



ANNUAL REPORT 2017



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

# INVESTORS' EDUCATION

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# COMPANY INFORMATION

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## **BOARD OF DIRECTORS:**

Mrs. Farhat Saleem  
Chairperson  
Mr. Shahzad Saleem (Nominee NCL)  
Chief Executive  
Mr. Zain Shahzad (Nominee NCL)  
Director  
Mr. Syed Tariq Ali (Nominee ABL)  
Director  
Mr. Aftab Ahmad Khan  
Director  
Mr. Muhammad Ali Zeb  
Director  
Mr. Kamran Rasool  
Director  
Mr. Wasif M. Khan (Resigned on 26th July 2017)  
Director

## **AUDIT COMMITTEE:**

Mr. Wasif M. Khan (Resigned on 26th July 2017)  
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

## **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

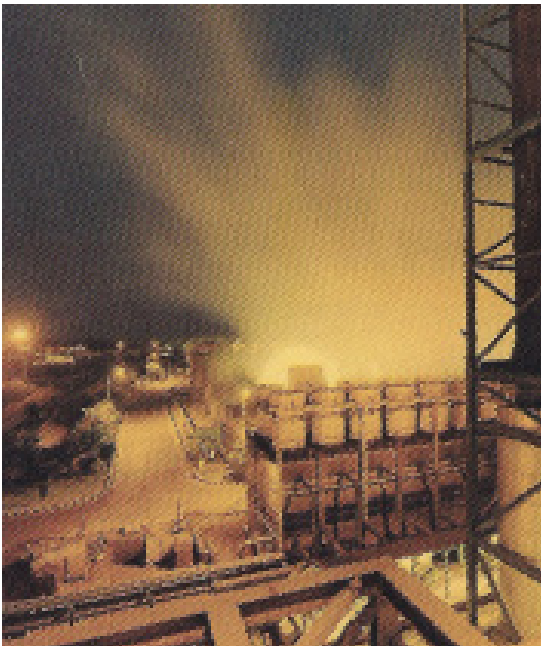
**PLANT:**

66-Km, Multan Road, Jumber Kalan,  
Pattoki, District Kasur.



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 10th Annual General Meeting of the Shareholders of Nishat Chunian Power Limited (the “Company”) will be held on 23rd October, 2017 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 9th Annual General Meeting held on October 31, 2016.
2. To receive, consider and adopt audited financial statements of the Company for the year ended 30 June 2017 together with Directors’ and Auditors’ reports thereon.
3. To approve the payment of final cash dividend of Rs. 1 per share i.e 10% as recommended by the Board of Directors in their meeting held on September 22, 2017. This is in addition to an interim dividend of Rs 1.5 per share.
4. To elect eight directors of the Company as fixed by the Board of Directors, for next term of three years, in accordance with the provision of section 159 of the Companies Act, 2017, in place of following retiring directors who are also eligible to offer themselves for reelection:

Mrs. Farhat Saleem  
Mr. Shahzad Saleem  
Mr. Zain Shahzad  
Mr. Muhammad Ali Zeb

Mr. Aftab Ahmad Khan  
Mr. Kamran Rasool  
Mr. Syed Tariq Ali

5. To appoint auditors for the year ending June 30, 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.
6. To transact any other business with the permission of the Chair.

**By order of the Board**

**Lahore**  
**Dated: September 29, 2017**

**Muhammad Bilal**  
**Company Secretary**



## **NOTES:**

### **1. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from October 16, 2017 to October 23, 2017 (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 October 15, 2017 will be considered in time to determine the above mentioned entitlement and to attend and vote at the Meeting.

### **2. Eligibility of Candidates to Contest Election:**

Any person seeking to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company at its registered office not later than fourteen (14) days before the date of the Meeting a letter of intention to offer himself / herself for election as a director in terms of Section 159(3) of the Companies Act, 2017, along with the following documents and Information:

- (i) His / Her Folio No. / CDC Investor Account No. / CDC Participant A/C No. / Sub-Account No. He/ She must be a member of the company at the time of filling of his/her consent for contesting election of directors;
- (ii) A notice of his / her intention to offer himself / herself for election of director in term of section 159(3) of the Companies Act 2017;
- (iii) Consent to act as director in prescribed Form 28;
- (iv) A detailed profile along with his / her office address as required under SECP's SRO 634(1)2015 dated July 10, 2014;
- (v) An attested valid copy of the Computerized National Identity Card;
- (vi) A declaration confirming that:
  1. He / She is aware of duties and power under the relevant laws, Memorandum & Articles of Association of the Company and Rule Book of Pakistan Stock Exchange Limited;
  2. He / She and his / her spouse does not engage in business of stock brokerage;
  3. He / She is not serving as a director in more than seven (7) listed companies including this company excluding the listed subsidiaries of listed holding companies;
  4. He / She is no ineligible to become a director of a listed company under any applicable law and regulation.

### **3. 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.

#### **4. Payment of Cash Dividend through Electronic Mode**

The provisions of Section 242, of the Companies Act, 2017 require listed companies that dividend payable in cash is only to be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on the Company's website. In case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

#### **5. Circulation of Annual reports through Digital Storage**

Pursuant to the SECP's notification S.R.O 471(I)/2016 dated 31st May, 2016, the shareholders of Nishat Chunian Power Limited in its 9th AGM of the Company had accorded their consent for transmission of annual reports including audited annual accounts, notices of AGM and other information contained therein of the Company through a CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form provided in the annual report and is also available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. The shareholders who also intend to receive the annual report including the notice of meetings via email are requested to provide their written consent on the standard request form provided in the annual report and also available on the Company's website.

#### **6. Unclaimed Dividend**

Unclaimed dividends of the shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore, to collect/enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government.

#### **7. Video Conference Facility**

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city other than Lahore, and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website.

#### **8. E-Voting**

The Company is in the process of setting up the e-voting facility in accordance with the requirements of the Companies (E-Voting) Regulations, 2016 and in this connection, a special resolution for alteration of the Articles of Association to allow e-voting facility was passed by the members. However, the e-voting facility cannot be made available to the members for this meeting as other mandatory conditions prescribed under the aforesaid Regulations including the availability of accredited intermediary could not be satisfied.

#### **9. 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.

**10.** The Company has placed the audited financial statements for the year ended June 30, 2017 along with Auditors and Directors Reports thereon on its website: [www.nishat.net](http://www.nishat.net)

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## نشاط چوینیاں پاور لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ نشاط چوینیاں پاور لمیٹڈ (دی "کمپنی") کے حصص داران کا 10 واں سالانہ اجلاس عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ-II، لاہور پر 23 اکتوبر 2017ء کو صبح 10:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عام امور:

- 1- 31 اکتوبر 2016ء کو منعقدہ 9 ویں سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2017ء پختہ سال کیلئے کمپنی کے نظر ثانی شدہ مالی حسابات مع ان پر ڈائریکٹرز اور ڈائریکٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 3- بورڈ آف ڈائریکٹرز کی سفارش کے مطابق حتمی نقد منافع منقسمہ -1/ روپے فی شیئر یعنی 10 فیصد کی منظوری دینا۔ یہ 1.5 روپے فی شیئر کے عبوری منافع منقسمہ کے علاوہ ہے۔

4- کمپنیز ایکٹ 2017ء کی دفعہ 159 کی پرویزیشن کے مطابق اگلے تین سالوں کی مدت کے لئے بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ کمپنی کے آٹھ ڈائریکٹرز کو درج ذیل سبکدوش ہونے والے ڈائریکٹرز کا انتخاب کرنا، جو دوبارہ انتخاب کے لئے اپنے آپ کو پیش کرنے کے اہل بھی ہیں:

محترمہ فرحت سلیم

جناب شہزاد سلیم

جناب زین شہزاد

جناب محمد علی زید

جناب آفتاب احمد خان

جناب کامران رسول

جناب سید طارق علی

5- 30 جون 2018ء پختہ سال کیلئے محاسب کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ موجودہ محاسب ایے ایف فرگوس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کیلئے اپنے آپ کو پیش کرتے ہیں۔

6- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔

لاہور

مورخہ: 29 ستمبر 2017ء

## بحکم بورڈ

محمد ہلال

کمپنی مینیجر ٹری

### نوٹ:

1- حصص منتقلی کتابوں کی بندش

کمپنی کی حصص منتقلی کتابوں میں 16 اکتوبر 2017ء تا 23 اکتوبر 2017ء (بشمول ہر دو ایام) بند رہیں گی۔ مادی منتقلیاں شیئر رجسٹر کے دفتر، میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7- بینک سٹریٹ، لاہور پر 15 اکتوبر 2017ء کو کاروبار کے اختتام تک موصول ہونے والی اجلاس میں شرکت اور ووٹ دینے اور مذکورہ بالا استحقاق کے تعین کے لئے بروقت تصور ہوگی۔

2- انتخابی مقابلہ میں حصہ لینے کے لئے امیدواران کی اہلیت

کوئی شخص جو دفتر ڈائریکٹرز کے انتخابی مقابلہ میں حصہ لینے کا خواہشمند ہو یا وہ سبکدوش ہونے والا ڈائریکٹر ہو یا کوئی دیگر، کمپنی کے رجسٹرڈ دفتر، میں کمپنیز ایکٹ 2017ء کی دفعہ (3) 159 کی شرائط

میں بطور ڈائریکٹر انتخاب کے لئے اپنے آپ کو پیش کرنے کا اظہار خط اجلاس کے یوم سے کم از کم 14 ایام قبل درج ذیل دستاویزات اور معلومات جمع کرائے گا:

i- اپنا فوئیو نمبر سی ڈی سی انویسٹر اکاؤنٹ نمبر سی ڈی سی پارٹیسپنٹ نمبر سب اکاؤنٹ نمبر۔ ڈائریکٹرز کے انتخابی مقابلے کے لئے اپنا اظہار جمع کراتے وقت وہ کمپنی کا لازماً رکن ہونا چاہئے۔

ii- کمپنیز ایکٹ 2017ء کی دفعہ (3) 159 کی شرائط میں ڈائریکٹرز کے انتخاب کیلئے اپنے آپ کو پیش کرنے کا اپنا اظہار نوٹس

iii- مجوزہ فارم 28 میں بطور ڈائریکٹر کام کرنے کی رضامندی۔

iv- SECP کے 2015 (1) SRO 634 مورخہ 10 جولائی 2014ء کے تحت درکار تفصیلی

پروفائل بمعہ دفتر کا پتہ۔

v- کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ کاپی۔

vi- تصدیقی اعلان کہ:

