

ANNUAL REPORT 2016



Nishat Chunian Power Ltd

BRIEF PROFILE

2011

First year of
profitable operations

2010

Started commercial
operations


2009

Listed on
KSE & LSE

2007

Incorporated as a
public limited company

CONTENTS

	Company Information	04
	Notice of Annual General Meeting	06
	Directors' Report	13
	Financial Highlights	22
	Statement of Compliance with the Code of Corporate Governance	24
	Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance	26
	Auditors' Report	27
	Balance Sheet	28
	Profit and Loss Account	30
	Statement of Comprehensive Income	31
	Statement of Changes in Equity	32
	Cash Flow Statement	33
	Notes to the Financial Statements	34
	Categories of Shareholders	62
	Pattern of Shareholding	63
	Proxy Form	65

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mrs. Farhat Saleem
Chairperson
Mr. Shahzad Saleem (Nominee NCL)
Chief Executive
Mr. Zain Shahzad (Nominee NCL)
Director
Mr. Asad Farooq (Nominee ABL)
Director
Mr. Aftab Ahmad Khan
Director
Mr. Muhammad Ali Zeb
Director
Mr. Kamran Rasool
Director
Mr. Wasif M. Khan
Director

AUDIT COMMITTEE:

Mr. Wasif M. Khan
Chairman
Mr. Aftab Ahmad Khan
Member
Mr. Muhammad Ali Zeb
Member

HR & R COMMITTEE:

Mrs Farhat Saleem
Chairperson
Mr. Aftab Ahmad Khan
Member
Mr. Kamran Rasool
Member

CHIEF FINANCIAL OFFICER/MANAGING DIRECTOR:

Mr. Farrukh Ifzal

HEAD OF INTERNAL AUDIT:

Mr. Faqir Syed Ameer Abbas

COMPANY SECRETARY:

Mr. Muhammad Bilal

BANKERS TO THE COMPANY:

Allied Bank Limited
Askari Bank Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Faysal Bank Limited
Summit Bank Limited
Sindh Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited
Burj Bank Limited
The Bank of Punjab
Dubai Islamic Bank Pakistan Limited

AUDITORS:

A.F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISERS:

Raja Muhammad Akram & Co.
Advocates & Legal Consultants
Cornelius Lane & Mufti
Advocates & Solicitors

REGISTERED & HEAD OFFICE:

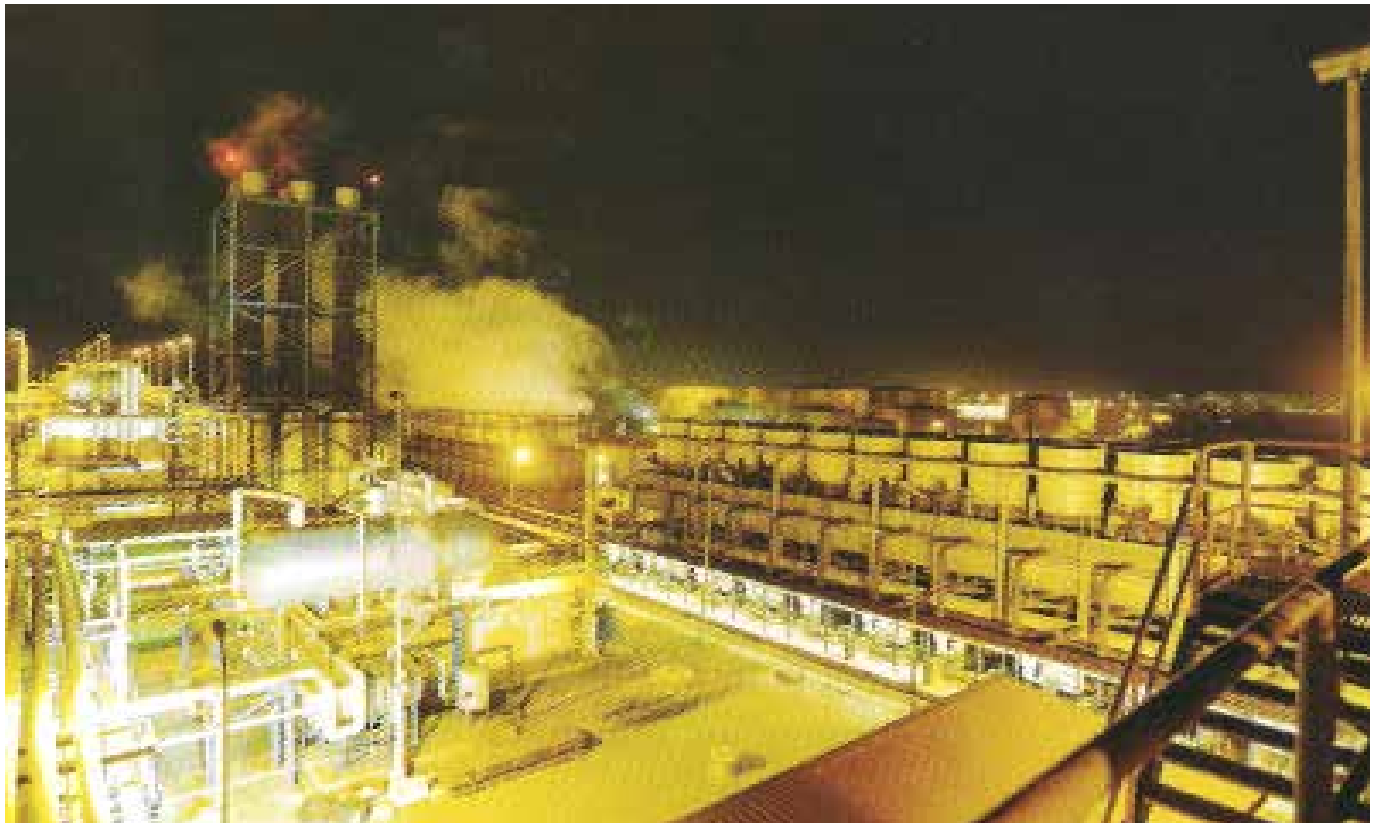
31-Q, Gulberg II,
Lahore, Pakistan.
Ph: 042-35761730
Fax: 042-35878696-97
www.nishat.net

SHARE REGISTRAR:

Hameed Majeed Associates (Pvt) Limited
1st Floor, H.M. House
7-Bank Square, Lahore
Ph: 042 37235081-2
Fax: 042 37358817

PLANT:

66-Km, Multan Raod, Pattoki
Kasur.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 9th Annual General Meeting of the Shareholders of Nishat Chunian Power Limited (the “Company”) will be held on Monday, October 31, 2016 at 10:00 AM at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 30, 2015.
2. To receive, consider and adopt audited financial statements of the Company for the year ended 30 June 2016 together with Directors’ and Auditors’ reports thereon.
3. To approve a final cash dividend @15% (i.e. Rs.1.50 per share) as recommended by the Board of Directors in their meeting held on 04th October 2016. This is in addition to interim dividend of Rs. 5.75 per share i.e. 57.5%.
4. To appoint auditors for the year ending 30 June 2017 and to fix their remuneration. The present Auditors M/s A.F Ferguson & Company, Chartered Accountants, retire and being eligible offer themselves for reappointment.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

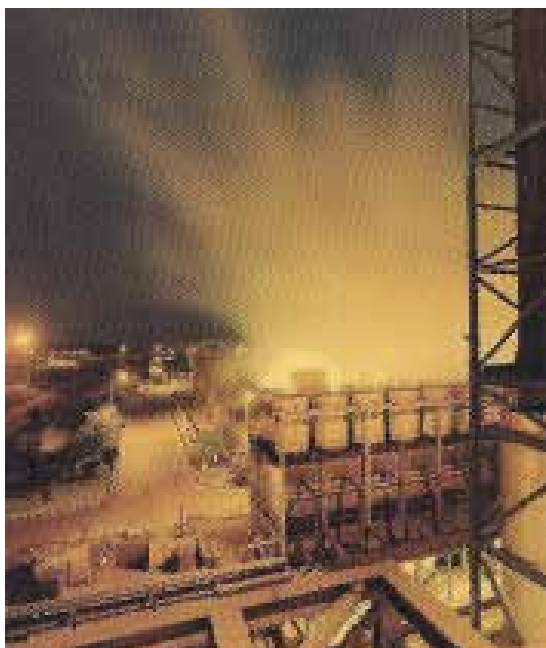
AMENDMENTS TO BE MADE IN THE ARTICLES OF ASSOCIATION FOR MANDATORY E-VOTING REQUIREMENTS

6. To consider and approve the amendment to be made in the Articles of Association of the Company for the purpose of compliance with the mandatory E-voting requirements as prescribed by the Companies (E-voting) regulations 2016 and if thought fit, pass the following resolution with or without amendments as a special resolution:

“Resolved that the Articles of Association of the Company be altered as follows:

In Article 71 after the last line following lines shall be inserted:

In case of e-voting, voters may appoint either members or non-



members, as proxy and the company shall comply with the requirements of the Companies (E-voting) Regulation, 2016 prescribed under the Companies Ordinance, 1984”

Article 76 shall be replaced with the following wording:

76. Every instrument appointing a proxy shall, as nearly as circumstances permit, be in the form or to the effect following and shall be retained by the Company. The instrument appointing a proxy of e-voting under option 2 mentioned below shall be deposited in advance in writing at least ten days before holding of general meeting, through regular mail or electronic mail at the registered / email address of the Company, to be provided in the notice of the meeting:

Option 1:

Appointing other person as Proxy

NISHAT CHUNIAN POWER LIMITED

I, _____ of _____, being a member of Nishat Chunian Power Limited, holder of _____ Ordinary Shares as per Register Folio No. _____ hereby appoint _____ of _____ (or failing him _____ of _____ or failing him of _____) my proxy in my absence to attend and vote for me and on my behalf at the (Annual or Extraordinary, as the case may be) general meeting of the company to be held on the ___ day of _____ and at any adjournment thereof.

As witness my hand this _____ day of _____

Signed by the said
In the presence of

Provided always that an instrument appointed a proxy may be in the form set out in regulation 39 of table A of the first schedule to the ordinance.

Option 2:

E-Voting as per the Companies (E-Voting) Regulations, 2016.

NISHAT CHUNIAN POWER LIMITED

I, _____ of _____, being a member of NISHAT CHUNIAN POWER LIMITED, holder of _____ Ordinary Shares(s) as per Register Folio No. _____ hereby opt for e-voting through Intermediary and hereby consent the appointment of execution officer _____ as proxy and will exercise e-voting as per the Companies (e-voting Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____, please send login details password and electronic signature through email.

Signature should agree with the specimen
Signature registered with the company

Signed in the presence of:

Signature of Witness

Signature of Witness

Further Resolved that:

The Chief Executive and the Company Secretary be and are hereby singly empowered and authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary”.

TRANSMISSION OF AUDITED ACCOUNTS THROUGH CD/DVD/USB

7. To seek the consent of shareholders for transmission of Annual Audited Accounts through CD/DVD/USB instead of transmitting the said accounts in hard copies in compliance with Securities Exchange Commission of Pakistan’s (SECP) SRO No.470(1) / 2016 dated May 31, 2016 and if deemed fit passed the following resolution as an Ordinary Resolution with or without modification:

“RESOLVED THAT:

- a) Consent be and is hereby granted for transmission of annual audited accounts to members at their registered address in soft form i.e. CD/DVD/USB as notified by the SECP vide SRO No.470(1) / 2016 dated May 31, 2016.

- b) The Chief Executive and the Company Secretary be and are hereby singly empowered and authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary”.

Board
Lahore
Dated: October 08, 2016

By order of the
Muhammad Bilal
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 25-10-2016 to 31-10-2016 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore by the close of business on 24-10-2016 will be considered in time to determine the above mentioned entitlement and to attend and vote at the Meeting.

2. Participation in the Annual General Meeting

A member eligible to attend and vote at this meeting may appoint any other member as proxy to attend and vote in the meeting. Proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time for holding the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. CNIC / NTN Number on Dividend Warrant (Mandatory)

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 19(I)/2014 dated 10th January 2014 read with Notification S.R.O. 831(1)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

4. Dividend Mandate (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 18 of 2012 dated June 05, 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its

bank account under Section 250 of the Companies Ordinance, 1984.

