation	(3,712,181)	2,425,106	(5,237,970)	1,039,533
Taxation	(20,603)	-	(7,550)	-
(Loss) / Profit after taxation	(3,732,784)	2,425,106	(5,245,521)	1,039,533
(Loss) / Earnings per share - basic and diluted	(10.16)	6.60	(14.28)	2.83

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Half Year Ended December 31, 2024		Quarter Ended December 31, 2024, December 31, 2023	
			(Rupees in thousand)	
(Loss) / Profit After Taxation	(3,732,784)	2,425,106	(5,245,521)	1,039,533
Other comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(3,732,784)	2,425,106	(5,245,521)	1,039,533

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Share Capital	Capital Reserve - Overhauling Reserve	Revenue Reserve - Un-appropriated Profit	Total Equity
(Rupees in thousand)				
Balance as at June 30, 2023 - audited	3,673,469	-	20,588,588	24,262,057
Profit for the period	-	-	2,425,106	2,425,106
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,425,106	2,425,106
Balance as at 31 December 2023 - un-audited	3,673,469	-	23,013,694	26,687,163
Profit for the period	-	-	2,487,206	2,487,206
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,487,206	2,487,206
Balance as at 30 June 2024 - audited	3,673,469	-	25,500,900	29,174,369
Transaction with owners:				
Interim cash dividend for three months the period ended	-	-	(1,836,735)	(1,836,735)
30 September 2024 @ Rupees 5 per share	-	-	(3,732,784)	(3,732,784)
Loss for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(3,732,784)	(3,732,784)
Transfer to overhauling reserve (note 4)	-	4,592,540	(4,592,540)	-
Balance as at 31 December 2024 - un-audited	3,673,469	4,592,540	15,338,841	23,604,850

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

		Half Year Ended December 31, December 31, 2024 2023 (Rupees in thousand)	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	1,042,826	447,029
Finance cost paid		(2,768)	(315,536)
Net decrease in long term loan to an employee		-	346
Income tax paid		(82,323)	(9,588)
Profit on bank deposits received		49,575	10,919
Profit on term deposit receipts received		1,298	-
Net cash generated from operating activities		1,008,608	133,170
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(9,973)	(775,468)
Proceeds from disposal of property, plant and equipment		6,760	14,493
Short term investments made		(8,309,077)	(602,335)
Proceeds from disposal of short term investments		6,628,362	680,305
Net cash used in investing activities		(1,683,928)	(683,005)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,821,312)	(631)
Net cash used in financing activities		(1,821,312)	(631)
Net decrease in cash and cash equivalents		(2,496,632)	(550,466)
Cash and cash equivalents at the beginning of the period		1,592,973	431,260
Cash and cash equivalents at the end of the period		(903,659)	(119,206)
CASH AND CASH EQUIVALENTS			
Bank balances		128,871	404,050
Short term borrowings		(1,032,530)	(523,256)
		(903,659)	(119,206)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 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.
- 1.2** The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. On 13 November 2007, the Company entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from 21 July 2010. On 11 February 2021, the Company entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, the Company entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on 20 July 2021 was extended by seventy five (75) days to 04 October 2021. Therefore, the existing term of the PPA Agreement has been extended by seventy five days to twenty five years and seventy five days ending on 04 October 2035.
- 1.3** During the half year ended 31 December 2024, Prime Minister of Pakistan constituted a Task Force to amend the Power Purchase Agreement, Implementation Agreement and to revise tariff of the Company. After several rounds of discussions with the Task Force, the Company consented to amend the Power Purchase Agreement, Implementation Agreement and to convert the existing tariff to 'Hybrid Take and Pay' model as proposed by the Task Force. On 04 December 2024, Board of Directors of the Company approved the execution of Amendment Agreement with the Government of Pakistan ('GoP') and the Power Purchaser to implement the proposed amendments with effect from 01 November 2024. As a result, following significant amendments in Power Purchase Agreement and Implementation Agreement have been agreed and taken place:
- Quarterly indexation for local fixed O&M and local variable O&M has been revised which shall be lower of 5% per annum or actual average National Consumer Price Index ('NCPI') for the preceding twelve months. Whereas, existing indexation

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

mechanism for foreign fixed O&M and foreign variable O&M shall continue provided that PKR/USD depreciation will be allowed for up to 70% of the actual annual depreciation. Whereas the benefit of appreciation in PKR/USD shall be passed on to the Power Purchaser on 100% basis;