1- وہ متعلقہ قوانین، کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن اور پاکستان اسٹاکس ایکسچینج لمیٹڈ کے فہرستی ضوابط کے تحت اپنے فرائض سے بخوبی واقف ہے۔

2- وہ اور اس کا رکنی زوج اشاک برڈ کرتی کے کاروبار میں مصروف نہیں ہے۔

3- وہ کمپنی ہذا سمیت سات 7 سے زیادہ فہرستی کمپنیوں میں بطور ڈائریکٹر فہرستی ہولڈنگ کمپنیوں

کے ذیلی اداروں میں ڈائریکٹر شپ کے ماسوائے خدمات سرانجام نہیں دے رہا رہی ہے۔

4- وہ کسی قابل اطلاق قوانین و ضوابط کے تحت فہرستی کمپنی کا ڈائریکٹر بننے کا

نااہل نہیں ہے۔

3- سالانہ اجلاس عام میں شرکت

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراسی مقرر کر سکتا ہے۔ پراسی تقرری کے آلات باقاعدہ مہر اور دستخط شدہ کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً موصول ہو جانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری شدہ سرکل نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

A- اجلاس میں شرکت کیلئے:

(i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

(ii) بصورت کارپوریٹ اینٹیٹی، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہوگے (اگر پہلے مہیا نہیں کئے گئے)۔

B. پراسیز تقرری کیلئے:

(i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو بالاریکوار منٹ کے مطابق پراسی فارم جمع کرنا ہوگا۔

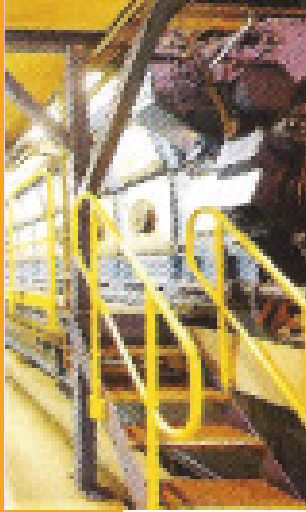
(ii) پراسی فارم، دو (2) افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہو گئے، سے گواہی شدہ ہو گئے۔

(iii) بینیفیشل اوزر اور پراسی کے CNIC یا پاسپورٹ کی مصدقہ نقول، پراسی فارم کے ہمراہ جمع کرنا ہوگی۔

(iv) پراسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا/گی۔

(v) بصورت کارپوریٹ اینٹیٹی، بورڈ آف ڈائریکٹرز قرارداد/مختار نامہ مع نمونہ دستخط، کمپنی کو پراسی فارم کے ہمراہ جمع کرنا ہوگا (اگر پہلے مہیا نہیں کئے)۔

- 7۔ وڈیو کانفرنس سہولت  
کمپنیز ایکٹ 2017ء کے سیکشن 242 پر ویٹوز کے مطابق، نقد منافع منقسمہ کا لین دین فقط الیکٹرانک موڈ کے ذریعہ براہ راست حقدار حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائے گا۔ اس کے مطابق، مادی حصص کے مالک حصص داران سے درخواست ہے کہ کمپنی کے شیئرز رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیوڈنڈ فارم پر الیکٹرونک ڈیوڈنڈ مینڈیٹ مہیا کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، یہ معلومات اپ ڈیٹنگ اور کمپنی کو ارسال کرنے کے لئے سی ڈی ایس پارٹنیشن کو مہیا کرنی چاہئیں۔
- 5۔ ڈیجیٹل سٹوریج کے ذریعے سالانہ رپورٹس کی ترسیل  
SECP کے نوٹیفیکیشن 2016(1) SRO 471 مورخہ 31 مئی 2016 کی پیروی میں نشاط چوہانیا پارٹنیشن کے حصص داران کمپنی کے 9 ویں AGM میں سالانہ رپورٹس بشمول تنقیح شدہ سالانہ حسابات، AGM کے نوٹسز اور کمپنی کی دیگر معلومات ہارڈ کاپوں میں ترسیل کی بجائے سی ڈی ڈی وی ڈی ریو ایبلس بی کے ذریعے ترسیل کیلئے اپنی رضامندی کی منظوری دے چکے ہیں۔ حصص داران جو مذکورہ بالا دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکرٹری شیئرز رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹسز ہارڈ کاپی میں بھی وصول کرنا چاہتے ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔
- 6۔ ان کلیم ڈیوڈنڈ  
حصص داران کے ان کلیم ڈیوڈنڈ، جو کسی وجہ سے اپنے ڈیوڈنڈ کلیم نہیں کر سکے تھے، اگر کوئی ہوں، سے التماس ہے کہ ہمارے شیئرز رجسٹرار میسرز حمید جمید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک اسکوائر، مال لاہور سے اپنے ان کلیم ڈیوڈنڈ، اگر کوئی ہوں، کے بارے دریافت حاصل کرنے کے لیے رابطہ کریں۔
- کمپنیز ایکٹ 2017 کی دفعہ 244 کی تعمیل میں رائج طریقہ کار مکمل کرنے کے بعد تمام ایسے ڈیوڈنڈ اور مقررہ تاریخ سے 3 سال یا زیادہ عرصہ کے لئے شیئرز ڈاؤٹ سٹینڈنگ اور واجب الادا فیڈرل حکومت کے کریڈٹ میں جمع کر دیا جائے گا۔
- 8۔ ای ووٹنگ  
کمپنی کمپنیز (ای ووٹنگ) ریگولیشنز 2016 کی ضروریات کے مطابق ای ووٹنگ سہولت قائم کرنے کے عمل میں ہے اور باہت ہذا میں، ای ووٹنگ سہولت کی اجازت کے لئے آرگنائزڈ آف ایسوسی ایشن کی تبدیلی کی ایک خصوصی قرارداد ارکان کی طرف سے منظور کی گئی۔ تاہم، ای ووٹنگ سہولت مختار کل کی بے اطمینانی کی صورت سمیت مذکورہ بالا قواعد میں مجوزہ دیگر لازمی حالات میں اس اجلاس کے لئے ارکان کو فراہم نہیں کی جاسکتی ہے۔
- 9۔ پتہ کی تبدیلی  
ممبران سے التماس ہے کہ اپنے پتہ میں کسی تبدیلی سے فی الفور مطلع فرمائیں۔ حصص داران سے التماس ہے کہ مذکورہ بالا معلومات / دستاویزات (i) متعلقہ سنٹرل ڈیپازٹری سسٹم (CDS) پارٹنیشنس اور (ii) مادی سیکورٹیز کی صورت میں کمپنی کے شیئرز رجسٹرار کو مہیا کریں۔
- 10۔ کمپنی 30 جون 2017 مختتمہ سال کے لئے نظر ثانی شدہ مالی حسابات مع ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اپنی ویب سائٹ [www.nishat.net](http://www.nishat.net) پر رکھ چکی ہے۔



## CHAIRMAN'S REVIEW REPORT

The board of directors met four times during the year to review the overall performance, appraise financial results and overall effectiveness of the role played by the board in achieving the company's objectives. Comprehensive agendas and supporting papers were received in a timely manner for the Board meetings. The areas of improvement in line with the global best practices were introduced and practiced. It was ensured that professional standard and corporate values were put in place by appropriate policies and procedures that promote integrity for the Board, senior management and other employees.

The board comprises of members with vast experience and diversified knowledge that led to an effective decision making process. All Directors, including Independent Director, fully participated in proceedings and made contributions to the decision-making process of the Board. The Board was fully involved in the planning process and in developing the vision for the Company.

On behalf of the Board, I wish to acknowledge the contribution of all our employees in the success of the company.

Mrs. Farhat Saleem  
Chairperson

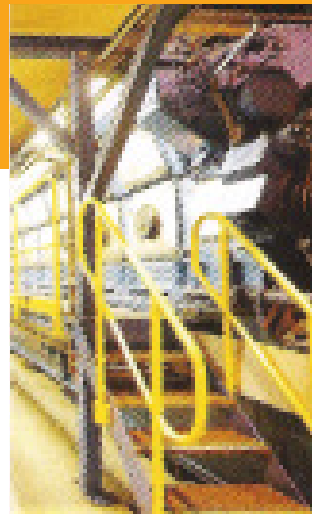
## چیئر مین کی جائزہ رپورٹ

کمپنی کے مقاصد کے حصول میں مجموعی کارکردگی، مالی نتائج کی تشخیص اور بورڈ کی طرف سے ادا کردہ کردار کے موثر انداز کا جائزہ لینے کے لئے سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے۔ بورڈ کے اجلاسوں کے لئے بروقت انداز میں جامع ایجنڈے اور معاون دستاویزات موصول ہوئے۔ عالمی بہترین طریقوں کے مطابق بہتری کے شعبے متعارف اور آزمائے گئے۔ اس بات کو یقینی بنایا گیا کہ پیشہ ورانہ معیاری اور کارپوریٹ اقدار کو مناسب پالیسیوں اور طریقہ کار کے ذریعے اپنایا گیا جو بورڈ، سینئر مینجمنٹ اور دیگر ملازمین کی سالمیت کو فروغ دیتی ہیں۔

بورڈ وسیع تجربے اور متنوع علم کے حامل ارکان پر مشتمل ہے جو مؤثر فیصلہ سازی کے عمل کی قیادت کرتا ہے۔ انڈیپنڈنٹ ڈائریکٹر سمیت تمام ڈائریکٹرز نے، مکمل طور پر کارروائیوں اور بورڈ کے فیصلہ سازی کے عمل میں حصہ لیا ہے۔ بورڈ مکمل طور پر منصوبہ بندی کے عمل میں اور کمپنی کے نقطہ نظر کو فروغ دینے میں مکمل طور پر مصروف تھا۔ بورڈ کی طرف سے، میں کمپنی کی کامیابی میں اپنے تمام ملازمین کے تعاون کو تسلیم کرتی ہوں۔

مسز فرحت سلیم

چیئر پرسن



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# DIRECTORS' REPORT



## DEAR SHAREHOLDER

The Board is pleased to present our financial statements for the year ending on June 30, 2017. During fiscal year 2017 our company achieved adequate earnings. Turnover for the period was PKR 16.15 billion (2016: PKR 13.85 billion) with an after tax profit of PKR 2.99 billion (2016: PKR 2.76 billion) and an Earning Per Share (EPS) of PKR 8.17 (2016: PKR 7.50).