Further, transferee of shares may exercise option for dividend mandate by using the revised “Form of Transfer Deed available on Company’s website. The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he/she/it desires to be used for credit of cash dividend.

If they so desires the shareholders have the option to seek the dividend mandate by using the standardized “Dividend Mandate Form” available on Company’s website <http://www.nishat.net>.

5. Payment of Cash Dividend Electronically (Optional)

The SECP has initiated e-dividend mechanism through its letter No: 8(4) SM/CDC/2008 dated April 05, 2013. In order to avail benefits of e-dividend (such as instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc.) shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address.

6. Consent for Electronic Transmission of Audited Financial Statements & Notices (Optional)

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company’s website <http://www.nishat.net>.

7. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

8. The Company has placed the audited financial statements for the year ended June 30, 2016 along with Auditors and Directors Reports thereon on its website: www.nishat.net

STATEMENT UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 31, 2016.

Agenda No.6

AMENDMENTS TO BE MADE IN THE ARTICLE OF ASSOCIATION FOR MANDATORY E-VOTING REQUIREMENTS

Amendments to the Articles of Association of the Company are being carried out in order to give effect to the requirements of Companies (E-Voting) Regulations, 2016 issued by the Securities and Exchange Commission of Pakistan. This is mandatory compliance for all listed companies. The detail of amendments proposed in the Article of Association of the Company is part of the resolution mentioned in the Notice.

Agenda No.7

TRANSMISSION OF AUDITED ACCOUNTS THROUGH CD/DVD/USB

The SECP through SRO 470 (1) 2016 dated May 31, 2016 has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB at their registered address after approval by members. The Company shall supply hard copies of the annual audited accounts to the shareholders, on demand, at their registered addresses, free of cost, within one week of such demand. For the convenience of its members, the company shall place on its website (<http://www.nishat.net>) a standard request form, for despatch of annual audited accounts in hard copy instead of sending the same through CD/DVD/USB, along with postal and e-mail address of Company Secretary to whom such requests shall be sent.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of the meeting.

The directors are not interested, directly or indirectly, in above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the annual report.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Pursuant to the allowance granted through SRO 787(I)/2014 of September 8, 2015, by the Securities Exchange Commission of Pakistan, the Company can circulate its annual balance sheet and profit and loss accounts, auditor's report and directors' report etc. ("Audited Financial Statements") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a completed consent form to the Company's Share Registrar, Hameed Majeed Associates (Pvt) Limited.

PLEASE NOTE THAT RECEIPT OF THE ANNUAL REPORT VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

ELECTRONIC TRANSMISSION CONSENT FORM

Date: _____

The Share Registrar
Hameed Majeed Associates (Pvt) Limited Hameed Majeed House, 7-Bank Square
The Mall, Lahore.
Ph#042-37235081-82 Fax#042-37358817
Email: info@hmaconsultants.com

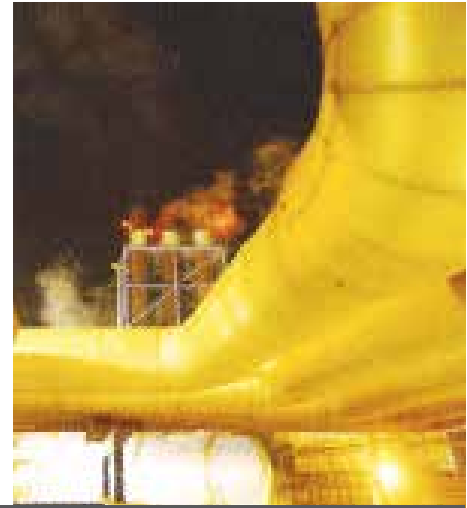
Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2015, I, Mr./Ms. _____ S/o, D/o, W/o _____ hereby consent to have The Nishat Chunian Power Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name of Member/ Shareholder	
Folio/ CDC Account Number	
Email Address:	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of Annual General Meeting.

Signature of the Member/ Shareholder

DIRECTORS' REPORT



DEAR SHAREHOLDER

Our board is pleased to present our financial statements for the year ending on June 30, 2016. During fiscal year 2016 our company achieved adequate earnings. Turnover for the period was Rs. 13.85 billion with an after tax profit of Rs. 2.76 billion with an Earning Per Share (EPS) of Rs 7.50.

PROFITABILITY

Our top line has reduced largely due to decrease in furnace oil prices, further reduction was caused due to lower capacity factor (82.55% in 2015 vs. 70.17% in 2016) which resulted primarily due to lower demand from NTDC/CPPA (G).

It is pertinent to note that thermal efficiency and O&M cost component in our tariff is levelized over a 25 year period. As maintenance costs in the initial years are low, our profit will be higher than the average over the life of the project. However, we expect reduced profitability in later years due to plant ageing and higher maintenance costs.

We also receive principal payment under our 10 year long term loan as part of revenue from NTDC / CPPA(G). Therefore, our bottom line would be inflated in the first ten years of operation and we anticipate it to reduce from the eleventh year onwards.

CIRCULAR DEBT

Circular debt still continues to be a source of trouble for companies operating in the power sector. Liquidity management remained challenging during the year. As of

June 30, 2016, our total receivables from NTDC / CPPA(G) have amplified to PKR 6.4 billion, out of which PKR 3.8 billion were overdue.

Once again National Transmission and Despatch Company Limited NTDC / CPPA(G) has been unable to make timely payments to the company. To permanently address this issue, a firm and clear initiative has to be taken to move towards a more cost effective energy mix and concrete steps need to be taken to eliminate inefficiencies found in distribution & generation companies.

PENDING ISSUES

An amount of Rs. 957.876 million relating to capacity purchase price is currently not acknowledged by NTDC as the company had reduced generation. However, the sole reason of this reduced generation was non-availability of fuel owing to non-payment by NTDC. The company maintains the view that this amount should be payable by NTDC. However, as part of the settlement with the GOP at the time of payment of PKR 6.8 billion in June 2013, the IPPs withdrew their case of with-held capacity payments from the Supreme Court of Pakistan. NTDC and the IPPs appointed Justice Sair Ali as the expert for mediation on this issue. During the last year, the Expert gave his opinion whereby the aforesaid amount was determined to be payable to the company by NTDC. However, NTDC has yet to fulfill its obligations pursuant to the said determination. Consequently, under the terms of PPA, the company has filed petition for arbitration in The London Court of International Arbitration ('LCIA'), whereby an arbitrator has been appointed and the matter is pending arbitration.



INDUSTRY OUTLOOK

Pakistan is highly dependent on expensive sources of energy namely gas, oil and diesel for electricity generation. The world generates more than 40% of total electricity from coal due to its lower cost, whereas Pakistan generates less than 0.15% from coal. A medium to long term policy for improving the energy mix is needed to be implemented to effectively address the growing energy problems of the country.

CORPORATE SOCIAL RESPONSIBILITY

As always, we remain committed to our vision and mission to assist our society in achieving equitable growth. We add substantially to the national exchequer through the methodical payment of various taxes, duties and levies.

We strongly believe that these contributions alone are not enough to make a meaningful impact on society. We must support the development of society at large, through assisting educational programs, aiding healthcare, protecting the environment and empowering women and improving the condition of the disadvantaged.

The company donates to a hospital and school through a trust that was founded to deal in philanthropic activities. The school provides quality education for a nominal fee while the hospital provides affordable healthcare for the underprivileged.

FUTURE OUTLOOK

We expect the plant to operate at full capacity during the next year and expect our liquidity position to improve due to lower oil prices. We plan to arrange short term borrowings at competitive rates to meet company's short term capital needs.



The Saleem family and Nishat Chunian Group is in the process of setting up a state of the art not for profit hospital, Saleem Memorial Trust Hospital (SMTH). The hospital will be based on a model of subsidized medical treatment for the underprivileged and self-pay for those who can afford it. Forty kanals of land has been purchased for the hospital and the construction contract has also been signed. The grey structure will be completed in the next twelve months. Once completed, SMTH will have modern facilities, operation theatres, clinics and the very first Level III trauma center in Lahore.

We are committed to providing our employees with a work environment that is healthy, safe and conducive to continuous learning. The company continues to employ people irrespective of ethnicities, cultures or gender. We pride ourselves in being an equal opportunity employer.

APPROPRIATION

The Board of Directors in its meeting held on 4th October 2016 recommended 15% final cash dividend i.e. Rs. 1.5 per share. This is in addition to interim dividends of Rs.5.75 per share i.e.57.5%.

CORPORATE GOVERNANCE

As required by the Code of Corporate Governance. Directors are pleased to report that:

- a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- b) Proper books of accounts have been maintained by the Company;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;
- d) The International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained;
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations of the stock exchange.
- h) The value of investment of contributory provident fund as at June 30, 2016 amounts to Rupees 35 million (based on un-audited financial statements).
- i) The pattern of shareholding as at June 30, 2016 is annexed.
- j) Information about outstanding taxes and levies is given in Notes to the Accounts.

BOARD MEETINGS

During the year under review Four (4) meetings were held. Attendance of each director is as follows:

Name of Director	Attendance
Mr. Shahzad Saleem	4
Mr. Zain Shahzad	1
Mrs. Farhat Saleem	1
Mr. Wasif M Khan	3
Mr. Asad Farooq	2
Mr. Aftab Ahmad Khan	1
Mr. Kamran Rasool	3
Mr. Muhammad Ali Zeb	1
Mr. Yahya Saleem (resigned on Dec 31, 2015)	NIL
Mr. Shahid Malik (resigned on Oct 05, 2015)	NIL



ACKNOWLEDGEMENT

The Directors of your Company would like to show their appreciation of the support of respected customers, banks, financial institutions, regulators and shareholders for achieving good results and hope that this cooperation and support continues to grow in the future.

The Directors of your Company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company and hope that they will continue to do so in the future.



THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

معزز حصص داران

بورڈ 30 جون 2016 کو اختتام سال کے لئے مالیاتی گوشوارے پیش کرتا ہے۔ مالی سال 2016 کے دوران کمپنی کو اطمینان بخش آمدنی حاصل ہوئی ہے۔ موجودہ مدت کے لئے کاروبار 13.85 بلین روپے معہ بعد از ٹیکس منافع 2.76 بلین روپے معہ 7.50 روپے فی شیئر آمدنی (EPS) تھی۔

منافع

ہماری بالائی لائن فرنس آئل کی قیمتوں میں کمی کی وجہ سے بہت نیچے آگئی، مزید تخفیف کم صلاحیتی عنصر (2015 میں 82.55 فیصد بخلاف 2016 میں 70.17 فیصد) کی وجہ سے ہوئی جو بنیادی طور پر (G)/CPPA/NTDC سے کم طلب کا نتیجہ ہے۔

واضح رہے کہ تھرمل کارکردگی بیان کرنا بر محل ہے اور ہمارے ٹیرف میں O&M لاگت کا جزو 25 سال کی مدت کے متوازن رہا ہے۔ ابتدائی سالوں میں دیکھ بھال کے اخراجات کم ہیں، ہمارا منافع منصوبے کی زندگی کے اوسط منافع سے زیادہ ہو جائے گا۔ تاہم، بعد کے سالوں میں ہم پلانٹ کی بوسیدگی اور دیکھ بھال کے اخراجات میں اضافہ کی وجہ سے منافع میں کمی کی امید رکھتے ہیں۔

ہمیں CPPA(G)/NTDCL سے محاصل کے طور پر ہمارے 10 سال کی طویل مدت کے قرض کے تحت اصل ادائیگی بھی حاصل ہوئی ہے۔ لہذا، ہماری نیچے والی لائن آپریشن کے پہلے دس سالوں میں اوپر چلی جائے گی اور ہم اس کے بعد گیارہویں سال سے اس کے گرنے کی پیش بینی کرتے ہیں۔