- The cost of the working capital component has been rebased and revised working capital components shall be indexed at KIBOR + 1 % in future;
- Return of Equity tariff and Return on Equity during construction, component has been revised to be paid in a 'Hybrid Take and Pay' model;
- Insurance component of CPP has been capped at 0.9% of allowed EPC cost as per existing mechanism;
- The Company has agreed to waive off delayed payment mark-up invoices and delayed payment markup accrued with respect to payments that have been made by the Power Purchaser upto 31 October 2024; (Note 9)
- Rate of markup on delayed payments by the Power Purchaser has been reduced to 3 months KIBOR + 1 %;
- Power Purchaser shall pay Rupees 6,673.160 million payable as on 31 October 2024 to the Company as full and final settlement of all past payables and claims within 90 days from the date of approval of this Amendment Agreement by the Cabinet;
- Annual estimated O&M costs for reserve established for all overhauls shall be recognized in the financial statements;
- GoP shall unconditionally and irrevocably withdraw and extinguish all claims against the Company under the Arbitration Submission Agreement as more fully explained in note 5.1(i) to these condensed interim financial statements. Further, the undertaking provided by the Company to Power Purchaser to retain its receivables, as more fully explained in note 5.1(i) these condensed interim financial statements, till the conclusion of Arbitration Submission Agreement shall be returned;
- LCIA Arbitration clause in PPA has been substituted with the Arbitration under local laws with the venue of Arbitration to be Islamabad;

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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- Fuel savings and O&M savings as mutually agreed shall be shared with the Power Purchaser under the Amendment Agreement.

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

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

- 1.4.** As stated in detail in note 1.4 to the preceding audited annual financial statements of the Company for the year ended 30 June 2024, the Board of Directors and shareholders of Nishat (Chunian) Limited and Nishat Chunian Power Limited in their meetings held on 09 May 2024 and 17 August 2024 respectively approved the Scheme of Arrangement (under sections 279 to 282 of the Companies Act, 2017) (herein refer to as "Scheme") involving Nishat (Chunian) Limited and Nishat Chunian Power Limited and their respective shareholders. The honorable Lahore High Court, Lahore has duly sanctioned the Scheme by way of order dated 01 November 2024. The principal objective of this Scheme was to provide for the re-arrangement and re-construction of Nishat (Chunian) Limited and Nishat Chunian Power Limited by way of exchanging shares amongst Nishat Mills Limited and Mr. Shahzad Saleem, chief executive officer of Nishat (Chunian) Limited. Nishat Mills Limited's shareholding in Nishat (Chunian) Limited has been transferred to, and vested in, Mr. Shahzad Saleem. In return and as consideration, corresponding part of Mr. Shahzad Saleem's shareholding in Nishat Chunian Power Limited has been transferred to, and vested in, Nishat Mills Limited. Foregoing exchange of shares between Nishat Mills Limited and Mr. Shahzad Saleem has been calculated and determined on the basis of share swap ratio in relation to Nishat (Chunian) Limited and Nishat Chunian Power Limited.

2. BASIS OF PREPARATION

- 2.1.** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

3.1 Critical accounting estimates and judgments

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

4. CAPITAL RESERVE - overhauling reserve

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

5. CONTINGENCIES AND COMMITMENTS

5.1. Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024 except for the following:

- i) In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the 'IPPs', including the Company, in the tariff components. On 11 February 2021, the Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP. On 15 November 2021, the Company has authorized GoP / CPPA-G to retain Rupees 8,360 million of its trade debts until the Arbitration Tribunal renders the Award which shall be final and binding. During the year ended 30 June 2023, Arbitration Tribunal has been constituted under the terms of 'Arbitration Submission Agreement'. On 29 September 2023, mutually agreed Terms of Reference have been formally adapted and proceedings under these Terms of Reference have been initiated. During the half year ended 31 December 2024, Government of Pakistan ('GoP') through Amendment Agreement has unconditionally and irrevocably agreed to withdraw and

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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extinguish all claims against the Company under the 'Arbitration Submission Agreement'; and in relation to the undertaking submitted by the Company on 15 November 2021, the original undertaking shall be released and returned to the Company. Subsequent to the reporting period, the Amendment Agreement has formally been executed. After the execution of the Amendment Agreement, the 'Arbitration Submission Agreement' shall be deemed terminated and both parties shall issue a joint communication to the tribunal established under the 'Arbitration Submission Agreement' requesting its termination and the relinquishment of arbitration. Based on the facts stated above, no provision in respect of this matter has been made in these condensed interim financial statements.

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Note	Un-audited December 31, 2024 (Rupees in thousand)	Audited June 30, 2024
5.2. Commitments			
Commitments in respect of other than capital expenditure		31,841	113,671
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	8,356,092	8,658,568
Major spare parts and standby equipment		461,550	461,550
		8,817,642	9,120,118
6.1. Operating fixed assets			
Opening book value		8,658,568	8,792,326
Add: Cost of additions during the period / year	6.1.1	9,973	718,843
Less: Book value of disposals / derecognitions during the period / year	6.1.2	(4,287)	(125,561)
Less: Book value of fixed asset written off during the period / year	6.1.3	-	(169)
Less: Depreciation charged during the period / year		(308,162)	(726,871)
		8,356,092	8,658,568
6.1.1 Cost of additions during the period / year			
Buildings on freehold land		-	24,766
Plant and machinery		-	619,772
Electric installations		-	14,082
Computer equipment		180	8,358
Furniture and fixtures		244	13,685
Vehicles		9,549	38,180
		9,973	718,843