## PROFITABILITY

Our top line improved largely because of increase in furnace oil prices and higher capacity factor (76.17% in 2017 vs. 70.3% in 2016) as a result of higher demand from NTDC/CPPA (G). A total of 1,315,869 MWH (2016: 1,208,325 MWH) of energy was delivered to 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 will be inflated in the first ten years of operation and we anticipate it to reduce from the eleventh year onwards.

## CIRCULAR DEBT

Circular debt continues to be an issue for companies operating in the power sector. Liquidity management remained challenging during the year. As of June 30, 2017, our total receivables from NTDC / CPPA(G) have amplified to PKR 9.57 billion, out of which PKR 5.38 billion were overdue.

NTDC / CPPA(G) consistently failed 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.

## RISK MANAGEMENT

Financial risks to the company are mostly catered for in the tariff. The major financial risk the company is exposed to is interest rate. Any fluctuation in the interest rate can impact the profits of the company. As part of risk management, the company has designed adequate internal financial controls, manual as well as automated that are communicated to staff via various policies and procedural guidelines. These controls are also periodically monitored by our outsourced Internal Audit Function.



## PENDING ISSUES

An amount of PKR 966.166 million relating to capacity purchase price is currently not acknowledged by NTDC during 2012 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. 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 withheld 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 determination whereby the aforesaid amount was determined to be payable to the company by NTDC. However, in October 2015 Government of Pakistan (GOP) through Private Power Infrastructure Board (PPIB) filed a suit in the Civil Court, Lahore and obtained a stay order against the decision of the expert. The stay order was challenged in District Court Lahore where it was vacated during the current year.

Under the terms of PPA, the company had filed petition for arbitration in The London Court of International Arbitration ('LCIA'), whereby an arbitrator was appointed and

proceedings were carried out. During the current year Civil Court Lahore stayed the participation in LCIA on the suit filed by GOP through PPIB, which was vacated by District Court Lahore later on. In June 2017 arbitrator in its Partial Award ordered that the decision of Expert is final and binding on NTDC and payment owing under the said determination is to be made to company. GOP through PPIB has also challenged the Partial Award in Civil Court, Lahore and obtained suspension order, which was later on vacated by the District Court, Lahore. Subsequent to year end the arbitrator passed order for interim measures wherein he directed NTDC to deposit the disputed amount in a fundholding account with LCIA, which has not been deposited till the date of this report.

## 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	3
Mr. Zain Shahzad	-
Mrs. Farhat Saleem	-
Mr. Aftab Ahmad Khan	4
Mr. Kamran Rasool	3
Mr. Muhammad Ali Zeb	3
Mr. Syed Tariq Ali (appointed on June 22, 2017)	-
Mr. Asad Farooq (resigned on June 14, 2017)	4
Mr. Wasif M Khan (resigned on July 26, 2017)	3

## CORPORATE GOVERNANCE

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

- 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;
- Proper books of accounts have been maintained by the Company;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;
- 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;
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations of the stock exchange.
- The value of investment of contributory provident fund as at June 30, 2017 amounts to PKR 45 million (based on un-audited financial statements).
- The pattern of shareholding as at June 30, 2017 is annexed.
- Information about outstanding taxes and levies is given in Notes to the Accounts.

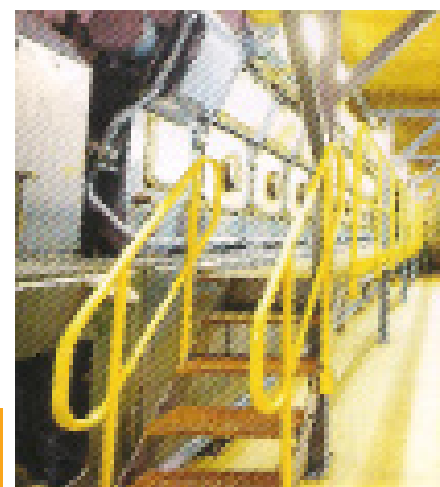
## CORPORATE SOCIAL RESPONSIBILITY

The Company along with its sponsors and other philanthropists are in the process of setting up a state-of-the-art, not for profit hospital, Saleem Memorial Trust Hospital (SMTH). During the current year company donated PKR 80 million to SMTH. This 350 bed hospital which is being constructed on 39 kanals of land will provide subsidized medical treatment to the underprivileged. The grey structure will be completed by 2018 and the hospital will be functional by 2019. The company also donates to a school, located at Phool Nagar that provides quality education at a nominal fee.

The company is keen towards preserving the environment and nature. For this purpose our power plant is equipped with machinery to ensure that the National Environmental Quality Standards are always complied with. The Company has also taken an initiative towards plantation and has planted trees inside the power plant premises and the surrounding vicinity.

## APPROPRIATION

The Board of Directors in its meeting held on 22nd September 2017 recommended 10% final cash dividend i.e. Rs. 1.00 per share. This is in addition to interim dividends of 15% i.e. Rs. 1.5 per share.



# ACKNOWLEDGEMENT

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

Chief Executive

Director



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## ڈائریکٹرز رپورٹ

بورڈ 30 جون 2017 کو مختتمہ سال کے لئے مالیاتی گوشوارے پیش کرتا ہے۔ مالی سال 2017 کے دوران کمپنی کو اطمینان بخش آمدنی حاصل ہوئی ہے۔ موجودہ مدت کے لئے کاروبار 16.15 بلین روپے (2016 : 13.85 بلین روپے) معہ بعد از ٹیکس منافع 2.99 بلین روپے (2016 : 2.76 بلین روپے) معہ 8.17 روپے فی شیئر آمدنی (EPS) (2016 : 7.50 بلین روپے) تھی۔

### منافع

ہماری بالائی لائن فرنس آئل کی قیمتوں میں اضافہ کی وجہ سے بہت اوپر آگئی، مزید اضافہ اعلیٰ صلاحیتی عنصر (2016 میں 70.3 فیصد بخلاف 2017 میں 76.17 فیصد) کی وجہ سے ہوا جو بنیادی طور پر NTDC/CPA(G) سے زیادہ طلب کا نتیجہ ہے۔ NTDC/CPA(G) کو کل 1,315,869 MWH بجلی ترسیل (2016 : 1,208,325 MWH) کی گئی۔ واضح رہے کہ تھرمل کارکردگی بیان کرنا بر محل ہے اور ہمارے ٹیرف میں M & O 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 CPA/NTDCL (G) 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 ایک مسئلہ ہے۔ سال کے دوران liquidity کے انتظامات challenging رہے۔ 30 جون 2017 تک CPA/NTDCL (G) کی طرف ہماری کل وصولیات 9.57 بلین روپے پاکستانی تک بڑھ گئیں جن میں سے 5.38 بلین روپے زائد المعیاد واجب الادا تھے۔

ایک بار پھر نیشنل ٹرانسمیشن اینڈ ڈسپچ کمپنی لمیٹڈ CPA/NTDCL (G) کمپنی کو بروقت ادائیگی کرنے میں ناکام رہی ہے۔ اس مسئلے کے مستقل حل کے طور پر مزید کاسٹ افیکٹو انرجی مکس کی جانب بڑھتے ہوئے مستحکم

اور واضح اقدامات کی ضرورت ہے تقسیم اور جنریشن کمپنیوں میں پائی گئی خامیوں کو دور کرنے کے لئے ٹھوس اقدامات اٹھانے چاہئیں۔

## رسک مینجمنٹ

کمپنی کے مالی خطرات کو اکثر ٹیرف سے کم کیا جاتا ہے۔ کمپنی کو اہم مالی خطرہ شرح سود کا سامنا ہے۔ شرح سود میں کوئی اتار چڑھائو کمپنی کے منافع پر اثر انداز ہوسکتا ہے۔ خطرات کو کم کرنے کے لئے، کمپنی نے مناسب داخلی مالیاتی کنٹرول، دستی اور خود کار طریقے سے ڈیزائن کیا ہے جس میں مختلف پالیسیوں اور طرز عمل کے ذریعے کارکنوں کی راہنمائی کی جاتی ہے۔ ہمارا انٹرنل آڈٹ فنکشن باقاعدگی سے ان کنٹرولز کی نگرانی کرتا ہے۔

## زیر التواء مسائل

کیپسٹی پریچیز پرائس کی مد میں 966.166 ملین روپے کی رقم کا بھی بھی NTDC اعتراف اس لئے نہیں کر رہی کہ کمپنی نے 2012 میں پاور پلانٹ پیداوار کے لئے مکمل طور پر دستیاب نہیں کیا۔ تاہم، پاور پلانٹ کی عدم دستیابی واحد وجہ NTDC سے عدم ادائیگی کی وجہ سے ایندھن کی عدم دستیابی تھی۔ کمپنی کا خیال ہے کہ یہ رقم NTDC کی 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 پی نے عدالت عظمیٰ پاکستان میں دائر صلاحیت کی ادائیگی کا اپنا مقدمہ واپس لے لیا۔ این ٹی ڈی سی اور آئی پی پی نے اس معاملے پر ثالثی کے لئے جسٹس سائر علی کوماہر کے طور پر مقرر کیا۔ گزشتہ سال کے دوران، ماہرین نے اپنی رائے میں مذکورہ رقم NTDC کی طرف سے کمپنی کے لئے قابل ادا متعین کی۔ تاہم، اکتوبر 2015 میں حکومت پاکستان (GOP) نے پرائیویٹ پاور انفراسٹرکچر بورڈ (PPIB) کی وساطت سے سول عدالت، لاہور میں ماہرین کے فیصلے کے خلاف ایک دعویٰ دائر اور حکم امتناعی حاصل کیا۔ حکم امتناعی کو ڈسٹرک عدالت لاہور میں چیلنج کیا گیا جہاں اسے موجودہ سال کے دوران ختم کر دیا گیا۔