گردشی قرضے

گردشی قرضے اب بھی بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے پریشانی کا باعث ہیں۔ سال کے دوران سیالیت کے انتظامات ایک مسئلہ رہے ہیں۔ 30 جون 2016 تک CPPA(G)/NTDCL کی طرف ہماری کل وصولیات 6.4 بلین روپے پاکستانی تک بڑھ گئیں جن میں سے 3.8 بلین روپے زائد المعیار واجب الادا تھے۔ ایک بار پھر نیشنل ٹرانسمیشن اینڈ ڈسٹری بیوٹن کمپنی لمیٹڈ CPPA(G)/NTDCL کمپنی کو بروقت ادائیگی کرنے میں ناکام رہی ہے۔ اس مسئلے کے مستقل حل کے طور پر مزید کاسٹ انٹیکو انرجی کس کی جانب بڑھتے ہوئے مستحکم اور واضح اقدامات کی ضرورت ہے۔ تقسیم اور جزییشن کمپنیوں میں پائی گئی خامیوں کو دور کرنے کے لئے ٹھوس اقدامات اٹھانے چاہئیں۔

زیر التواء مسائل

کپسٹی پر چیز پرائس کی مد میں 957.876 ملین روپے کی رقم کا ابھی بھی NTDCL اعتراف اس لئے نہیں کر رہی کہ کمپنی نے بجلی کم پیدا کی تھی۔ تاہم، بجلی کی اس کم پیداوار کی واحد وجہ NTDCL سے عدم ادائیگی کی وجہ سے ایندھن کی عدم دستیابی تھی۔ کمپنی کا خیال ہے کہ یہ رقم NTDCL طرف سے قابل ادا ہونی چاہئے۔ تاہم، جون 2013 میں 6.8 بلین روپے پاکستانی کی ادائیگی کے وقت حکومت پاکستان کے ساتھ تصفیہ کے ایک حصے کے طور پر، آئی پی بی نے عدالت عظمیٰ پاکستان میں دائر صلاحیت کی ادائیگی کا اپنا مقدمہ واپس لے لیا۔ این ٹی ڈی سی اور آئی پی بی نے اس معاملے پر ثالثی کے لئے جسٹس سائری کو ماہر کے طور پر مقرر کیا۔ گزشتہ سال کے دوران، ماہرین نے اپنی رائے میں مذکورہ رقم NTDC کی طرف سے کمپنی کے لئے قابل ادائیگی کی۔ تاہم، این ٹی ڈی سی ابھی بھی فیصلہ کے تحت اپنی ذمہ داریوں کو پورا نہیں کر رہی ہے۔ نتیجتاً PPA کی شرائط کے تحت، کمپنی نے لندن کورٹ آف انٹرنیشنل آر بٹریشن ('LCIA')، میں ایک پٹیشن دائر کی ہے جس کے تحت ایک ثالث مقرر کیا گیا ہے اور معاملہ ثالثی زیر التواء ہے۔

صنعت کا نقطہ نظر

پاکستان بجلی کی پیداوار کے لئے توانائی یعنی گیس، تیل اور ڈیزل کے مہنگی ذرائع پر بہت زیادہ انحصار کرتا ہے۔ دنیا کو سگے کی کم قیمت کی وجہ سے کل بجلی کا 40 فیصد سے زیادہ کونسل سے پیدا کرتی ہے جبکہ پاکستان کونسل سے 0.15 فیصد سے بھی کم بجلی پیدا کرتا ہے۔ توانائی کس کی بہتری کے لئے درمیانہ درجہ کی طویل مدتی پالیسی لاگو کرنے کی ضرورت ہے جس سے ملک کے بڑھتے ہوئے توانائی کے مسائل پر موثر انداز سے قابو پایا جاسکے۔

مستقبل کا نقطہ نظر

ہم آئندہ سال کے دوران پلانٹ مکمل صلاحیت میں چلانے اور تیل کی کم قیمتوں کی وجہ سے ہماری لیکویڈیٹی پوزیشن بہتر ہونے کی امید رکھتے ہیں۔ ہم کمپنی کی مختصر مدتی سرمایہ کی ضروریات کو پورا کرنے کے لئے مسابقتی شرح سے قلیل مدتی قرض کا بندوبست کرنے کا ارادہ رکھتے ہیں۔

کارپوریٹ سماجی ذمہ داری

ہمیشہ کی طرح، ہم موزوں ترقی کے حصول میں اپنے معاشرے کی مدد کے لئے اپنے وژن اور مشن کے لئے مصروف عمل ہیں۔ ہم نے مختلف ٹیکس، ڈیویڈنڈ اور لیوریج کی بروقت ادائیگی کے ذریعے تومی خزانے میں قابل ذکر حصہ شامل کیا ہے۔

ہمارا عقیدہ ہے کہ تنہا یہ شراکت معاشرے پر ایک با معنی اثر ڈالنے کے لئے کافی نہیں ہے۔ ہمیں تعلیمی پروگراموں کی مدد، صحت کی دیکھ بھال کی مدد، ماحول کی حفاظت اور خواتین کو با اختیار بنانے اور پسماندگی کی حالت کو بہتر بنانے کے ذریعے، بڑے پیمانے پر معاشرے کی مدد کرنی چاہیے۔

کمپنی نے ٹرسٹ جو وفاقی سرگرمیوں سے نمٹنے کے لئے قائم کیا گیا ہے کے ذریعے ایک ہسپتال اور اسکول عطیہ کیا ہے، ہسپتال غریب کے لئے سستی صحت کی دیکھ بھال

فراہم کرتا ہے جبکہ اسکول ایک برائے نام فیس کے عوض معیاری تعلیم فراہم کرتا ہے۔

سلیم خاندان اور نشاط چونیاں گروپ غیر منافع بخش جدید، سلیم میموریل ٹرسٹ ہسپتال (SMTH) قائم کر رہا ہے۔ ہسپتال غیر مراعات یافتہ اور سیلف پے جو صاحب حیثیت ہیں کے لئے ایک مثالی رعایتی طبی علاج پر مبنی ہوگا۔ ہسپتال کے لئے 40 کنال کار قبضہ خرید لیا گیا ہے اور تعمیر کے معاہدے پر بھی دستخط ہو گئے ہیں۔ گے سٹرکچر اگلے بارہ ماہ میں مکمل کر لیا جائے گا۔ مکمل ہونے پر SMTH لاہور میں جدید سہولیات، آپریشن تھیٹرز، کلینکوں اور بہت ہی جدید لیول III ٹراماسینٹر گا۔ ہم اپنے ملازمین کو کام کا ایسا ماحول فراہم کرنے کے لئے مصروف عمل ہیں جو صحت مند، محفوظ اور مسلسل سیکھنے کے لئے موزوں ہو۔ کمپنی نسلی گروہوں، ثقافتوں اور جنس سے قطع نظر مسلسل لوگوں کو روزگار فراہم کر رہی ہے۔ ہمیں ایک مساوی مواقع آجر ہونے پر فخر ہے۔

تصرفات

مجلس نصاب نے 4 اکتوبر 2016 کو منعقدہ اپنے اجلاس میں 15 فیصد حتمی نقد منافع منقسمہ یعنی 1.5 روپے فی شیئر کی سفارش کی ہے۔ یہ 5.75 روپے فی شیئر یعنی 57.5 فیصد کے عبوری منافع کے علاوہ ہے۔

کارپوریٹ گورننس

کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات کے مطابق ڈائریکٹرز بیان کرتے ہیں کہ:

- a- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- b- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- c- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- d- مالی حسابات کو کمپنیز آرڈیننس 1984 کے قوانین کے تحت تیار کیا گیا ہے اور اس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی

بیرونی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

- e- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- f- کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- g- اسٹاک ایکسچینجس کے فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس میں سے کسی خاطر خواہ شق سے انحراف نہیں ہو رہا ہے۔
- h- 30 جون 2016 تک پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 35 ملین روپے پاکستانی (غیر نظر ثانی شدہ مالی حسابات کی بنیاد پر) ہے۔
- i- برطانیہ 30 جون 2016 نمونہ حصہ داری منسلک ہے؛
- j- واجب الادا ڈائریکٹرز اور لیویز بارے معلومات کا مالی حسابات میں انکشاف کیا گیا ہے؛

بورڈ کے اجلاس

زیر جائزہ سال کے دوران چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

تعداد حاضری	نام ڈائریکٹر
4	جناب شہزاد سلیم
1	جناب زین شہزاد
1	محترمہ فرحت سلیم
3	جناب واصف ایم خان
2	جناب اسد فاروق
1	جناب آفتاب احمد خان
3	جناب کامران رسول
1	جناب محمد علی زیب
0	جناب یحییٰ سلیم (استعفیٰ دیا October 31, 2015)
0	جناب شاہد ملک (استعفیٰ دیا October 5, 2015)

اعتراف

کمپنی کے ڈائریکٹرز اچھے نتائج کے حصول کے لئے معزز صارفین، بینکوں، مالیاتی اداروں، ریگولیٹرز اور حصص یافتگان کی حمایت کا اعتراف کرتے ہیں اور کمپنی کی ترقی کے لئے مستقبل میں بھی اس تعاون اور حمایت کے جاری رہنے کی امید کرتے ہیں۔

کمپنی کے ڈائریکٹرز کمپنی کے ملازمین کی مسلسل خدمات، وفاداری اور کوششوں کی بھی گہری تعریف کا اظہار کرتے ہیں اور امید کر رہے ہیں کہ وہ مستقبل میں بھی ایسا کرتے

رہیں گے۔

FINANCIAL HIGHLIGHTS

	2010/11	2011/12	2012/13
	Rupees		
Result of Operations			
Net Sales	20,353,055,242	21,585,391,983	25,165,538,264
Gross Profit	4,623,556,899	5,168,429,599	5,067,708,707
Operating Income	4,587,535,361	5,096,641,997	5,136,846,341
Financial Charges	(2,940,579,074)	(3,080,778,539)	(2,424,115,317)
Tax (Taxation) / Reversal	(13,579,721)	(11,207,516)	24,760,917
Net Income	1,633,376,566	2,004,655,942	2,737,491,941
Financial Position at Year-end:			
Capital	3,673,469,390	3,673,469,390	3,673,469,390
Accumulated profit	1,241,889,312	2,328,177,906	3,596,282,092
Net Worth	4,915,358,702	6,001,647,296	7,269,751,482
Fixed Assets	16,765,215,626	15,825,927,605	14,772,193,670
Long Term Deposits & Advances	2,197,525	960,796	486,506
Current Assets	8,047,407,087	12,761,209,694	7,857,827,423
Total Assets	24,814,820,238	28,588,098,095	22,630,507,599
Long Term Liabilities	13,811,282,788	12,898,060,793	11,836,995,051
Current Liabilities	6,088,178,748	9,688,390,006	3,523,761,066
Net Interest-Bearing Debt	18,457,304,836	20,773,535,603	12,902,271,653
Per Share Net Income	4.45	5.46	7.45
Cash Dividends	2	3.5	6
Dividend payout ratio	45%	64%	81%
Financial Measures			
ROE	33.23%	33.40%	37.66%
Shareholders' Equity Ratio	19.81%	20.99%	32.12%
Net Debt Equity Ratio (times)	3.76	3.46	1.77
Current Ratio	1.32	1.32	2.23
Common Stock			
Number of Shares Outstanding at Year-End	367,346,939	367,346,939	367,346,939

2013/14	2014/15 Rupees	2015/16
27,629,641,999	22,574,562,189	13,853,806,315
4,935,048,172	5,125,572,958	4,193,739,342
4,822,434,206	4,974,766,739	3,975,358,620
(1,921,675,298)	(1,884,453,616)	(1,219,116,355)
-	-	-
2,900,758,908	3,090,313,123	2,756,242,265
3,673,469,390	3,673,469,390	3,673,469,390
3,374,592,028	3,709,803,107	3,619,106,596
7,048,061,418	7,383,272,497	7,292,575,986
14,116,423,362	13,387,490,247	12,814,881,104
524,499	10,917,870	9,413,931
13,281,512,794	10,848,740,783	8,856,598,585
27,398,460,655	24,247,148,900	21,680,893,620
10,604,150,775	9,171,718,257	7,507,385,788
9,746,248,462	7,692,158,146	6,880,931,846
17,535,832,860	15,945,870,441	13,272,343,484
7.90	8.41	7.50
6.5	7.5	7.75
82%	89%	103%
41.16%	41.86%	37.80%
25.72%	30.45%	33.64%
2.49	2.16	1.82
1.36	1.41	1.29
367,346,939	367,346,939	367,346,939

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE (CCG) FOR THE YEAR ENDED: 30 JUNE 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of Pakistan Stock Exchange Regulations for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

Category	Names
Independent Directors	Mr. Wasif M Khan
Executive Directors	MMr. Shahzad Saleem (Chief Executive)
Non-Executive Directors	Mrs. Farhat Saleem (Chairperson) Mr. Asad Farooq Mr. Zain Shahzad Mr. Kamran Rasool Mr. Aftab Ahmad Khan Mr. Muhammad Ali Zeb

The independent director meets the criteria of independence as required under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the board on October 05, 2015 and December 31, 2015 was filled by directors in 10 days and same day respectively.