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Un-audited December 31, 2024	Audited June 30, 2024
	(Rupees in thousand)	
6.1.2 Book value of disposals / derecognitions during the period / year		
Plant and machinery	-	98,623
Computer equipment	4	-
Vehicles	4,283	26,938
	4,287	125,561
6.1.3 Book value of fixed asset written off during the period / year		
Computer equipment	-	169
7. TRADE DEBTS		
Other than related parties - considered good	6,803,967	13,170,211

- 7.1.** These represent trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free. Pursuant to Amendment Agreement as more fully explained in note 1.3 to these condensed interim financial statements, rate of delayed payment mark-up has been reduced to three months KIBOR plus 1.00% per annum without compounding is charged in case amounts are not paid within due dates. Further, delayed payment markup invoices and delayed payment mark-up accrued with respect to payments that have been made by the Power Purchaser upto 31 October 2024 has been waived off by the Company and written off in these condensed interim financial statements (note 9). The rate of delayed payment mark-up charged during the period on outstanding amounts ranged from 13.57% to 22.99% (30 June 2024: 22.19% to 28.49%) per annum.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Unaudited			
	Half Year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	(Rupees in thousand)			
8. COST OF SALES				
Raw material consumed	306,004	5,030,183	34,858	248,575
Salaries and other benefits	92,490	79,772	46,505	38,009
Stores and spares consumed	104,074	197,275	57,121	107,314
Electricity consumed in-house	41,668	24,361	18,800	16,398
Insurance	257,587	228,233	128,897	123,505
Travelling and conveyance	14,328	21,441	7,355	10,796
Postage and telephone	1,391	2,422	696	822
Repair and maintenance	7,119	102,013	4,212	90,540
Entertainment	77	387	77	387
Depreciation	301,497	365,550	148,549	163,230
Fee and subscription	9,144	6,337	381	-
Miscellaneous	12,309	16,454	5,684	8,463
	1,147,688	6,074,428	453,135	808,039

9. ADJUSTMENTS TO BALANCE PAYABLE BY CPPA-G

	Half Year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	(Rupees in thousand)			
Delayed payment interest written off	2,301,398	-	2,301,398	-
Sharing of prior years' earnings (fuel and O&M)	3,283,734	-	3,283,734	-
	5,585,132	-	5,585,132	-

- 9.1** Pursuant to the amendments in PPA through Amendment Agreement as more fully explained in note 1.3 to these condensed interim financial statements, the Company has agreed to waive off delayed payment mark-up invoices and delayed payment mark-up accrued with respect to payments that have been made by the Power Purchaser, upto 31 October 2024. Further, the Company has also agreed on sharing of prior years' earnings relating to fuel and O&M savings upto 30 June 2023 with the power purchaser.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

	Un-audited Half Year Ended December 31, December 31, 2024 2023 (Rupees in thousand)	
Note		
10. CASH GENERATED FROM OPERATIONS		
(Loss) / Profit before taxation	(3,673,982)	2,425,209
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	308,162	370,485
Profit on bank deposits	(48,970)	(41,932)
Profit on Term Deposit Receipts	(1,298)	-
Gain on disposal of Government Treasury Bills	(32,905)	101
Delayed payment interest written off	2,301,398	-
Sharing of prior years' earnings (fuel and O&M)	3,283,734	-
Exchange loss	1,360	-
Dividend income	(34,826)	-
Unrealized gain on remeasurement of investment at fair value through profit or loss	(68,613)	(10,680)
Gain on sale of investment at fair value through profit or loss	(226,420)	-
Finance cost	12,127	219,003
Gain on disposal of property, plant and equipment	(2,473)	(7,710)
Working capital changes 10.1	(774,468)	(2,507,447)
	1,042,826	447,029
10.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(88,730)	169,174
Inventories	262,267	(873,935)
Trade debts	781,112	(67,988)
Loans, advances, deposits, prepayments and other receivables	(37,313)	(1,136,246)
	917,336	(1,908,995)
Decrease in trade and other payables	(1,691,804)	(598,452)
	(774,468)	(2,507,447)

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

11. TRANSACTIONS WITH RELATED PARTIES

The related parties, during the current period, included associated undertakings, other related parties, key management personnel of the 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 Half Year Ended December 31, 2024		Un-audited Quarter Ended December 31, 2024	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in thousand)			
i) Transactions:				
Associated company				
Purchase of good and services	2,233	-	2,233	-
Common facilities cost	-	9,900	-	4,950
Key management personnel				
Remuneration to chief executive officer, directors and executives	68,238	35,534	31,032	17,613
Repayment of long term loan	-	346	-	173
Mark-up on long term loan	-	44	-	20
Dividend paid to directors	314	-	314	-
Consultancy charges	-	24,133	-	12,066
Post employment benefit plan				
Company's contribution to provident fund trust	6,102	4,564	1,626	2,291

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024 (UN-AUDITED)

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 December 31, 2024

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial asset				
Financial asset at fair value through profit or loss	4,552,989	-	-	4,552,989

Recurring fair value measurements

at June 30, 2024

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Financial assets at fair value through profit or loss	2,539,518	-	-	2,539,518

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments is the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Assets Value (NAV) of respective Assets Management Company.

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

14. CORRESPONDING FIGURES

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 27, 2025.

16. GENERAL

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER





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