PPA کی شرائط کے تحت، کمپنی نے لندن کورٹ آف انٹرنیشنل آرbitری رین ( 'LCIA' )، میں ایک پیٹیشن دائر کی ہے جس کے تحت ایک ثالث مقرر کیا گیا اور کارروائی شروع کی گئی۔ موجودہ سال کے دوران سول عدالت لاہور نے PPIB کے ذریعہ GOP کی طرف سے درج کردہ دعویٰ پر LCIA میں شرکت کی جسے بعد میں ڈسٹرکٹ کورٹ لاہور کی طرف سے ختم کر دیا گیا۔ جون 2017 میں ثالث نے اپنا جزوی ایوارڈ حکم دیا ہے کہ ماہرین کا فیصلہ

حتمی ہے اور NTDCL فیصلے کے مطابق کمپنی کو ادائیگی کرنے کی پابند ہے۔ PPIB کے ذریعے GOP نے سول کورٹ لاہور میں جزوی ایوارڈ کو بھی چیلنج کیا اور معطلی کا حکم حاصل کیا، جسے بعد میں ڈسٹرکٹ کورٹ لاہور نے ختم کر دیا۔ اس کے بعد سال کے اختتام پر ثالث نے عبوری اقدامات کا حکم دیا جس میں اس نے NTDC کو ہدایت کی ہے کہ متنازعہ رقم LCIA کے فنڈ ہولڈنگ اکاؤنٹ میں جمع کرائے، جو تا تاریخ جمع نہیں کرائی گئی ہے۔

## مستقبل کا نقطہ نظر

ہم آئندہ سال کے دوران پلانٹ مکمل صلاحیت میں چلانے 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

کمپنی اس کے سپانسرز اور دیگر philanthropist کے ساتھ مل ساتھ تمام سہولیات کا حامل ایک غیر منافع بخش ہسپتال سلیم میموریل ٹرسٹ ہسپتال (SMTH) قائم کرنے کے عمل میں ہیں۔ موجودہ سال کے دوران کمپنی نے PKR 80 ملین SMTH کو عطیہ کیا۔ یہ 350 بستری ہسپتال جسے 39 کنال کے رقبہ پر تعمیر کیا جا رہا ہے جو کہ غریبوں کو رعایتی طبی علاج فراہم کرے گا۔ Grey structure 2018 تک مکمل ہو جائے گا اور ہسپتال 2019 تک کام کرنے لگے گا۔ کمپنی پھولنگر میں واقع اسکول میں بھی عطیہ کرتی ہے جو معمولی فیس میں معیاری تعلیم فراہم کرتا ہے۔ کمپنی ماحول اور فطرت کو تحفظ فراہم کرنے میں گہری دلچسپی رکھتی ہے۔ اس مقصد کے لئے ہمارے پاور پلانٹ مشینری سے لیس ہیں جو قومی ماحولیاتی معیارات پر عمل کو یقینی بناتی ہیں۔ کمپنی نے شجر کاری کے بھی اقدامات کئے ہیں اور پاور پلانٹ کے احاطے میں اور ارد گرد پودے لگائے ہیں۔

## تصرفات

مجلس نظام نے 22 ستمبر 2017 کو منعقدہ اپنے اجلاس میں 10 فیصد حتمی نقد منافع منقسمہ یعنی 1.00 روپے فی شیئر کی سفارش کی ہے۔ یہ 15 فیصد عبوری ڈیویڈنڈ یعنی 1.5 روپے فی شیئر کے علاوہ ہے۔

## کارپوریٹ گورننس

کارپوریٹ گورننس کے ضابطہء 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

بھاؤ اور ایکونٹی 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 پیروی 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 مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- f. کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- g. اسٹاک ایکسچینج کے فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس میں سے کسی خاطرخواہ شق سے انحراف نہیں ہو رہا ہے۔
- h. 30 جون 2017 تک پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 45 ملین روپے پاکستانی (غیر نظر ثانی شدہ مالی حسابات کی بنیاد پر) ہے۔
- i. بمطابق 30 جون 2017 نمونہ ء حصہ داری منسلک ہے؛
- j. واجب الادا ٹیکسز اور لیویز بارے معلومات کا مالی حسابات میں انکشاف کیا گیا ہے؛

## بورڈ کے اجلاس

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

تعداد حاضری	نام ڈائریکٹر
3	جناب شہزاد سلیم
-	جناب زین شہزاد
-	محترمہ فرحت سلیم
-	جناب سید طارق علی (مقرر کردہ June 22, 2017)
4	جناب اسد فاروق (استفی June 14, 2017)
4	جناب آفتاب احمد خان
3	جناب کامران رسول
3	جناب محمد علی زیب
3	جناب واصف ایم خان (استفی July 26, 2017)

## اعتراف

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

رہیں گے۔

# FINANCIAL HIGHLIGHTS

	2011/12	2012/13 Rupees	2013/14
<b>Result of Operations</b>			
Net Sales	21,585,392	25,165,538	27,629,642
Gross Profit	5,168,430	5,067,709	4,935,048
Operating Income	5,096,642	5,136,846	4,822,434
Financial Charges	(3,080,779)	(2,424,115)	(1,921,675)
Tax (Taxation) / Reversal	(11,208)	24,761	-
Net Income	2,004,656	2,737,492	2,900,759
<b>Financial Position at Year-end:</b>			
Capital	3,673,469	3,673,469	3,673,469
Accumulated profit	2,328,178	3,596,282	3,374,592
Net Worth	6,001,647 <sub>0</sub>	7,269,751 <sub>-</sub>	7,048,061 <sub>-</sub>
Fixed Assets	15,825,928	14,772,194	14,116,423
Long Term Deposits & Advances	961	487	524
Current Assets	12,761,210	7,857,827	13,281,513
Total Assets	28,588,098 <sub>0</sub>	22,630,508 <sub>-</sub>	27,398,461 <sub>-</sub>
Long Term Liabilities	12,898,061	11,836,995	10,604,151
Current Liabilities	9,688,390	3,523,761	9,746,248
Net Interest-Bearing Debt	20,773,536	12,902,272	17,535,833
Per Share Net Income	5.46	7.45	7.90
Cash Dividends	3.50	6.00	6.50
Dividend payout ratio	64%	81%	82%
<b>Financial Measures</b>			
ROE	33.40%	37.66%	41.16%
Shareholders' Equity Ratio	20.99%	32.12%	25.72%
Net Debt Equity Ratio (times)	3.46	1.77	2.49
Current Ratio	1.32	2.23	1.36
<b>Common Stock</b>			
Number of Shares Outstanding	367,346,939	367,346,939	367,346,939

2014/15	2015/16 Rupees	2016/17
22,574,562	13,853,806	16,147,843
5,125,573	4,193,739	4,320,171
4,974,767	3,975,359	4,090,968
(1,884,454)	(1,219,116)	(1,092,520)
-	-	1,303
3,090,313	2,756,242	2,999,751
3,673,469	3,673,469	3,673,469
3,709,803	3,619,107	5,516,819
7,383,272	7,292,576	9,190,288
-	-	-
13,387,490	12,814,881	11,999,856
10,918	9,414	5,105
10,848,741	8,856,599	11,808,694
24,247,149	21,680,894	23,813,655
-	-	-
9,171,718	7,507,386	5,573,611
7,692,158	6,880,932	9,049,756
15,945,870	13,272,343	13,900,605
8.41	7.50	8.17
7.50	7.75	3.00
89%	103%	37%
41.86%	37.80%	32.64%
30.45%	33.64%	38.59%
2.16	1.82	1.51
1.41	1.29	1.30
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 2017

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 June 30, 2017 the board includes:

Category	Names
Independent Director	Mr. Wasif M Khan
Executive Director	Mr. Shahzad Saleem (Chief Executive)
Non-Executive Directors	Mrs. Farhat Saleem (Chairperson) Mr. Syed Tariq Ali 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 June 14, 2017 was filled by directors in 8 days.

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. More than half of Directors on our Board have either undertaken Directors' Training Program or are exempt under the same clause.

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, 2017 has been prepared in compliance with the requirements of the CCG as applicable on June 30, 2017 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 outsourced the internal audit function to M/s EY Ford Rhodes, who are considered suitably qualified and experienced for the purpose and

are conversant with the policies and procedures of the Company.

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

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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, 2017 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, 2017.

## **Chartered Accountants**

**A.F. Ferguson & Co.**

**Chartered Accountants, Lahore.**

**Engagement Partner:** Khurram Akbar Khan

September 22, 2017

# AUDITORS' REPORT TO THE MEMBERS

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We have audited the annexed balance sheet of Nishat Chunian Power Limited (the 'company') as at June 30, 2017, 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, 2017, 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 17.2 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

September 22, 2017

**NISHAT CHUNIAN POWER LIMITED**  
**BALANCE SHEET AS AT JUNE 30, 2017**

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 385,000,000 (2016: 385,000,000) ordinary shares of Rs 10 each		3,850,000	3,850,000
Issued, subscribed and paid up share capital 367,346,939 (2016: 367,346,939) ordinary shares of Rs 10 each	5	3,673,469	3,673,469
Revenue reserve: Un-appropriated profit	6	5,516,819	3,619,108
		9,190,288	7,292,577
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - secured	7	5,573,611	7,507,386
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	7	1,933,775	1,664,332
Short term borrowings - secured	8	6,043,219	4,100,625
Short term loan from holding company - unsecured	9	350,000	-
Trade and other payables	10	467,193	844,633
Accrued finance cost	11	255,569	269,628
Derivative financial instruments		-	1,713
		9,049,756	6,880,931
<b>CONTINGENCIES AND COMMITMENTS</b>	12	23,813,655	21,680,894

The annexed notes 1 to 38 form an integral part of these financial statements.