5. The Company has prepared a "Code of Conduct"

and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the Board were presided over by the Chairman/Chairperson and, in his/her absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged Directors' Training Program for Mr. Asad Farooq during the year.
10. The Board has approved appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment. There was no change in the Head of Internal Audit during the year.
11. The Directors' Report for the year ended June 30, 2016 has been prepared in compliance with the requirements of the CCG as applicable on June 30, 2016 and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of 3 members, all are non-executive directors. The Chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The Terms of Reference of the committee have been formed and approved by the Board and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members, all are non-executive directors.
18. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and are involved in the internal audit function on full time basis.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Stock Exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchanges.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

SHAHZAD SALEEM
CEO

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE



We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the 'Code') prepared by the Board of Directors of Nishat Chunian Power Limited (the 'company') for the year ended June 30, 2016 to comply with the requirements of Listing Regulation No. 5.19 of Pakistan Stock Exchange Limited, where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the company to comply with the Code.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

The Code requires the company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended June 30, 2016.

Chartered Accountants

A.F. Ferguson & Co.

Chartered Accountants, Lahore.

Engagement Partner: Khurram Akbar Khan

October 4, 2016

AUDITORS' REPORT TO THE MEMBERS



We have audited the annexed balance sheet of Nishat Chunian Power Limited (the 'company') as at June 30, 2016, and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and

the expenditure incurred during the year were in accordance with the objects of the company;

- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2016, and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

We draw attention to note 16.2 to the annexed financial statements, which describes the matter regarding recoverability of certain trade debts. Our opinion is not qualified in respect of this matter.

Chartered Accountants

A.F. Ferguson & Co.

Chartered Accountants, Lahore.

Engagement Partner: Khurram Akbar Khan

October 4, 2016

NISHAT CHUNIAN POWER LIMITED
BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 385,000,000 (2015: 385,000,000) ordinary shares of Rs 10 each		<u>3,850,000,000</u>	<u>3,850,000,000</u>
Issued, subscribed and paid up share capital 367,346,939 (2015: 367,346,939) ordinary shares of Rs 10 each	5	3,673,469,390	3,673,469,390
Revenue reserve: Un-appropriated profit	6	<u>3,619,106,596</u>	<u>3,709,803,107</u>
		7,292,575,986	7,383,272,497
NON-CURRENT LIABILITY			
Long term financing - secured	7	7,507,385,788	9,171,718,257
CURRENT LIABILITIES			
Current portion of long term financing - secured	7	1,664,332,448	1,432,432,451
Short term borrowings - secured	8	4,100,625,248	5,341,719,733
Trade and other payables	9	844,633,058	574,393,090
Accrued finance cost	10	269,628,043	343,612,872
Derivative financial instruments		1,713,049	-
		6,880,931,846	7,692,158,146
CONTINGENCIES AND COMMITMENTS	11	-	-
		<u>21,680,893,620</u>	<u>24,247,148,900</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12	12,814,881,104	13,387,490,247
Long term loans to executives	13	9,308,931	10,812,870
Long term security deposits		105,000	105,000
		12,824,295,035	13,398,408,117
 CURRENT ASSETS			
Stores and spares	14	687,666,696	911,707,884
Inventories	15	524,883,404	920,453,343
Trade debts	16	6,424,184,884	8,109,775,412
Loans, advances, deposits, prepayments and other receivables	17	1,204,400,504	887,017,186
Income tax receivable		13,155,092	17,652,298
Bank balances	18	2,308,005	2,134,660
		8,856,598,585	10,848,740,783
		21,680,893,620	24,247,148,900

Director

NISHAT CHUNIAN POWER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Sales	19	13,853,806,315	22,574,562,189
Cost of sales	20	<u>(9,660,066,973)</u>	<u>(17,448,989,231)</u>
Gross profit		4,193,739,342	5,125,572,958
Administrative expenses	21	(153,997,743)	(121,115,024)
Other expenses	22	(92,338,806)	(58,311,523)
Other income	23	27,955,827	28,620,328
Finance cost	24	<u>(1,219,116,355)</u>	<u>(1,884,453,616)</u>
Profit before taxation		2,756,242,265	3,090,313,123
Taxation	25	-	-
Profit for the year		<u><u>2,756,242,265</u></u>	<u><u>3,090,313,123</u></u>
Earnings per share - basic and diluted	26	<u>7.503</u>	<u>8.413</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

NISHAT CHUNIAN POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Profit for the year	2,756,242,265	3,090,313,123
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
	-	-
Total comprehensive income for the year	<u>2,756,242,265</u>	<u>3,090,313,123</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

NISHAT CHUNIAN POWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

	Share capital	Revenue reserve: Un-appropriated profit Rupees	Total
Balance as on June 30, 2014	3,673,469,390	3,374,592,028	7,048,061,418
Profit for the year	-	3,090,313,123	3,090,313,123
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,090,313,123	3,090,313,123
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2014 @ Rs 2 per share	-	(734,693,882)	(734,693,882)
Interim dividend for the first quarter ended September 30, 2014 @ Rs 1.5 per share	-	(551,020,398)	(551,020,398)
Interim dividend for the half year ended December 31, 2014 @ Rs 2 per share	-	(734,693,882)	(734,693,882)
Interim dividend for the third quarter ended March 31, 2015 @ Rs 2 per share	-	(734,693,882)	(734,693,882)
Total distributions to owners of the company recognized directly in equity	-	(2,755,102,044)	(2,755,102,044)
Balance as on June 30, 2015	3,673,469,390	3,709,803,107	7,383,272,497
Profit for the year	-	2,756,242,265	2,756,242,265
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,756,242,265	2,756,242,265
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2015 @ Rs 2 per share	-	(734,693,878)	(734,693,878)
Interim dividend for the first quarter ended September 30, 2015 @ Rs 2 per share	-	(734,693,878)	(734,693,878)
Interim dividend for the half year ended December 31, 2015 @ Rs 2 per share	-	(734,693,878)	(734,693,878)
Interim dividend for the third quarter ended March 31, 2016 @ Rs 1.75 per share	-	(642,857,142)	(642,857,142)
Total distributions to owners of the company recognized directly in equity	-	(2,846,938,776)	(2,846,938,776)
Balance as on June 30, 2016	<u>3,673,469,390</u>	<u>3,619,106,596</u>	<u>7,292,575,986</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

NISHAT CHUNIAN POWER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Cash flows from operating activities			
Cash generated from operations	27	6,771,183,152	6,327,597,848
Finance cost paid		(1,293,101,184)	(2,048,806,952)
Net income tax refund/ (paid)		4,497,206	(1,981,517)
Retirement benefits paid		(7,208,495)	(4,326,843)
Net decrease/ (increase) in long term loans to executives		1,503,939	(10,393,371)
Net cash inflow from operating activities		<u>5,476,874,618</u>	<u>4,262,089,165</u>
Cash flows from investing activities			
Purchase of fixed assets		(601,112,480)	(420,418,885)
Proceeds from disposal of property, plant and equipment		3,872,699	1,996,400
Profit on bank deposits received		503,447	1,332,149
Net cash outflow from investing activities		<u>(596,736,334)</u>	<u>(417,090,336)</u>
Cash flows from financing activities			
Repayment of long term financing		(1,432,432,472)	(1,232,844,340)
Dividend paid		(2,206,437,982)	(3,296,220,421)
Net cash outflow from financing activities		<u>(3,638,870,454)</u>	<u>(4,529,064,761)</u>
Net increase/ (decrease) in cash and cash equivalents		1,241,267,830	(684,065,932)
Cash and cash equivalents at the beginning of the year		(5,339,585,073)	(4,655,519,141)
Cash and cash equivalents at the end of the year	28	<u><u>(4,098,317,243)</u></u>	<u><u>(5,339,585,073)</u></u>

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

NISHAT CHUNIAN POWER LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30,2016

1. The company and its activities

Nishat Chunian Power Limited (the 'company') is a public limited company incorporated in Pakistan. The company is a subsidiary of Nishat (Chunian) 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 and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the company is 31-Q, Gulberg II, Lahore. The company has a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty five years which commenced from July 21, 2010.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984 (Ordinance), provisions of and directives issued under the Ordinance. Wherever the requirements of the Ordinance or directives issued by Securities and Exchange Commission of Pakistan ('SECP') differ with the requirements of IFRS or IFAS, the requirements of the Ordinance or the requirements of the said directives prevail.

2.2 Initial application of standards, amendments or an interpretation to existing standards

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

2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2015, 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 financial statements.

2.2.2 Exemption from applicability of certain interpretations to standards

SECP through SRO 24(I)/2012 dated January 16, 2012, has exempted the application of International Financial Reporting Interpretations Committee (IFRIC) 4 'Determining whether an Arrangement contains a Lease' to all companies. However, the SECP made it mandatory to disclose the impact of the application of IFRIC 4 on the results of the companies. This interpretation provides guidance on determining whether arrangements that do not take the legal form of a lease should, nonetheless, be accounted for as a lease in accordance with International Accounting Standard (IAS) 17, 'Leases'.

Consequently, the company is not required to account for a portion of its PPA with NTDC as a lease under IAS - 17. If the company were to follow IFRIC - 4 and IAS - 17, the effect on the financial statements would be as follows:

	2016	2015
	Rupees	Rupees
De-recognition of property, plant and equipment	<u>(12,466,155,032)</u>	<u>(13,223,381,381)</u>
Recognition of lease debtor	<u>12,487,141,283</u>	<u>13,844,802,763</u>
Increase in un-appropriated profit at the beginning of the year	621,421,382	934,429,109
Decrease in profit for the year	<u>(600,435,131)</u>	<u>(313,007,727)</u>
Increase in un-appropriated profit at the end of the year	<u>20,986,251</u>	<u>621,421,382</u>

2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2016, 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 financial statements.

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments at fair value.

3.2 The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates, which have been explained as follows:

a) Provision for taxation

The company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its views on items of material nature is in accordance with the law, the amounts are shown as contingent liabilities.

b) Useful lives and residual values of property, plant and equipment

The company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

4. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Taxation

Current

The profits and gains of the company derived from electric power generation are exempt from tax in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein.

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the profit and loss account on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

Deferred tax has not been provided in these financial statements as the company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.2 Fixed assets

4.2.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss.

Depreciation on operating fixed assets, other than identifiable capital spares in plant and machinery, is charged to profit and loss account on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 12.1 after taking into account their residual values. Depreciation on identifiable capital spares in plant and machinery is charged on the basis of number of hours used.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The company's estimate of the residual value of its operating fixed assets as at June 30, 2016, has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.3).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the profit and loss account during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.2.3 Major spare parts and standby equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.2.4 Intangible assets

Expenditure incurred to acquire computer software has been capitalised as an intangible asset and stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets are amortised using the straight line method over a period of five years.

The company assesses at each balance sheet date whether there is any indication that intangible assets may be impaired. If such an indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the amortisation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.3 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.4 Leases

The company is the lessee:

4.4.1 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term.

4.5 Stores and spares

Stores and spares are valued principally at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the balance sheet date while items considered obsolete are carried at nil value.

4.6 Inventories

Inventories except for those in transit and furnace oil are valued principally at lower of weighted average cost and net realizable value. Materials in transit are stated at cost comprising invoice value plus other charges paid thereon. Furnace oil is valued at lower of cost based on First-In First-Out (FIFO) method and net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale. Provision is made in the financial statements for obsolete and slow moving inventories based on management's estimate.

4.7 Financial assets

4.7.1 Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise, they are classified as non current.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

4.7.2 Recognition and measurement

All financial assets are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account as part of other income when the company's right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account. Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the company measures the investments at cost less impairment in value, if any.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.11.

4.8 Financial liabilities

All financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

4.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.10 Derivative financial instruments

These are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company has not designated any derivatives as hedging instruments and accordingly, the changes in fair value re-measurement are recognized in the profit and loss account. Trading derivatives are classified as a current asset or liability.

4.11 Trade debts and other receivables

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.12 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.13 Employees' retirement benefits - Defined contribution plan

There is an approved defined contributory provident fund for all employees. Equal monthly contributions are made both by the company and employees to the fund at the rate of 8.33 percent of the basic salary. Retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

4.14 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.15 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.16 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.17 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance cost to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

4.18 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of the asset up to the date of commissioning of the related asset.

4.19 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable on the following basis:

Revenue on account of energy is recognized on transmission of electricity to NTDC, whereas on account of capacity is recognized when due. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.20 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.21 Dividend

Dividend distribution to the company's members is recognized as a liability in the period in which the dividends are approved.

4.22 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5. Issued, subscribed and paid up share capital

This represents 367,346,939 (2015: 367,346,939) ordinary shares of Rs 10 each fully paid in cash. 187,585,820 (2015: 187,585,820) ordinary shares of the company are held by Nishat (Chunian) Limited, the holding company.

6. In accordance with the terms of agreement with the lenders of long term finances, there are certain restrictions on the distribution of dividends by the company.

		2016	2015
		Rupees	Rupees
7. Long term financing - secured			
Senior facility	- note 7.1	7,391,872,851	8,547,497,996
Term finance facility	- note 7.2	1,779,845,385	2,056,652,712
		<u>9,171,718,236</u>	<u>10,604,150,708</u>
Less: Current portion shown under current liabilities		<u>1,664,332,448</u>	<u>1,432,432,451</u>
		<u>7,507,385,788</u>	<u>9,171,718,257</u>

7.1 Senior facility

Long term financing under mark-up arrangement obtained from following banks:

Lender

National Bank of Pakistan	1,272,387,062	1,471,308,629
Habib Bank Limited	1,703,990,531	1,970,387,796
Allied Bank Limited	1,703,990,532	1,970,387,797
United Bank Limited	1,703,990,458	1,970,387,795
Faysal Bank Limited	768,186,401	888,282,582
Summit Bank Limited	99,713,295	115,309,749
Sindh Bank Limited	139,614,572	161,433,648
	<u>7,391,872,851</u>	<u>8,547,497,996</u>
Less: Current portion shown under current liabilities	<u>1,342,712,110</u>	<u>1,155,625,128</u>
	<u>6,049,160,741</u>	<u>7,391,872,868</u>

	2016	2015
	Rupees	Rupees

7.2 Term finance facility

Long term financing under mark-up arrangement obtained from following banks:

Lender

National Bank of Pakistan	306,370,432	354,018,158
Habib Bank Limited	410,293,930	474,104,172
Allied Bank Limited	410,293,928	474,104,170
United Bank Limited	410,293,930	474,104,172
Faysal Bank Limited	242,593,165	280,322,040
	<u>1,779,845,385</u>	<u>2,056,652,712</u>
Less: Current portion shown under current liabilities	<u>321,620,338</u>	<u>276,807,323</u>
	<u>1,458,225,047</u>	<u>1,779,845,389</u>

7.3 This represents long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited is on murabaha basis. The overall financing is secured against registered first joint parri passu charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of the company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the holding company in Nishat Chunian Power Limited. It carries mark-up at the rate of three months Karachi Inter-Bank Offered Rate (KIBOR) plus three percent per annum, payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 10.01% to 9.35% (2015: 10.99% to 13.18%) per annum. As of June 30, 2016, the finance is repayable in seventeen quarterly installments ending on July 01, 2020.

		2016	2015
		Rupees	Rupees
8.	Short term borrowings - secured		
Short term borrowings under mark-up arrangements obtained as under:			
Running finances	- note 8.1	306,442,353	176,701,395
Money market loans	- note 8.2	3,250,000,000	2,600,000,000
Murabaha and musharka facilities	- note 8.3	544,182,895	2,565,018,338
		<u>4,100,625,248</u>	<u>5,341,719,733</u>

8.1 Running finances

Running finance main facilities available from commercial banks under mark-up arrangements amount to Rs 5,950 million (2015: Rs 6,250 million). Running finance facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 2% per annum, payable monthly/quarterly, on the balance outstanding. Running finance facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 6.85% to 9.01% (2015: 7.73% to 12.21%) per annum.

8.2 Money market loans

Money market loans are available to the company as a sub-facility to the running finance facility. Such facilities amount to Rs 4,250 million (2015: Rs 4,250 million) and are available at mark-up rates ranging from one month to six months KIBOR plus 0.10% to 0.35% per annum. Money market loans are secured against first joint pari passu hypothecation charge on the present and future current assets of the company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 6.15% to 7.33% (2015: 7.06% to 10.85%) per annum.

8.3 Murabaha and musharka facilities

Murabaha and musharka main facilities available from commercial banks aggregate Rs 4,500 million (2015: Rs 4,184.92 million) at mark-up rates ranging from one month to six months KIBOR plus 0.1% to 2% per annum. The amount utilised as at June 30, 2016, for murabaha facilities was nil (2015: Rs 2,390.20 million) and for musharka was Rs 544.18 million (2015: Rs 174.82 million). Mark-up on murabaha is payable at the maturity of the respective murabaha transaction. Whereas, the mark-up on musharka is payable monthly on the balance outstanding. The facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 6.50% to 9.01% (2015: 7.08% to 11.42%) per annum.

8.4 Letters of credit and guarantees

The main facilities for opening letters of credit and guarantees aggregate Rs 1,556.03 million (2015: Rs 1,347.03 million). The amount utilised at June 30, 2016, for letters of credit was Rs 61.16 million (2015: Rs 66.87 million) and for guarantees was Rs 9.03 million (2015: Rs 72.11 million). The aggregate facilities for opening letters of credit and guarantees are secured by ranking charge on the present and future current assets comprising of fuel stocks, inventories and energy price payment receivables from NTDC, counter guarantee, cash margin and lien over import documents.

		2016	2015
		Rupees	Rupees
9.	Trade and other payables		
	Creditors	24,584,101	386,638,259
	Retention money	9,027	-
	Accrued liabilities	22,089,605	13,601,344
	Workers' profit participation fund - note 9.1	137,837,135	154,540,678
	Withholding tax payable	-	414
	Dividend payable - note 9.2	642,857,142	-
	Unclaimed dividend	13,582,065	15,938,413
	Other liabilities - note 9.3	3,673,983	3,673,982
		<u>844,633,058</u>	<u>574,393,090</u>

9.1 Workers' Profit Participation Fund

	Opening balance	154,540,678	145,062,967
	Provision for the year - note 17.3	137,812,113	154,515,656
		<u>292,352,791</u>	<u>299,578,623</u>
	Less: Payments	154,515,656	145,037,945
	Closing balance	<u>137,837,135</u>	<u>154,540,678</u>

9.2 This represents the interim dividend declared for the third quarter ended March 31, 2016. Included is an amount of Rs 328,275,185 (2015: Nil) in respect of Nishat Chunian Limited, the holding company.

9.3 This represents amounts due to executives.

9.4 Workers' Welfare Fund has not been provided for in the financial statements on the advice of the company's legal consultant.

		2016	2015
		Rupees	Rupees
10.	Accrued finance cost		
	Accrued mark-up/interest on:		
	Long term financing - secured	212,840,480	290,550,820
	Short term borrowings - secured	56,787,563	53,062,052
		<u>269,628,043</u>	<u>343,612,872</u>

11. Contingencies and commitments

11.1 Contingencies

(i) During the financial year 2014, a sales tax demand of Rs 1,161.548 million was raised against the company through order dated November 28, 2013, by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the company. Against the aforesaid order, the company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the company's other grounds of appeal. Consequently, the company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication.

Furthermore, during the financial year 2015, the Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice dated November 11, 2014, whereby intentions were shown to raise a sales tax demand of Rs 1,093.262 million by disallowing input sales tax claimed by the company for the tax periods from July 2010 to June 2012 on the abovementioned grounds of the ACIR. Aggrieved by this show cause notice, the company filed a writ petition before the Lahore High Court ('LHC'), whereby the LHC through its latest order dated July 23, 2015, has provided interim relief to the company to the extent that no final order shall be passed by the DCIR until the next hearing.

For the period July 2013 to June 2014, company's case was selected for audit by 'Federal Board of Revenue' ('FBR'), which selection was objected to, on jurisdictional basis, by company by way of filing a writ petition before LHC. While, LHC has allowed the department to proceed with audit proceedings, it has been directed that no adjudication order, consequent to conduct of audit, shall be passed after confronting the audit report. The audit proceedings were completed by the department during the year and report thereof has been submitted to the company seeking explanations in regard to the issues raised therein. In the subject audit report, inter-alia, primarily a disallowance of input sales tax aggregating to Rs 622.263 million has been confronted on same grounds as explained above.

Based on the advice of the company's legal counsel, management considers that there exist meritorious grounds to support the company's stance that input sales tax incurred by the company is not legally required to be attributed to revenue representing 'capacity purchase price' and thus disallowance proposed by department would not be upheld by appellate authorities/courts. Consequently, no provision has been made in these financial statements on such account.

(ii) The banks have issued the following on behalf of the company:

(a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Nil (2015: Rs 45,000,000).

(b) Letter of guarantee of Rs 9,031,988 (2015: Rs 7,031,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

(c) Letter of guarantee of Nil (2015: Rs 65,076,000) in favour of Punjab Power Development Board, Energy Department, Government of the Punjab, Lahore, in respect of issuance of Letter of Interest to the company to set up a 660 MW Imported Coal Fired Power Plant in Jhang, Punjab.

11.2 Commitments

(i) Letters of credit and contracts other than for capital expenditure aggregate to Rs 61,160,251 (2015: Rs 21,886,113).

12. Fixed assets		2016 Rupees	2015 Rupees
Property, plant and equipment:			
Operating fixed assets	- note 12.1	12,648,542,966	13,376,169,747
Capital work-in-progress	- note 12.2	902,000	11,320,500
Major spare parts and standby equipment	- note 12.3	162,636,138	-
		<u>12,812,081,104</u>	<u>13,387,490,247</u>
Intangible asset:			
Computer software	- note 12.4	2,800,000	-
		<u>12,814,881,104</u>	<u>13,387,490,247</u>

12.1 Operating fixed assets	(Rupees)							Total	
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Computer equipment	Office equipment	Furniture and fixtures		Vehicles
COST									
Balance as at July 01, 2014	71,016,715	179,441,791	17,774,380,220	2,614,039	6,113,916	9,677,751	1,009,077	57,010,744	18,101,264,253
Additions during the year	79,701,896	12,797,570	297,865,963	-	1,672,203	-	-	21,328,074	413,365,706
Disposal during the year	-	-	(164,197,257)	-	(241,094)	-	-	(3,015,490)	(167,453,841)
Balance as at June 30, 2015	150,718,611	192,239,361	17,908,048,926	2,614,039	7,545,025	9,677,751	1,009,077	75,323,328	18,347,176,118
Balance as at July 01, 2015	150,718,611	192,239,361	17,908,048,926	2,614,039	7,545,025	9,677,751	1,009,077	75,323,328	18,347,176,118
Additions during the year	-	5,719,323	384,932,180	-	8,401,946	27,007,007	-	19,334,387	445,394,843
Disposal during the year	-	-	(377,616,978)	-	(289,318)	-	-	(4,729,143)	(382,635,439)
Balance as at June 30, 2016	150,718,611	197,958,684	17,915,364,128	2,614,039	15,657,653	36,684,758	1,009,077	89,928,572	18,409,935,522
DEPRECIATION									
Balance as at July 01, 2014	-	27,334,045	3,935,200,458	1,030,958	3,701,085	5,246,867	338,520	16,733,279	3,989,585,212
Charge for the year - note 12.1.1	-	7,352,737	1,119,536,611	261,404	1,146,806	2,204,045	98,946	11,722,683	1,142,323,232
Disposal during the year	-	-	(158,066,084)	-	(110,859)	-	-	(2,725,130)	(160,902,073)
Balance as at June 30, 2015	-	34,686,782	4,896,670,985	1,292,362	4,737,032	7,450,912	437,466	25,730,832	4,971,006,371
Balance as at July 01, 2015	-	34,686,782	4,896,670,985	1,292,362	4,737,032	7,450,912	437,466	25,730,832	4,971,006,371
Charge for the year - note 12.1.1	-	8,209,240	1,140,468,612	261,404	1,674,321	5,614,643	98,145	14,850,894	1,171,177,259
Disposal during the year	-	-	(377,616,978)	-	(247,091)	-	-	(2,927,006)	(380,791,075)
Balance as at June 30, 2016	-	42,896,022	5,659,522,619	1,553,766	6,164,262	13,065,556	535,611	37,654,720	5,761,392,556
Book value as at June 30, 2015	150,718,611	157,552,579	13,011,377,941	1,321,677	2,807,993	2,226,839	571,611	49,592,496	13,376,169,747
Book value as at June 30, 2016	150,718,611	155,062,662	12,255,841,509	1,060,273	9,493,391	23,619,202	473,466	52,273,852	12,648,542,966
Annual depreciation rate %	-	4 - 10	4 - 5.05 and number of hours used	10	30	10 - 30	10	20	