**Chief Executive**



	Note	2017 (Rupees in thousand)	2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	13	11,999,856	12,814,881
Long term loans to executives	14	5,000	9,309
Long term security deposits		105	105
		<u>12,004,961</u>	<u>12,824,295</u>
<b>CURRENT ASSETS</b>			
Stores and spares	15	631,469	687,667
Inventories	16	846,831	524,883
Trade debts	17	9,052,621	6,424,185
Loans, advances, deposits, prepayments and other receivables	18	1,150,763	1,204,401
Income tax receivable		11,450	13,155
Bank balances	19	115,560	2,308
		11,808,694	8,856,599
		<u>23,813,655</u>	<u>21,680,894</u>

**Chief Financial Officer**

**Director**

# NISHAT CHUNIAN POWER LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
Sales	20	16,147,843	13,853,806
Cost of sales	21	<u>(11,827,672)</u>	<u>(9,660,067)</u>
<b>Gross profit</b>		4,320,171	4,193,739
Administrative expenses	22	(172,968)	(153,998)
Other expenses	23	(92,693)	(92,339)
Other income	24	36,458	27,956
Finance cost	25	<u>(1,092,520)</u>	<u>(1,219,116)</u>
<b>Profit before taxation</b>		2,998,448	2,756,242
Taxation	26	1,303	-
<b>Profit for the year</b>		<u><u>2,999,751</u></u>	<u><u>2,756,242</u></u>
Earnings per share - basic and diluted (in Rupees)	27	<u><u>8.17</u></u>	<u><u>7.50</u></u>

The annexed notes 1 to 38 form an integral part of these financial statements.

**Chief Executive**

**Chief Financial Officer**

**Director**

# NISHAT CHUNIAN POWER LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	2017 (Rupees in thousand)	2016
Profit for the year	2,999,751	2,756,242
<b>Other comprehensive income:</b>		
<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>	-	-
	-	-
<b>Total comprehensive income for the year</b>	2,999,751	2,756,242

The annexed notes 1 to 38 form an integral part of these financial statements.

**Chief Executive**

**Chief Financial Officer**

**Director**

**NISHAT CHUNIAN POWER LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 (Rupees in thousand)	2016
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	2,670,703	6,771,182
Finance cost paid		(1,106,579)	(1,293,101)
Net income tax refund		2,933	4,497
Retirement benefits paid		(7,501)	(7,208)
Net decrease in long term loans to executives		4,309	1,504
<b>Net cash inflow from operating activities</b>		1,563,865	5,476,874
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(429,659)	(601,112)
Proceeds from disposal of property, plant and equipment		95,419	3,873
Loss on derivative financial instruments		(1,713)	-
Profit on bank deposits received		463	503
<b>Net cash outflow from investing activities</b>		(335,490)	(596,736)
<b>Cash flows from financing activities</b>			
Repayment of long term financing		(1,664,332)	(1,432,432)
Short term borrowings from holding company		6,750,000	-
Repayment of short term borrowings from holding company		(6,400,000)	-
Dividend paid		(1,743,385)	(2,206,438)
<b>Net cash outflow from financing activities</b>		(3,057,717)	(3,638,870)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		(1,829,342)	1,241,268
<b>Cash and cash equivalents at the beginning of the year</b>		(4,098,317)	(5,339,585)
<b>Cash and cash equivalents at the end of the year</b>	29	(5,927,659)	(4,098,317)

The annexed notes 1 to 38 form an integral part of these financial statements.

**Chief Executive**

**Chief Financial Officer**

**Director**

# NISHAT CHUNIAN POWER LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

	Share capital	Revenue reserve: Un-appropriated profit	Total
	(Rupees in thousand)		
<b>Balance as on June 30, 2015</b>	3,673,469	3,709,803	7,383,272
Profit for the year	-	2,756,242	2,756,242
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	2,756,242	2,756,242
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2015 @ Rs 2 per share	-	(734,694)	(734,694)
Interim dividend for the first quarter ended September 30, 2015 @ Rs 2 per share	-	(734,694)	(734,694)
Interim dividend for the half year ended December 31, 2015 @ Rs 2 per share	-	(734,694)	(734,694)
Interim dividend for the third quarter ended March 31, 2016 @ Rs 1.75 per share	-	(642,855)	(642,855)
<b>Total distributions to owners of the company recognized directly in equity</b>	-	(2,846,937)	(2,846,937)
<b>Balance as on June 30, 2016</b>	3,673,469	3,619,108	7,292,577
Profit for the year	-	2,999,751	2,999,751
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	2,999,751	2,999,751
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2016 @ Rs. 1.50 per share	-	(551,020)	(551,020)
Interim dividend for the first quarter ended September 30, 2016 @ Rs. 1.50 per share	-	(551,020)	(551,020)
<b>Total distributions to owners of the company recognized directly in equity</b>	-	(1,102,040)	(1,102,040)
<b>Balance as on June 30, 2017</b>	<u>3,673,469</u>	<u>5,516,819</u>	<u>9,190,288</u>

The annexed notes 1 to 38 form an integral part of these financial statements.

**Chief Executive**

**Chief Financial Officer**

**Director**

# NISHAT CHUNIAN POWER LIMITED

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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. During the year, the Companies Ordinance, 1984 (hereinafter referred to as the 'Ordinance') has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan ('SECP') vide Circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and further clarified through its press release dated July 20, 2017, companies whose financial year closes on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of the repealed Ordinance. Accordingly, these financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board ('IASB') as are notified under the repealed Ordinance, provisions of and directives issued under the repealed Ordinance. Wherever the requirements of the repealed Ordinance or directives issued by SECP differ with the requirements of IFRSs, the requirements of the repealed 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, 2016 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, except for the following:

- International Accounting Standard ('IAS') 1, 'Presentation of financial statements' (Amendment). The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

- Notes – confirmation that the notes do not need to be presented in a particular order.

- Other comprehensive income arising from investments accounted for under the equity method – the share of other comprehensive income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

- IAS 16 (Amendment), 'Property, plant and equipment, and IAS 38 (Amendment), 'Intangible assets'. The amendment to IAS 16 clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This amendment also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. IAS 38 now includes a rebuttable presumption that the amortization of intangible assets based on revenue is inappropriate. This presumption can be overcome if either:

- The intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or
- It can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

### **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'.

Under IFRIC 4, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease under IAS 17, 'Leases'. The company's power plant's control due to purchase of total output by NTDC appears to fall under the scope of IFRIC 4. Consequently, if the company were to follow IFRIC 4 and IAS 17, the effect on the financial statements would be as follows:

	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
De-recognition of property, plant and equipment	<u>(11,903,840)</u>	<u>(12,466,155)</u>
Recognition of lease debtor	<u>10,874,924</u>	<u>12,487,141</u>
Increase in un-appropriated profit at the beginning of the year	20,986	621,421
Decrease in profit for the year	<u>(1,049,902)</u>	<u>(600,435)</u>
(Decrease)/ increase in un-appropriated profit at the end of the year	<u>(1,028,916)</u>	<u>20,986</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 companies having accounting periods beginning on or after July 1, 2017 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, except for the following:

- IAS 7, 'Cashflow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the amendment will have any significant impact on the company's financial statements.

- IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The company is yet to assess the full impact of the standard.

- IFRS 15, 'Revenue from contracts with customers' (effective for periods beginning on or after January 1, 2018). This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The company is yet to assess the full impact of the standard.

- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. It is unlikely that the interpretation will have any significant impact on the company's 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 13.1 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, 2017, 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 amortization and any identified impairment loss. Intangible assets are amortized 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 amortization 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 amortization 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 estimated cost of completion and the estimated cost necessary 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 asset 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 and delayed payment markup on amounts due under the PPA is accrued on a time proportion basis by reference to the principal/ amount 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 (2016: 367,346,939) ordinary shares of Rs 10 each fully paid in cash. 187,585,820 (2016: 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.

		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>7. Long term financing - secured</b>			
Senior facility	- note 7.1	6,049,162	7,391,873
Term finance facility	- note 7.2	1,458,224	1,779,845
		<u>7,507,386</u>	<u>9,171,718</u>
Less: Current portion shown under current liabilities		<u>1,933,775</u>	<u>1,664,332</u>
		<u><u>5,573,611</u></u>	<u><u>7,507,386</u></u>

**2017**                      **2016**  
**(Rupees in thousand)**

**7.1 Senior facility**

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

**Lender**

National Bank of Pakistan	1,041,262	1,272,387
Habib Bank Limited	1,394,466	1,703,991
Allied Bank Limited	1,394,466	1,703,991
United Bank Limited	1,394,465	1,703,990
Faysal Bank Limited	628,648	768,186
Summit Bank Limited	81,592	99,713
Sindh Bank Limited	114,263	139,615
	<u>6,049,162</u>	<u>7,391,873</u>
Less: Current portion shown under current liabilities	<u>1,560,087</u>	<u>1,342,712</u>
	<u><u>4,489,075</u></u>	<u><u>6,049,161</u></u>

**2017**                      **2016**  
**(Rupees in thousand)**

**7.2 Term finance facility**

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

**Lender**

National Bank of Pakistan	251,009	306,370
Habib Bank Limited	336,153	410,294
Allied Bank Limited	336,153	410,294
United Bank Limited	336,153	410,294
Faysal Bank Limited	198,756	242,593
	<u>1,458,224</u>	<u>1,779,845</u>
Less: Current portion shown under current liabilities	<u>373,688</u>	<u>321,620</u>
	<u><u>1,084,536</u></u>	<u><u>1,458,225</u></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 effective mark-up rate charged during the year on the outstanding balance is 9.06% per annum. As of June 30, 2017, the finance is repayable in thirteen quarterly installments ending on July 01, 2020.