12.1.1 The depreciation charge for the year has been allocated as follows:

	2015	2016	2015
	Rupees	Rupees	Rupees
Cost of sales	-	1,156,146,140	1,131,700,064
Administrative expenses	- note 20	15,031,119	10,623,168
	- note 21	1,171,177,259	1,142,323,232

12.1.2 Disposal of operating fixed assets

Particulars	2016 (Rupees)				Mode of disposal
	Cost	Accumulated depreciation	Book value	Sale proceeds	
Plant and machinery					
Assets written off	377,616,978	377,616,978	-	-	Write off
Vehicles sold to:					
Executive:					
Najia Butt	1,845,000	123,000	1,722,000	1,845,000	As per company policy
Outside party:					
Umar Farooq	1,922,500	1,922,500	-	1,337,500	Bid
Muhammad Afzal Javed	961,643	881,506	80,137	640,200	Bid
Computer equipment sold to:					
Executive:					
Najia Butt	200,418	200,418	-	35,000	As per company policy
Outside party:					
Hira Jabeen	88,900	46,673	42,227	14,999	Bid
	<u>382,635,439</u>	<u>380,791,075</u>	<u>1,844,364</u>	<u>3,872,699</u>	
Particulars	2015 (Rupees)				Mode of disposal
	Cost	Accumulated depreciation	Book value	Sale proceeds	
Plant and machinery					
Assets written off	164,197,257	158,066,084	6,131,173	-	Write off
Vehicles sold to:					
Executive					
Farrukh Ifzal	924,515	924,515	-	250,000	As per company policy
Outside party					
Athar Naqvi	646,566	646,566	-	350,000	Bid
Noor Zaman	600,744	310,384	290,360	575,000	Bid
M. Mushtaq	843,665	843,665	-	675,000	Bid

Computer equipment sold to:

Executive:

Farrukh Ifzal	82,500	82,500	-	26,500	As per company policy
Theft	158,594	28,359	130,235	119,900	Insurance claim
	<u>167,453,841</u>	<u>160,902,073</u>	<u>6,551,768</u>	<u>1,996,400</u>	

12.2 Capital work-in-progress

	2016	2015
	Rupees	Rupees
Civil works	260,000	-
Advances to suppliers against purchase of:		
- Plant and machinery	-	7,400,000
- Vehicles	642,000	2,170,500
- Intangible assets	-	1,750,000
	<u>902,000</u>	<u>11,320,500</u>
The reconciliation of the carrying amount is as follows:		
Opening balance	11,320,500	4,267,321
Additions during the year	<u>38,845,342</u>	<u>13,928,750</u>
	50,165,842	18,196,071
Transfers during the year	<u>(49,263,842)</u>	<u>(6,875,571)</u>
Closing balance	<u>902,000</u>	<u>11,320,500</u>

12.3 Major spare parts and standby equipment

Opening balance	-	-
Additions during the year	<u>162,636,138</u>	-
Closing balance	<u>162,636,138</u>	-

12.4 Intangible asset

Rupees

COMPUTER SOFTWARE

Cost

Balance as at July 01, 2014	2,385,000
Additions during the year	-
Balance as at June 30, 2015	<u>2,385,000</u>

Balance as at July 01, 2015	2,385,000
Additions during the year	<u>3,500,000</u>
Balance as at June 30, 2016	<u>5,885,000</u>

Amortization

Balance as at July 01, 2014	1,908,000
Charge for the year	- note 21 <u>477,000</u>
Balance as at June 30, 2015	<u>2,385,000</u>

Balance as at July 01, 2015		2,385,000
Charge for the year	- note 21	700,000
Balance as at June 30, 2016		<u>3,085,000</u>
Book value as at June 30, 2015		<u>-</u>
Book value as at June 30, 2016		<u>2,800,000</u>
Annual amortization rate %		<u>20%</u>

		2016 Rupees	2015 Rupees
13. Long term loans to executives			
Considered good:			
Loans to executives	- note 13.3	10,201,675	11,338,232
Less: Current portion shown under current assets	- note 17	892,744	525,362
		<u>9,308,931</u>	<u>10,812,870</u>

13.1 This represents house and car loans to executives and are recoverable within a period of four to ten years commencing from the date of disbursement through monthly deductions from salaries. These carry interest at the rates ranging from 3.3% to 10.66% per annum (2015: 5.28% to 10.66% per annum). Such loans are secured against the accumulated provident fund balance of the relevant executive.

13.2 Maximum aggregate balance due from the executives at the end of any month during the year is Rs 11,211,858 (2015: Rs 11,809,764).

		2016 Rupees	2015 Rupees
13.3 Reconciliation of carrying amount of loans to executives			
Opening balance		11,338,232	781,586
Disbursements made during the year		-	11,775,831
Markup for the year		433,872	364,667
		<u>11,772,104</u>	<u>12,922,084</u>
Less: Repayments made during the year		1,570,429	1,583,852
Closing balance		<u>10,201,675</u>	<u>11,338,232</u>

14. Stores and spares

Most of the items of stores and spares are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

		2016 Rupees	2015 Rupees
15. Inventories			
Furnace oil		514,560,068	907,732,286
Diesel		3,649,077	4,402,364
Lubricating oil		6,674,259	8,318,693
		<u>524,883,404</u>	<u>920,453,343</u>

16. Trade debts

16.1 These represent trade receivables from NTDC and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 10.55% to 14.71% (2015: 11.24% to 14.71%) per annum.

16.2 Included in trade debts is an amount of Rs 957.872 million relating to capacity purchase price not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDC, therefore, management believes that company cannot be penalized in the form of payment deductions due to NTDC's default of making timely payments under the PPA. Hence, the company had taken up this issue at appropriate forums. On June 28, 2013, the company entered into a Memorandum of Understanding ('MoU') for cooperation on extension of credit terms with NTDC whereby it was agreed that the constitutional petition filed by the company before the Supreme Court of Pakistan on the above mentioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, the company applied for withdrawal of the aforesaid petition which is pending adjudication before Supreme Court of Pakistan. During the financial year 2014, the company in consultation with NTDC, appointed an Expert for dispute resolution under the PPA.

During the current year, the Expert has given his opinion whereby the aforesaid amount has been determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company has demanded the payment of the aforesaid amount of Rs 957.872 million from NTDC that has not yet been paid by NTDC. Consequently, under the terms of PPA, the company has filed petition for arbitration in The London Court of International Arbitration ('LCIA'), whereby an arbitrator has been appointed and the matter is pending arbitration. In October 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') has filed a case in the court of Senior Civil Judge, Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication. Furthermore, during the current year, NTDC filed a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings. Subsequent to year end, in response to NTDC's stay application, the Arbitrator through his order dated July 8, 2016, has declared that the arbitration shall proceed and has denied NTDC's request for a stay. Also, the Arbitrator has ordered NTDC to withdraw the abovementioned case filed in the court of Senior Civil Judge, Lahore and has refrained it from taking any further steps therein to disrupt the arbitration proceedings.

Based on the advice of the company's legal counsel and Expert's determination, management feels that the above amount is likely to be recovered by the company. Consequently, no provision for the above mentioned amount has been made in these financial statements.

		2016	2015
		Rupees	Rupees
17. Loans, advances, deposits, prepayments and other receivables			
Advances - considered good:			
- To suppliers	- note 17.1	281,375,875	152,276,219
- To employees	- note 17.2	36,082	215,200
Current portion of long term loans to executives	- note 13	892,744	525,362
Balance with statutory authority:			
- Sales tax		231,916,541	187,232,043
Claim recoverable from NTDC for pass through items:			
- Workers' Profit Participation Fund	- note 17.3	674,842,595	537,030,482
Interest receivable		-	477,712
Security deposit		9,031,988	7,031,988
Prepayments	- note 17.4	2,048,543	2,191,116
Other receivables		4,256,136	37,064
		<u>1,204,400,504</u>	<u>887,017,186</u>

17.1 Included is an amount of Rs 43,965 (2015: Nil) in respect of Adamjee Insurance Company Limited, a related party (associated company). It is in the normal course of business and is interest free.

17.2 Included in advances to employees are amounts due from executive aggregating Nil (2015: Rs 200,934).

		2016 Rupees	2015 Rupees
17.3	Workers' Profit Participation Fund		
Opening balance		537,030,482	382,514,826
Accrued for the year	- note 9.1	<u>137,812,113</u>	<u>154,515,656</u>
		674,842,595	537,030,482
Less: Amount received during the year		-	-
Closing balance		<u><u>674,842,595</u></u>	<u><u>537,030,482</u></u>

Under section 9.3(a) of the Power Purchase Agreement (PPA) with NTDC, payments to Workers' Profit Participation Fund are recoverable from NTDC as a pass through item.

17.4 Included in prepayments is an amount of Rs 633,363 (2015: Rs 834,105) in respect of provident fund of the company and an amount of Rs 1,415,180 (2015: Rs 1,065,317) in respect of Adamjee Insurance Company Limited, a related party (associated company).

		2016 Rupees	2015 Rupees
18.	Bank balances		
Cash at bank:			
- On saving accounts	- note 18.1	30,547	15,979
- On current accounts	- note 18.2	<u>2,277,458</u>	<u>2,118,681</u>
		<u><u>2,308,005</u></u>	<u><u>2,134,660</u></u>

18.1 Profit on balances in saving accounts ranged from 3.85% to 5.88% (2015: 4.5% to 7.27%) per annum.

18.2 Includes amounts aggregating Rs 1,378,899 (2015: Rs 720,245) with MCB Bank Limited, a related party (associated company).

		2016 Rupees	2015 Rupees
19.	Sales		
Energy purchase price		11,087,537,986	20,773,845,547
Less: Sales tax		<u>1,575,964,679</u>	<u>2,949,471,971</u>
		9,511,573,307	17,824,373,576
Capacity purchase price		4,342,233,008	4,750,188,613
		<u><u>13,853,806,315</u></u>	<u><u>22,574,562,189</u></u>

		2016	2015
		Rupees	Rupees
20.	Cost of sales		
	Raw materials consumed	8,083,253,867	15,634,350,817
	Salaries and other benefits - note 20.1	124,776,165	72,092,537
	Operations and maintenance - note 20.2	(151,034,479)	231,311,976
	Stores and spares consumed	212,351,027	177,517,190
	Electricity consumed in-house	1,181,200	2,291,195
	Insurance - note 20.3	165,872,804	169,700,799
	Travelling and conveyance	20,191,949	11,128,997
	Postage and telephone	2,658,171	2,260,583
	Repairs and maintenance	22,810,230	2,119,604
	Entertainment	2,363,179	1,165,969
	Depreciation on operating fixed assets - note 12.1.1	1,156,146,140	1,131,700,064
	Fee and subscription	3,408,809	3,882,342
	Miscellaneous	16,087,911	9,467,158
		9,660,066,973	17,448,989,231

20.1 Salaries and other benefits include Rs 5,051,205 (2015: Rs 2,348,579) in respect of provident fund contribution by the company.

20.2 This primarily includes a credit aggregating Rs 161.813 million due to reversal of excess provision of Rs 141.067 million booked in the previous years in respect of indexation adjustment relating to Operations and Maintenance Agreement and Rs 20.746 million in respect of other miscellaneous items, both as a result of a settlement agreement with Wartsila Pakistan (Private) Limited during the current year.

20.3 This represents amount charged by Adamjee Insurance Company Limited, a related party (associated company), in respect of insurance of the company's assets.

		2016	2015
		Rupees	Rupees
21.	Administrative expenses		
	Salaries and other benefits - note 21.1	69,546,755	60,395,347
	Travelling and conveyance	9,468,710	12,569,044
	Entertainment	2,320,081	687,464
	Common facilities cost - note 21.2	18,000,000	18,000,000
	Printing and stationery	882,677	1,170,698
	Postage and telephone	1,940,102	1,333,416
	Insurance - note 21.3	1,659,602	1,290,740
	Vehicle running expenses	1,181,389	1,278,571
	Repairs and maintenance	42,480	51,390
	Legal and professional charges - note 21.4	21,632,769	7,119,475
	Advertisement	356,895	1,473,386
	Fee and subscription	2,428,160	2,883,593
	Depreciation on operating fixed assets - note 12.1.1	15,031,119	10,623,168
	Amortization on intangible asset - note 12.4	700,000	477,000
	Miscellaneous	8,807,004	1,761,732
		153,997,743	121,115,024

21.1 Salaries and other benefits include Rs 2,157,290 (2015: Rs 1,978,264) in respect of provident fund contribution by the company.

21.2 The amount represents common facilities cost charged to the company by Nishat (Chunian) Limited, the holding company.

21.3 This represents amount charged by Adamjee Insurance Company Limited, a related party (associated company), in respect of insurance of the company's assets.

	2016 Rupees	2015 Rupees
21.4 Legal and professional charges include the following in respect of auditors' services for:		
Statutory audit	1,400,000	1,300,000
Half yearly review	800,000	770,000
Tax services	301,200	1,509,000
Other assurance services	125,000	125,000
Reimbursement of expenses	180,136	163,760
	<u>2,806,336</u>	<u>3,867,760</u>

22. Other expenses

Exchange loss	1,147,819	2,850,472
Donations - note 22.1	86,080,000	35,396,000
Loss on derivative financial instruments	5,110,987	15,509,683
Loss on disposal of operating fixed assets	-	4,555,368
	<u>92,338,806</u>	<u>58,311,523</u>

22.1 Includes donations in which the interest of the directors in the donees is as follows:

Name and address of donee	Directors of the company	Interest in donee		
Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore	Mr Shahzad Saleem and Mrs Farhat Saleem	Trustees	1,940,000	3,696,000
Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore	Mr Shahzad Saleem, Mr Yahya Saleem and Mrs Farhat Saleem	Directors	81,140,000	26,700,000
Lahore University of Management Sciences, Opposite Sector U, Phase - V, D.H.A, Lahore	Mr Shahzad Saleem	Trustee	250,000	-
			<u>83,330,000</u>	<u>30,396,000</u>

	2016	2015
	Rupees	Rupees
23. Other income		
Income from financial assets:		
Profit on bank deposits	25,735	1,407,850
Mark-up on loans to executives	433,872	364,667
Income from non-financial assets:		
Gain on disposal of operating fixed assets	2,028,335	-
Scrap sales	25,004,093	25,470,842
Liabilities no longer payable written back	-	1,376,969
Miscellaneous	463,792	-
	<u>27,955,827</u>	<u>28,620,328</u>
24. Finance cost		
Interest/mark-up on:		
- Long term financing - secured	938,102,910	1,387,823,871
- Short term borrowings - secured	277,056,810	492,640,155
Bank charges and commission	3,956,635	3,989,590
	<u>1,219,116,355</u>	<u>1,884,453,616</u>
25. Taxation		
Current	<u>-</u>	<u>-</u>
25.1 Relationship between tax expense and accounting profit		
Profit before taxation	<u>2,756,242,265</u>	<u>3,090,313,123</u>
Tax at the applicable rate of 32% (2015: 33%)	881,997,525	1,019,803,331
Tax effect of amounts that are:		
Exempt as referred to in note 4.1	(881,989,290)	(1,019,338,740)
Allowable as tax credit	(8,235)	(464,591)
	<u>-</u>	<u>-</u>

25.2 For the purposes of current taxation, the tax credit available for carry forward is estimated at Rs 70.733 million (2015: Rs 76.826 million). As explained in note 4.1, management believes that the tax credit available for carry forward may not be utilized in the foreseeable future. Consequently, based on the prudence principle, deferred tax asset has not been recognized in these financial statements.

		2016	2015
26.	Earnings per share		
26.1	Basic earnings per share		
Net profit for the year	Rupees	2,756,242,265	3,090,313,123
Weighted average number of ordinary shares	Number	367,346,939	367,346,939
Earnings per share	Rupees	7.503	8.413

26.2 Diluted earnings per share

A diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at June 30, 2016, and June 30, 2015, which would have any effect on the earnings per share if the option to convert is exercised.

		2016 Rupees	2015 Rupees
27.	Cash generated from operations		
Profit before taxation		2,756,242,265	3,090,313,123
Adjustment for non cash charges and other items:			
Depreciation on operating fixed assets		1,171,177,259	1,142,323,232
Amortization on intangible assets		700,000	477,000
Profit on bank deposits		(25,735)	(1,407,850)
Finance cost		1,219,116,355	1,884,453,616
Loss on derivative financial instrument		1,713,049	-
Provision for employee retirement benefits		7,208,495	4,326,843
(Profit)/ loss on disposal of operating fixed assets		(2,028,335)	4,555,368
Profit before working capital changes		<u>5,154,103,353</u>	<u>6,125,041,332</u>
Effect on cash flow due to working capital changes:			
Decrease / (increase) in current assets :			
Stores and spares		224,041,188	4,683,849
Inventories		395,569,939	(489,382,775)
Trade debts		1,685,590,528	2,089,234,603
Loans, advances, deposits, prepayments and other receivables		(317,861,030)	(210,890,459)
		1,987,340,625	1,393,645,218
Decrease in current liabilities :			
Trade and other payables		(370,260,826)	(1,191,088,702)
		<u>1,617,079,799</u>	<u>202,556,516</u>
		<u>6,771,183,152</u>	<u>6,327,597,848</u>
28.	Cash and cash equivalents		
Bank balances	- note 18	2,308,005	2,134,660
Short term borrowings - secured	- note 8	(4,100,625,248)	(5,341,719,733)
		<u>(4,098,317,243)</u>	<u>(5,339,585,073)</u>

29. Remuneration of Chief Executive, Directors and Executives

29.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, Directors and Executives of the company is as follows:

	Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2016	2015	2016	2015	2016	2015	2016	2015
	(R u p e e s)							
Short term employee benefits								
Managerial remuneration	7,995,305	5,928,576	-	-	3,366,400	3,369,200	61,777,333	41,420,929
Housing rent	3,198,122	2,371,430	-	-	1,346,560	1,347,680	24,710,933	16,568,372
Medical expenses	799,531	592,858	-	-	336,640	336,920	6,177,733	4,142,093
Bonus	-	-	-	-	-	-	9,767,017	1,575,532
Leave encashment	-	-	-	-	-	-	1,724,944	2,683,190
	11,992,958	8,892,864	-	-	5,049,600	5,053,800	104,157,960	66,390,116
Meeting fee	40,000	-	-	-	300,000	477,200	-	-
Post employment benefits								
Contribution to provident fund	-	-	-	-	-	-	5,010,040	2,972,093
	12,032,958	8,892,864	-	-	5,349,600	5,531,000	109,168,000	69,362,209
Number of persons	1	1	0	1	7	6	60	35

29.2 The chief executive, executive director, a non-executive director and certain executives are provided with company maintained vehicles.

30. Transactions with related parties

The related parties comprise the holding company, subsidiaries and associates of holding company, associated undertakings, directors and key management personnel of the company and its holding company and post employment benefit plan (provident fund). 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 and remuneration of directors and key management personnel is disclosed in note 29. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:

Relationship with the company	Nature of transactions	2016 Rupees	2015 Rupees
Holding company	Dividends paid	1,125,514,921	1,688,272,381
	Purchase of goods and services	-	3,296,223

31. Capacity and production

	2016 MWH	2015 MWH
Installed capacity [based on 8,784 hours (2015: 8,760 hours)]	1,719,222	1,714,525
Actual energy delivered	1,208,325	1,415,307

Output produced by the plant is dependent on the load demanded by NTDC and plant availability.

32. Number of employees

	2016	2015
Total number of employees as at June 30	191	195
Average number of employees during the year	192	143

33. Disclosures relating to Provident Fund

	2016 Rupees	2015 Rupees
(i) Size of the Fund - net assets	40,443,192	29,521,706
(ii) Cost of investments made	34,825,456	25,740,843
(iii) Percentage of investments made	86.56%	88.59%
(iv) Fair value of investments	35,009,397	26,151,909

Break up of fair value of investments

Balances with banks - savings accounts	100,858	80,465
Government securities - Treasury Bills	34,908,539	26,071,444
	35,009,397	26,151,909

Break up of investments

	2016 % age of size of the Fund	2015 % age of size of the Fund
Balances with banks - savings accounts	0.25%	0.27%
Government securities - Treasury Bills	86.31%	88.32%

The figures for 2016 are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

34. Financial risk management

34.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company is not exposed to any significant currency risk.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company has no significant long-term interest-bearing assets. The company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the company to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the company's interest bearing financial instruments was:

	2016	2015
	Rupees	Rupees
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	30,547	15,979
Financial liabilities		
Short term borrowings - Murabaha	-	(87,875,553)
Net exposure	<u>30,547</u>	<u>(87,859,574)</u>
Floating rate instruments		
Financial assets		
Trade debts - overdue	1,972,650,386	2,823,461,270
WPPF receivable from NTDC - overdue	382,489,804	237,451,859
Financial liabilities		
Long term financing	(9,171,718,236)	(10,604,150,708)
Short term borrowings	(4,100,625,248)	(5,253,844,180)
Net exposure	<u>(13,272,343,484)</u>	<u>(15,857,994,888)</u>
	<u>(11,299,693,098)</u>	<u>(13,034,533,618)</u>

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on variable rate financial instruments, at the year end date, fluctuates by 1% higher/lower with all other variables held constant, post tax profit for the year would have been Rs 102.571 million (2015: Rs 109.474 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate instruments.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises mainly from deposits with banks, trade and other receivables.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016	2015
	Rupees	Rupees
Long term loans to executives	9,308,931	10,812,870
Long term security deposits	105,000	105,000
Trade debts	6,424,184,884	8,109,775,412
Advances, deposits and other receivables	689,023,463	545,102,608
Bank balances	2,308,005	2,134,660
	<u>7,124,930,283</u>	<u>8,667,930,550</u>

As of June 30, age analysis of trade debts was as follows:

Neither past due nor impaired	3,388,319,828	2,748,895,106
-------------------------------	---------------	---------------

Past due but not impaired:

- 1 to 30 days	611,562,995	1,383,215,493
- 31 to 90 days	476,889,042	1,437,912,163
- 91 to 180 days	396,108,696	301,439,575
- 181 to 365 days	217,721,032	359,109,057
- above 365 days	1,333,583,291	1,879,204,018
	<u>3,035,865,056</u>	<u>5,360,880,306</u>
	<u>6,424,184,884</u>	<u>8,109,775,412</u>

(ii) Credit quality of financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2016	2015
	Short term	Long term		Rupees	Rupees
NTDC		Not available		3,388,319,828	2,748,895,106
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	734	1,447
Askari Bank Limited	A-1+	AA	JCR-VIS	19,409	16,660
Bank Alfalah Limited	A1+	AA	PACRA	798,393	1,287,532
Barclays Bank Plc. Limited		Not available		-	410
Burj Bank Limited	A-2	A+	JCR-VIS	20,578	20,578
Faysal Bank Limited	A1+	AA	PACRA	13	-
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS	-	12,578
Habib Bank Limited	A-1+	AAA	JCR-VIS	6,927	50
MCB Bank Limited	A1+	AAA	PACRA	1,378,898	720,245
National Bank of Pakistan	A-1+	AAA	JCR-VIS	59,516	59,597
United Bank Limited	A-1+	AA+	JCR-VIS	23,537	15,563
				<u>3,390,627,833</u>	<u>2,751,029,766</u>

Due to the company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company's approach to managing liquidity is to ensure that, as far as possible, it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable loss or risking damage to the company's reputation.