**2017**                      **2016**  
**(Rupees in thousand)**

**8. Short term borrowings - secured**

Short term borrowings under mark-up arrangements obtained as under:

Running finances	- note 8.1	950,954	306,442
Money market loans	- note 8.2	3,900,000	3,250,000
Murabaha and musharka facilities	- note 8.3	1,192,265	544,183
		<u>6,043,219</u>	<u>4,100,625</u>

### 8.1 Running finances

Running finance main facilities available from commercial banks under mark-up arrangements amount to Rs 6,450 million (2016: Rs 5,950 million). Running finance facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.25% 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 6.38% to 8.12% (2016: 6.85% to 9.01%) 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 4,950 million (2016: Rs 4,250 million) and are available at mark-up rates ranging from one month to six months KIBOR plus 0.04% to 0.20% 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 6.03% to 6.55% (2016: 6.15% to 7.33%) per annum.

### 8.3 Murabaha and musharka facilities

Murabaha and musharka main facilities available from islamic banks aggregate Rs 4,500 million (2016: Rs 4,500 million) at mark-up rates ranging from one week to three months KIBOR plus 0.1% to 0.5% per annum. The amount utilised as at June 30, 2017, for musharka facilities was Rs 1,192.265 million (2016: Rs 544.18 million). Mark-up on murabaha is payable at the maturity of the respective murabaha transaction, whereas, the mark-up on musharka is payable quarterly 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 6.19% to 6.75% (2016: 6.50% to 9.01%) per annum.

### 8.4 Letters of credit and guarantees

The main facilities for opening letters of credit and guarantees aggregate Rs 1,411.032 million (2016: Rs 1,556.03 million). The amount utilised at June 30, 2017, for letters of credit was Rs 38.068 million (2016: Rs 61.16 million) and for guarantees was Rs 26.747 million (2016: Rs 9.03 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.

9 This represents an unsecured loan from the holding company. The effective mark up rate charged during the year on outstanding balance is 8.08%. The entire amount of loan has been repaid subsequent to the year end.

10.	Trade and other payables	2017 (Rupees in thousand)	2016
	Creditors	271,990	24,584
	Retention money	9	9
	Accrued liabilities	27,489	22,090
	Workers' profit participation fund	- note 10.1	150,013
	Withholding tax payable	118	-
	Dividend payable	-	642,857
	Unclaimed dividend	15,094	13,582
	Other liabilities	- note 10.2	2,480
		<u>467,193</u>	<u>844,633</u>



**2017**                      **2016**  
**(Rupees in thousand)**

**10.1 Workers' Profit Participation Fund**

Opening balance		137,837	154,541
Provision for the year	- note 18.1	149,988	137,812
		287,825	292,353
Less: Payments		137,812	154,516
Closing balance		150,013	137,837

**10.2** This represents amounts due to executives.

**10.3** Workers' Welfare Fund (WWF) has not been provided for in these financial statements based on the advice of the company's legal consultant. However, in case the company pays WWF, the same is recoverable from NTDC as a pass through item under section 9.3(a) of the PPA with NTDC.

**2017**                      **2016**  
**(Rupees in thousand)**

**11. Accrued finance cost**

Accrued mark-up/interest on:

Long term financing - secured		170,814	212,840
Short term borrowings - secured		84,678	56,788
Short term loan from holding company - unsecured		77	-
		255,569	269,628

**12. Contingencies and commitments**

**12.1 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, both of which are 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 similar grounds as explained above. The company agitated the initiation of such proceedings through institution of a writ petition before the Lahore High Court ('LHC'). During the current period, LHC has disposed of the petition in the company's favour through its order dated October 31, 2016, by stating that there is no supply being made against capacity purchase price, hence, there is no existence of an "exempt supply". Accordingly, the company is free to reclaim or deduct input tax under the relevant provisions of Sales Tax Act, 1990. However, the tax department has filed a review petition in the LHC and an appeal before the Supreme Court of Pakistan against the aforementioned LHC's order.

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 financial year 2016 and audit report thereof was submitted to the company seeking explanations in regard to the issues raised therein. In the subject audit report, an aggregate amount of Rs 631.769 million primarily including a disallowance of input sales tax of Rs 622.263 million has been confronted on same grounds as explained above. LHC through its order dated January 9, 2017 has allowed initiation of adjudication proceedings after issuance of audit report. On May 17, 2017, the DCIR has issued a showcause notice as to why sales tax of the aforesaid amount of Rs 631.769 million alongwith default surcharge should not be recovered from the company. The company has filed a representation in this regard with the Chairman, Federal Board of Revenue. As of the balance sheet date, no order has been issued by the DCIR.

Based on the abovementioned LHC's decision dated October 31, 2016, 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 accounts.

(ii) Subsequent to the year end, the DCIR has issued an amendment order dated August 31, 2017 under section 122 of the Income Tax Ordinance, 2001 for Tax Year 2014 whereby income tax of Rs 191.536 million has been levied on other income, interest on delayed payments from NTDC, minimum tax on capacity sales, scrap sales and sale proceeds of fixed assets' disposal, and has also levied Workers' Welfare Fund of Rs 12.946 million. The company is in the process of filing an appeal before the CIR(A) against this order. Management considers that there exist meritorious grounds to defend the company's stance and the ultimate decision from the appellate authorities would be in the company's favour. Consequently, no provision has been made in these financial statements for the aggregate amount of Rs 204.482 million.

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

(a) Letters of guarantee aggregating Rs 26.747 million (2016: Rs 9.032 million) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

## 12.2 Commitments

(i) Letters of credit and contracts other than for capital expenditure aggregate to Rs 38.068 million (2016: Rs 61.160 million).

<b>13. Fixed assets</b>		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>Property, plant and equipment:</b>			
Operating fixed assets	- note 13.1	11,980,793	12,648,543
Capital work-in-progress	- note 13.2	1,907	902
Major spare parts and standby equipment	- note 13.3	-	162,636
		<u>11,982,700</u>	<u>12,812,081</u>
<b>Intangible asset:</b>			
Computer software	- note 13.4	17,156	2,800
		<u>11,999,856</u>	<u>12,814,881</u>

13.1 Operating fixed assets	(Rupees in thousand)								
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Total
<b>COST</b>									
Balance as at July 01, 2015	150,719	192,239	17,908,049	2,614	7,545	9,678	1,009	75,323	18,347,176
Additions during the year	-	5,719	384,932	-	8,402	27,007	-	19,334	445,394
Disposal during the year	-	-	(377,617)	-	(289)	-	-	(4,729)	(382,635)
Balance as at June 30, 2016	150,719	197,958	17,915,364	2,614	15,658	36,685	1,009	89,928	18,409,935
Balance as at July 01, 2016	150,719	197,958	17,915,364	2,614	15,658	36,685	1,009	89,928	18,409,935
Additions during the year	-	5,016	556,217	-	1,215	-	-	10,775	573,223
Disposal during the year	(79,702)	(8,000)	(573,407)	-	(217)	-	-	(5,854)	(667,180)
Balance as at June 30, 2017	71,017	194,974	17,898,174	2,614	16,656	36,685	1,009	94,849	18,315,978
<b>DEPRECIATION</b>									
Balance as at July 01, 2015	-	34,687	4,896,671	1,292	4,737	7,451	437	25,731	4,971,006
Charge for the year - note 13.1.1	-	8,209	1,140,469	261	1,674	5,615	98	14,851	1,171,177
Disposal during the year	-	-	(377,617)	-	(247)	-	-	(2,927)	(380,791)
Balance as at June 30, 2016	-	42,896	5,659,523	1,553	6,164	13,066	535	37,655	5,761,392
Balance as at July 01, 2016	-	42,896	5,659,523	1,553	6,164	13,066	535	37,655	5,761,392
Charge for the year - note 13.1.1	-	8,159	1,115,656	261	3,614	8,652	97	16,209	1,152,648
Disposal during the year	-	(1,000)	(573,407)	-	(117)	-	-	(4,331)	(578,855)
Balance as at June 30, 2017	-	50,055	6,201,772	1,814	9,661	21,718	632	49,533	6,335,185
<b>Book value as at June 30, 2016</b>	150,719	155,062	12,255,841	1,061	9,494	23,619	474	52,273	12,648,543
<b>Book value as at June 30, 2017</b>	71,017	144,919	11,696,402	800	6,995	14,967	377	45,316	11,980,793
<b>Annual depreciation rate %</b>	-	<b>4 to 10</b>	<b>4 to 5.34 and number of hours used</b>	<b>10</b>	<b>30</b>	<b>10 to 30</b>	<b>10</b>	<b>20</b>	
<b>13.1.1</b>	The depreciation charge for the year has been allocated as follows:								
Cost of sales	- note 21							1,134,897	1,156,146
Administrative expenses	- note 22							17,751	15,031
								1,152,648	1,171,177

**13.1.2 Disposal of operating fixed assets**

Particulars	2017				Mode of disposal
	Cost	Accumulated depreciation	Book value	Sale proceeds	
<b>Plant and machinery</b>					
Assets written off	573,407	573,407	-	-	Life completed and scrapped
<b>Freehold land sold to the holding company:</b>					
Nishat (Chunian) Limited	79,702	-	79,702	80,200	Negotiation
<b>Building sold to the holding company:</b>					
Nishat (Chunian) Limited	8,000	1,000	7,000	10,800	Negotiation
<b>Vehicles sold to:</b>					
<b>Executives:</b>					
Saqib Riaz	1,038	675	363	1,038	As per company policy
Babar Ali	725	423	302	725	As per company policy
Farrukh Ifzal	1,974	1,974	-	606	As per company policy
<b>Outside party:</b>					
Umar Ayub	1,430	572	858	1,430	Bid
<b>Theft</b>	687	687	-	540	Insurance claim
<b>Computer equipment sold to:</b>					
<b>Executives:</b>					
Babar Ali Khan	78	57	21	23	As per company policy
Khurram Ali	72	50	22	17	As per company policy
<b>Outside party:</b>					
Axiom UAE	67	10	57	40	Negotiation
	<u>667,180</u>	<u>578,855</u>	<u>88,325</u>	<u>95,419</u>	

Particulars	2016				Mode of disposal
	Cost	Accumulated depreciation	Book value	Sale proceeds	
<b>Plant and machinery</b>					
Assets written off	377,617	377,617	-	-	Life completed and scrapped
<b>Vehicles sold to:</b>					
<b>Executive</b>					
Najia Butt	1,845	123	1,722	1,845	As per company policy
<b>Outside party</b>					
Umar Farooq	1,922	1,922	-	1,337	Bid
Muhammad Afzal Javed	962	882	80	640	Bid
<b>Computer equipment sold to:</b>					
<b>Executive:</b>					
Najia Butt	200	200	-	35	As per company policy
<b>Outside party:</b>					
Hira Jabeen	89	47	42	15	Bid
	<u>382,635</u>	<u>380,791</u>	<u>1,844</u>	<u>3,872</u>	

13.2 Capital work-in-progress		2017	2016
		(Rupees in thousand)	
Civil works		260	260
Advances to suppliers against purchase of vehicles		1,647	642
		<u>1,907</u>	<u>902</u>
The reconciliation of the carrying amount is as follows:			
Opening balance		902	11,321
Additions during the year		7,268	38,845
		<u>8,170</u>	<u>50,166</u>
Transfers during the year		(6,263)	(49,264)
Closing balance		<u>1,907</u>	<u>902</u>
<b>13.3 Major spare parts and standby equipment</b>			
Opening balance		162,636	-
Additions during the year		-	162,636
		<u>162,636</u>	<u>162,636</u>
Transferred to operating fixed assets		(161,488)	-
Charged to consumption		(1,148)	-
Closing balance		<u>-</u>	<u>162,636</u>

<b>13.4 Intangible asset</b>	<b>Rupees in thousand</b>
<b>COMPUTER SOFTWARE</b>	
<b>Cost</b>	
Balance as at July 01, 2015	2,385
Additions during the year	<u>3,500</u>
Balance as at June 30, 2016	<u>5,885</u>
Balance as at July 01, 2016	5,885
Additions during the year	<u>18,067</u>
Balance as at June 30, 2017	<u>23,952</u>
<b>Amortization</b>	
Balance as at July 01, 2015	2,385
Charge for the year - note 13.4.1	<u>700</u>
Balance as at June 30, 2016	<u>3,085</u>
Balance as at July 01, 2016	3,085
Charge for the year - note 13.4.1	<u>3,711</u>
Balance as at June 30, 2017	<u>6,796</u>
Book value as at June 30, 2016	<u><b>2,800</b></u>
Book value as at June 30, 2017	<u><b>17,156</b></u>
Annual amortization rate %	<u><b>20%</b></u>

**2017                      2016**  
**(Rupees in thousand)**

**13.4.1** The amortization charge for the year has been allocated as follows:

Cost of sales	- note 21	3,011	-
Administrative expenses	- note 22	<u>700</u>	<u>700</u>
		<u><u>3,711</u></u>	<u><u>700</u></u>

**14. Long term loans to executives**

Considered good:

Loans to executives	- note 14.3	5,923	10,202
Less: Current portion shown under current assets	- note 18	<u>923</u>	<u>893</u>
		<u><u>5,000</u></u>	<u><u>9,309</u></u>

**14.1** 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 3.1% to 10.66% per annum (2016: 3.3% to 10.66% per annum). Such loans are secured against the accumulated provident fund balance of the relevant executive.

**14.2** Maximum aggregate balance due from the executives at the end of any month during the year is Rs 10.184 million (2016: Rs 11.212 million).

<b>14.3 Reconciliation of carrying amount of loans to executives</b>	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
Opening balance	10,202	11,338
Disbursements made during the year	1,365	-
Markup for the year	<u>299</u>	<u>434</u>
	11,866	11,772
Less: Repayments made during the year	<u>5,943</u>	<u>1,570</u>
Closing balance	<u><u>5,923</u></u>	<u><u>10,202</u></u>

## 15. 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.

	2017	2016
	(Rupees in thousand)	
<b>16. Inventories</b>		
Furnace oil	829,992	514,560
Diesel	3,894	3,649
Lubricating oil	12,945	6,674
	<u>846,831</u>	<u>524,883</u>

## 17. Trade debts

**17.1** 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 10.48% to 14.71% (2016: 10.55% to 14.71%) per annum.

**17.2** Included in trade debts is an amount of Rs 966 million relating to capacity purchase price not acknowledged by NTDC during 2012 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.

In the financial year 2016, the Expert had given his determination whereby the aforesaid amount was determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company demanded the payment of the aforesaid amount of Rs 966 million from NTDC that has not yet been paid by NTDC. Under the terms of PPA, the company had filed petition for arbitration in The London Court of International Arbitration ('LCIA'), during the pendency of the Expert's determination whereby an Arbitrator was appointed and the proceedings are ongoing. In October 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') had filed a suit for declaration and permanent injunction along with an application for interim relief in the court of Senior Civil Judge, Lahore seeking suspension of the aforementioned decision of the Expert, praying it to be illegal (herein after referred to as "civil suit 2015") and obtained an interim order suspending the Expert's determination. Furthermore, NTDC filed an application for clarification of the aforementioned interim order and a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings on the basis of the aforementioned interim order. During the year, in response to NTDC's stay application, the Arbitrator through his ruling dated July 8, 2016 declared that the arbitration shall proceed and has denied NTDC's request for a stay. Also, the Arbitrator ordered NTDC to withdraw the abovementioned application filed in the court of Senior Civil Judge, Lahore and has refrained it from taking any further steps therein to disrupt the arbitration proceedings.

Consequently, notices of arbitration were issued to the relevant parties including PPIB. In response to the aforementioned Arbitrator's order dated July 8, 2016, the company and PPIB filed separate applications before the Civil Judge, Lahore. In its application, the company prayed that the Civil Court, Lahore lacks the jurisdiction in respect of the case against the Expert's determination. Meanwhile, GOP through PPIB filed a suit in Civil Court, Lahore (herein after referred to as "civil suit 2016") praying it to restrain the participation in arbitration proceedings, Expert's determination and interim order of the Arbitrator. On April 18, 2017, the Civil Court, Lahore, through an interim order granted the plea of PPIB, whereby the court suspended the arbitration proceedings and restrained participating in the arbitration proceedings. Being aggrieved, the company filed appeal before the Additional District Judge, Lahore against the aforementioned orders of the Civil Court and filed revision petition for lack of jurisdiction by Civil Court in respect of civil suit 2015 and civil suit 2016 and continued to take part in the arbitration proceedings, while NTDC and PPIB did not participate in any subsequent arbitration proceedings pursuant to the decisions of the Civil Court, Lahore dated April 18, 2017. Furthermore, in response to the company's continued participation in the arbitration proceedings, PPIB filed a contempt petition before Lahore High Court ('LHC') in respect of the decision of the Civil Court, Lahore, against which the company filed an intra court appeal in LHC. On May 31, 2017, LHC has suspended the contempt of court orders.

On June 8, 2017, the Arbitrator declared his Partial Final Award wherein he decided the matter principally in the company's favor and declared that the above mentioned Expert's determination is final and binding on all parties while deferring the quantum and security form of the company's claim to October 01, 2017. Later, on July 19, 2017, in order for interim measures, Arbitrator ordered the NTDC to provide security of claim paying Rs 966 million in LCIA's account by August 04, 2017, which was extended to August 21, 2017 that has not yet been paid by NTDC. Subsequent to year end, on July 8, 2017, the Additional District Judge in his order accepted the company's prayer for vacating the orders of the Civil Court, Lahore for the civil suit 2015 and civil suit 2016, however, dismissed the company's revision regarding lack of jurisdiction by Civil Court. The company filed a writ petition in Lahore High Court ('LHC') regarding the lack of jurisdiction by Civil and District courts (herein after referred to as "trial courts"). On the other hand, GOP through PPIB filed revision petitions in LHC challenging the above mentioned orders of Additional District Judge for the civil suit 2015 and civil suit 2016. NTDC also challenged the Partial Final Award in Lahore Civil Court, and the same was suspended by the Civil Court on July 10, 2017. The Civil Court's order was challenged by the company in the District Court by filing a revision petition. The District Court, on August 12, 2017, ordered for the suspension of the Civil Court's order of July 10, 2017 and proceedings are still ongoing.

In response to the revision petition filed by PPIB before LHC against the abovementioned orders of the trial courts with respect to civil suit 2015 and civil suit 2016, LHC on August 4, 2017, suspended the Expert's determination till the next hearing of the case on October 5, 2017 while the case is pending adjudication. Furthermore, in response to the company's writ petition, LHC on September 7, 2017, suspended impugned orders and proceedings of trial courts for the time being while the case is pending adjudication.

On July 6, 2017, NTDC also initiated proceedings challenging the Partial Final Award in London which are pending before the Commercial Court in London. Meanwhile, the Company has filed for an anti suit injunction against NTDC in the Commercial Court in London where on August 14, 2017, an order was issued to NTDC restraining it from pursuing the proceedings initiated in the Civil Court challenging the Partial Final Award and taking any steps or participating in any court outside England which seeks to set aside the Partial Final Award of the Arbitrator.

Based on the advice of the company's legal counsel, Expert's determination and Arbitration Award, management strongly feels that under the terms of the PPA and the Implementation Agreement, there are meritorious grounds to support the company's stance the amount is likely to be recovered. Consequently, no provision for the above mentioned amount has been made in these financial statements.