The following are the contractual maturities of financial liabilities as at June 30, 2016.

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees)			
Long term financing	9,171,718,236	1,664,332,448	7,507,385,788	-
Short term borrowings	4,100,625,248	4,100,625,248	-	-
Trade and other payables	706,795,923	706,795,923	-	-
Accrued finance cost	269,628,043	269,628,043	-	-
Derivative financial instruments	1,713,049	1,713,049	-	-
	<u>14,250,480,499</u>	<u>6,743,094,711</u>	<u>7,507,385,788</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as at June 30, 2015.

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees)			
Long term financing	10,604,150,708	1,432,432,451	8,455,534,117	716,784,140
Short term borrowings	5,341,719,733	5,341,719,733	-	-
Trade and other payables	419,851,998	419,851,998	-	-
Accrued finance cost	343,612,872	343,612,872	-	-
	<u>16,709,335,311</u>	<u>7,537,617,054</u>	<u>8,455,534,117</u>	<u>716,784,140</u>

34.2 Financial instruments by categories

Assets as per balance sheet	Loans and receivables	
	2016	2015
	Rupees	
Long term loans to executives	9,308,931	10,812,870
Long term security deposits	105,000	105,000
Trade debts	6,424,184,884	8,109,775,412
Loans, advances, deposits and other receivables	689,023,463	545,102,608
Bank balances	2,308,005	2,134,660
	<u>7,124,930,283</u>	<u>8,667,930,550</u>
	Financial liabilities at amortised cost	
	2016	2015
	Rupees	
Long term financing	9,171,718,236	10,604,150,708
Short term borrowings	4,100,625,248	5,341,719,733
Trade and other payables	706,795,923	419,851,998
Accrued finance cost	269,628,043	343,612,872
	<u>14,248,767,450</u>	<u>16,709,335,311</u>

**Financial liabilities at fair value
through profit or loss account**

Rupees

Derivative financial instruments

1,713,049

-

34.3 Fair value estimation

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

34.4 Financial assets and financial liabilities subject to offsetting

There are no significant financial assets and financial liabilities that are subject to offsetting.

34.5 Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total long term borrowings, as disclosed in note 7, less cash and cash equivalents as disclosed in note 28. Total capital is calculated as 'equity' as shown in the balance sheet plus borrowings.

The gearing ratio as at June 30, 2016 and June 30, 2015 is as follows:

	2016	2015
	Rupees	Rupees
Borrowings - note 7	9,171,718,236	10,604,150,708
Less: Cash and cash equivalents - note 28	(4,098,317,243)	(5,339,585,073)
Net debt	13,270,035,479	15,943,735,781
Total equity	7,292,575,986	7,383,272,497
Total capital	20,562,611,465	23,327,008,278
Gearing ratio	Percentage	
	64.53	68.35

In accordance with the terms of agreement with the lenders of long term finances (as referred to in note 7 to these financial statements), the company is required to comply with certain financial covenants in respect of capital requirements which the company has complied with throughout the reporting period.

35. Date of authorization for issue

These financial statements were authorized for issue on October 4, 2016 by the Board of Directors of the company.

36. Events after the balance sheet date

The Board of Directors has proposed a final cash dividend for the year ended June 30, 2016 of Rs 1.5 (2015: Rs 2) per share, amounting to Rs 551,020,408, (2015: Rs 734,693,878) at their meeting held on October 4, 2016, for approval of the members at the Annual General Meeting to be held on October 31, 2016. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which they are approved.

Chief Executive

Director

NISHAT CHUNIAN POWER LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30TH, 2016

Categories	No. of Shareholders	Shares Held	Percentage
A General Public	2,590	53,484,872	14.5598
B Directors/Chief Executive Officer and their Spouse and minor Children			
Mr. Shahzad Saleem - CEO (Nominee NCL)	-	-	-
Mr. Muhammad Ali Zeb	1	1	0.00
Mr. Aftab Ahmad Khan	1	1	0.00
Mr. Kamran Rasool	1	1	0.00
Mrs. Farhat Saleem	1	137,511	0.04
Mr. Wasif M. Khan	1	100	0.00
Mr. Asad Farooq (Nominee ABL)	-	-	-
Mr. Zain Shahzad (Nominee NCL)	-	-	-
	5	137,614	0.04
C Associated Companies, Undertaking and related Parties			
Nishat (Chunian) Limited	1	187,585,820	51.07
D Joint Stock Companies	48	6,097,544	1.72
E Financial Institutions	19	93,451,619	25.44
F Insurance Companies	8	19,011,000	5.18
G Investment Companies	2	730,000	0.20
H Mutual Funds	9	3,606,167	0.98
I Funds	17	2,313,803	0.63
J Others	11	928,500	0.25
K *Shareholding 5% or more	*2	*217,585,820	*59.17
TOTAL:	2,710	367,346,939	100

*Shareholders having 5% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 5% or more

Name of Shareholder	Shares held	%
Nishat (Chunian) Limited	187,585,820	51.07
Allied Bank Limited	30,000,000	8.17
TOTAL	217,585,820	59.24

INFORMATION UNDER CLAUSE XIX(i) OF THE CODE OF CORPORATE GOVERNANCE

All trade in the Company's shares, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children during the year July 01, 2015 to June 30, 2016

Sale	Purchase
-	-

NISHAT CHUNIAN POWER LIMITED

PATTERN OF SHAREHOLDING

AS ON JUNE 30TH, 2016

Number of ShareHolders	Shareholdings		Total Number of Share Held	Percentage of Total Capital
	From	To		
173	1 -	100	3,896	0.00
627	101 -	500	303,600	0.08
343	501 -	1000	337,605	0.09
669	1001 -	5000	2,086,970	0.57
280	5001 -	10000	2,296,859	0.63
88	10001 -	15000	1,157,285	0.32
90	15001 -	20000	1,684,809	0.46
53	20001 -	25000	1,254,100	0.34
49	25001 -	30000	1,404,004	0.38
28	30001 -	35000	938,640	0.26
26	35001 -	40000	1,006,413	0.27
12	40001 -	45000	526,575	0.14
47	45001 -	50000	2,336,840	0.64
10	50001 -	55000	522,501	0.14
10	55001 -	60000	585,400	0.16
6	60001 -	65000	385,030	0.10
5	65001 -	70000	339,500	0.09
10	70001 -	75000	737,500	0.20
2	75001 -	80000	156,500	0.04
2	80001 -	85000	167,000	0.05
5	85001 -	90000	440,500	0.12
3	90001 -	95000	283,760	0.08
28	95001 -	100000	2,797,500	0.76
4	100001 -	105000	415,095	0.11
5	105001 -	110000	538,500	0.15
3	115001 -	120000	356,000	0.10
2	120001 -	125000	247,000	0.07
6	125001 -	130000	773,596	0.21
4	130001 -	135000	532,631	0.14
4	135001 -	140000	555,500	0.15
2	140001 -	145000	288,000	0.08
3	145001 -	150000	450,000	0.12
2	150001 -	155000	307,000	0.08
1	155001 -	160000	160,000	0.04
4	160001 -	165000	651,554	0.18
4	165001 -	170000	677,000	0.18
2	170001 -	175000	349,000	0.10
1	180001 -	185000	184,000	0.05
2	185001 -	190000	379,500	0.10
2	190001 -	195000	387,901	0.11
7	195001 -	200000	1,400,000	0.38
2	200001 -	205000	410,000	0.11
2	205001 -	210000	420,000	0.11
2	210001 -	215000	428,500	0.12
1	225001 -	230000	226,500	0.06
1	230001 -	235000	230,906	0.06
1	235001 -	240000	237,500	0.06
4	245001 -	250000	1,000,000	0.27
1	250001 -	255000	253,220	0.07
2	260001 -	265000	527,000	0.14
1	270001 -	275000	275,000	0.07

NISHAT CHUNIAN POWER LIMITED

PATTERN OF SHAREHOLDING

AS ON JUNE 30TH, 2016

Number of ShareHolders	Shareholdings		Total Number of Share Held	Percentage of Total Capital	
	From	To			
2	280001	-	285000	565,300	0.15
1	290001	-	295000	294,000	0.08
1	295001	-	300000	300,000	0.08
2	315001	-	320000	638,000	0.17
2	325001	-	330000	658,000	0.18
1	360001	-	365000	361,000	0.10
2	365001	-	370000	732,500	0.20
3	395001	-	400000	1,197,500	0.33
1	400001	-	405000	403,000	0.11
1	425001	-	430000	430,000	0.12
1	470001	-	475000	471,000	0.13
1	490001	-	495000	493,000	0.13
5	495001	-	500000	2,500,000	0.68
1	530001	-	535000	535,000	0.15
1	555001	-	560000	556,500	0.15
1	565001	-	570000	566,000	0.15
3	580001	-	585000	1,752,000	0.48
2	595001	-	600000	1,200,000	0.33
1	600001	-	605000	605,000	0.16
1	615001	-	620000	620,000	0.17
1	620001	-	625000	625,000	0.17
1	660001	-	665000	665,000	0.18
1	665001	-	670000	670,000	0.18
1	685001	-	690000	690,000	0.19
1	740001	-	745000	740,500	0.20
1	755001	-	760000	760,000	0.21
1	820001	-	825000	820,500	0.22
2	860001	-	865000	1,726,500	0.47
1	945001	-	950000	950,000	0.26
1	960001	-	965000	960,500	0.26
1	995001	-	1000000	1,000,000	0.27
1	1020001	-	1025000	1,024,000	0.28
1	1040001	-	1045000	1,041,539	0.28
1	1060001	-	1065000	1,065,000	0.29
1	1280001	-	1285000	1,284,501	0.35
1	1300001	-	1305000	1,303,500	0.35
1	1345001	-	1350000	1,345,500	0.37
1	1495001	-	1500000	1,500,000	0.41
1	1510001	-	1515000	1,512,693	0.41
1	1580001	-	1585000	1,583,000	0.43
1	1735001	-	1740000	1,739,500	0.47
2	1740001	-	1745000	3,485,500	0.95
1	1995001	-	2000000	2,000,000	0.54
1	3080001	-	3085000	3,081,500	0.84
1	3095001	-	3100000	3,100,000	0.84
1	3995001	-	4000000	4,000,000	1.09
1	4460001	-	4465000	4,463,500	1.22
1	4780001	-	4785000	4,780,500	1.30
1	5625001	-	5630000	5,627,500	1.53
1	13465001	-	13470000	13,469,302	3.67
1	15375001	-	15380000	15,379,000	4.19
1	18305001	-	18310000	18,306,500	4.98
1	29995001	-	30000000	30,000,000	8.17
1	187350001	-	187355000	187,354,914	51.00
2,710				367,346,939	100.00

PROXY FORM

The Company Secretary,
Nishat Chunian Power Limited
31-Q, Gulberg II,
Lahore.

I/We _____
of _____ being a member(s) of
Nishat Chunian Power Limited, and a holder of _____ Ordinary shares
as per Share Register Folio No. _____
(in case of Central Depository System Account Holder A/c No. _____
Participant I.D. No. _____) hereby appoint
_____ of _____ another member
of the Company as per Share Register Folio No. _____ (or failing
him / her _____ of _____
another member of the Company) as my / our Proxy to attend and vote for me / us
and on my / our behalf at Annual General Meeting of the Company, to be held on
October 31, 2016 (Monday) at 10.00 a.m. at the Registered Office of the Company
(31-Q, Gulberg II, Lahore) and at any adjournment thereof.

As witness my hand this _____ day of _____ 2016
signed by the said _____ in presence
of _____

Witness

Signature

Affix Rs. 5/-
Revenue Stamp

Signature

Notes:

1. Proxies, in order to be effective, must be received at the company's Registered Office / Head Office not less than 48 hours before the meeting duly stamped, signed and witnessed.
2. Signature must agree with the specimen signature registered with the Company.

INVESTORS' EDUCATION

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

www.jamapunji.pk

**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



31-Q, Gulberg II, Lahore 54660, Pakistan
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696
Email: info@nishat.net
www.nishat.net
www.facebook.com/NishatChunianGroup