<b>18. Loans, advances, deposits, prepayments and other receivables</b>	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
Advances - considered good:		
- To suppliers	36,282	281,376
- To employees	-	36
Current portion of long term loans to executives - note 14	923	893
Balance with statutory authority:		
- Sales tax	431,813	231,917
Claim recoverable from NTDC for pass through items:		
- Workers' Profit Participation Fund - note 18.1	670,314	674,842
Security deposit	9,032	9,032
Prepayments	1,757	2,049
Other receivables	642	4,256
	<b>1,150,763</b>	<b>1,204,401</b>



		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>18.1</b>	<b>Workers' Profit Participation Fund</b>		
Opening balance		674,842	537,030
Accrued for the year	- note 10.1	149,988	137,812
		<u>824,830</u>	<u>674,842</u>
Less: Amount received during the year		154,516	-
Closing balance		<u><u>670,314</u></u>	<u><u>674,842</u></u>

**18.1.1** 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.

		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>19.</b>	<b>Bank balances</b>		
Cash at bank:			
- On saving accounts	- note 19.1	114,869	31
- On current accounts	- note 19.2	691	2,277
		<u>115,560</u>	<u>2,308</u>

**19.1** Profit on balances in saving accounts ranged from 1.95% to 4.00% (2016: 3.85% to 5.88%) per annum.

**19.2** Includes amounts aggregating Rs 0.455 million (2016: Rs 1.379 million) with MCB Bank Limited, a related party (associated company).

		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>20.</b>	<b>Sales</b>		
Energy purchase price		13,669,909	11,087,538
Less: Sales tax		1,948,085	1,575,965
		<u>11,721,824</u>	<u>9,511,573</u>
Capacity purchase price		4,426,019	4,342,233
		<u>16,147,843</u>	<u>13,853,806</u>

		<b>2017</b>	<b>2016</b>
<b>21.</b>	<b>Cost of sales</b>		
Raw materials consumed		10,142,578	8,083,254
Salaries and other benefits	- note 21.1	142,057	124,776
Operations and maintenance	- note 21.2	-	(151,034)
Stores and spares consumed		141,647	212,351
Electricity consumed in-house		853	1,181
Insurance	- note 21.3	168,677	165,873
Travelling and conveyance		16,797	20,192
Postage and telephone		2,657	2,658
Repairs and maintenance		52,891	22,810
Entertainment		155	2,363
Depreciation on operating fixed assets	- note 13.1.1	1,134,897	1,156,146
Amortization	- note 13.4.1	3,011	-
Fee and subscription		3,423	3,409
Miscellaneous		18,029	16,088
		<u>11,827,672</u>	<u>9,660,067</u>

**21.1** Salaries and other benefits include Rs 5.506 million (2016: Rs 5.051 million) in respect of provident fund contribution by the company.

**21.2** The figure for 2016 primarily includes a credit aggregating to 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 previous year.

**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.

		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>22.</b>	<b>Administrative expenses</b>		
	Salaries and other benefits	- note 22.1	66,219
	Travelling and conveyance		69,547
	Entertainment		13,307
	Common facilities cost	- note 22.2	2,291
	Printing and stationery		2,320
	Postage and telephone		18,011
	Insurance	- note 22.3	884
	Vehicle running expenses		883
	Repairs and maintenance		1,621
	Legal and professional charges	- note 22.4	1,614
	Advertisement		1,660
	Fee and subscription		825
	Depreciation on operating fixed assets	- note 13.1.1	58
	Amortization on intangible asset	- note 13.4.1	42
	Advances written off		43,397
	Miscellaneous		21,633
			317
			3,864
			17,751
			700
			75
			2,034
			8,807
		<u>172,968</u>	<u>153,998</u>

**22.1** Salaries and other benefits include Rs 1.994 million (2016: Rs 2.157 million) in respect of provident fund contribution by the company.

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

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

		<b>2017</b>	<b>2016</b>
		<b>(Rupees in thousand)</b>	
<b>22.4</b>	Legal and professional charges include the following		
	in respect of auditors' services for:		
	Statutory audit	1,500	1,400
	Half yearly review	840	800
	Tax services	230	301
	Other assurance services	48	125
	Reimbursement of expenses	230	180
		<u>3,263</u>	<u>2,806</u>

**2017**                      **2016**  
**(Rupees in thousand)**

**23. Other expenses**

Exchange loss		6,968	1,148
Donations	- note 23.1	84,825	86,080
Loss on derivative financial instruments		900	5,111
		92,693	92,339

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

**2017**                      **2016**  
**(Rupees in thousand)**

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	4,125	1,940
Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore	Mr Shahzad Saleem, Mr Yahya Saleem and Mrs Farhat Saleem	Directors	80,000	81,140
Lahore University of Management Sciences, Opposite Sector U, Phase - V, D.H.A, Lahore	Mr Shahzad Saleem	Trustee	-	250
			84,125	83,330

**24. Other income**

**Income from financial assets:**

Profit on bank deposits		463	26
Mark-up on loans to executives		299	434

**Income from non-financial assets:**

Gain on disposal of operating fixed assets		7,094	2,028
Scrap sales		28,203	25,004
Miscellaneous		399	464
		36,458	27,956

	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
<b>25. Finance cost</b>		
Interest/mark-up on:		
- Long term financing - secured	742,180	938,103
- Short term borrowings - secured	343,419	277,057
- Short term loan from holding company - unsecured	3,767	-
Bank charges and commission	3,154	3,956
	<u>1,092,520</u>	<u>1,219,116</u>

**26. Taxation**

Current		
- For the year	-	-
- Prior years	(1,303)	-
	<u>(1,303)</u>	<u>-</u>

**26.1 Relationship between tax income and accounting profit**

Profit before taxation	<u>2,998,448</u>	<u>2,756,242</u>
Tax at the applicable rate of 31% (2016: 32%)	929,519	881,997
Tax effect of amounts that are exempt as referred to in note 4.1	(929,375)	(881,989)
Allowable as tax credit	(144)	(8)
Effect of change in prior years' tax	(1,303)	-
	<u>(1,303)</u>	<u>-</u>

**26.2** For the purposes of current taxation, the tax credit available for carry forward is estimated at Rs 94.115 million (2016: Rs 70.733 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.

		<b>2017</b>	<b>2016</b>
<b>27. Earnings per share</b>			
<b>27.1 Basic earnings per share</b>			
Net profit for the year	<b>Rupees in thousand</b>	2,999,751	2,756,242
Weighted average number of ordinary shares	<b>Number</b>	367,346,939	367,346,939
Earnings per share	<b>Rupees</b>	8.17	7.50

## 27.2 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, 2017, and June 30, 2016, which would have any effect on the earnings per share if the option to convert is exercised.

	<b>2017</b>	<b>2016</b>	
	<b>(Rupees in thousand)</b>		
<b>28. Cash generated from operations</b>			
Profit before taxation	2,998,448	2,756,242	
Adjustment for non cash charges and other items:			
Depreciation on operating fixed assets	1,152,648	1,171,177	
Amortization on intangible assets	3,711	700	
Profit on bank deposits	(463)	(26)	
Finance cost	1,092,520	1,219,116	
Loss on derivative financial instrument	-	1,713	
Advances written off	75	-	
Provision for employee retirement benefits	7,501	7,208	
Profit on disposal of operating fixed assets	(7,094)	(2,028)	
Profit before working capital changes	5,247,346	5,154,102	
Effect on cash flow due to working capital changes:			
<b>Decrease / (increase) in current assets :</b>			
Stores and spares	56,198	224,041	
Inventories	(321,948)	395,570	
Trade debts	(2,628,436)	1,685,591	
Loans, advances, deposits, prepayments and other receivables	53,638	(317,861)	
	(2,840,548)	1,987,341	
<b>Increase/ (decrease) in current liabilities :</b>			
Trade and other payables	263,905	(370,261)	
	(2,576,643)	1,617,080	
	2,670,703	6,771,182	
<b>29. Cash and cash equivalents</b>			
Bank balances	- note 19	115,560	2,308
Short term borrowings - secured	- note 8	(6,043,219)	(4,100,625)
		(5,927,659)	(4,098,317)

### 30. Remuneration of Chief Executive, Directors and Executives

**30.1** 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	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)							
<b>Short term employee benefits</b>								
Managerial remuneration	9,640	7,995	-	-	3,366	3,366	65,763	61,777
Housing rent	3,856	3,198	-	-	1,347	1,347	25,074	24,711
Medical expenses	964	800	-	-	337	337	6,269	6,178
Bonus	-	-	-	-	-	-	12,311	9,767
Leave encashment	-	-	-	-	-	-	3,028	1,725
	14,460	11,993	-	-	5,050	5,050	112,445	104,158
<b>Meeting fee</b>	40	40	-	-	360	300	-	-
<b>Post employment benefits</b>								
Contribution to provident fund	-	-	-	-	-	-	5,044	5,010
	14,500	12,033	-	-	5,410	5,350	117,489	109,168
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>59</b>	<b>60</b>

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

### 31. 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 30. 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	2017 (Rupees in thousand)	2016
Holding company	Dividends paid	562,757	1,125,515

32. Capacity and production	2017 MWH	2016 MWH
Installed capacity [based on 8,760 hours (2016: 8,784 hours)]	1,714,525	1,719,222
Actual energy delivered	1,315,869	1,208,325

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

33. Number of employees	2017	2016
Total number of employees as at June 30	179	191
Average number of employees during the year	186	192

34. Disclosures relating to Provident Fund	2017 (Rupees in thousand)	2016 (Rupees in thousand)
Size of the Fund - total assets	50,990	40,499
Cost of investments out of the Provident Fund	45,476	34,825
Fair value of investments out of the Provident Fund	46,099	35,057
Percentage of investments out of the Provident Fund	90%	87%

#### Break up of fair value of investments

	2017		2016	
	Rupees in thousand	% of investment	Rupees in thousand	% of investment
Balances with banks				
- savings accounts	24	0.05%	101	0.29%
Government securities				
- Treasury Bills	46,075	99.95%	34,956	99.71%
	46,099	100%	35,057	100%

The figures for 2017 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 218 of the Companies Act, 2017 and the rules formulated for this purpose.

## 35. Financial risk management

### 35.1 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:

	2017	2016
	(Rupees in thousand)	
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Bank balances - savings accounts	114,869	31
<b>Financial liabilities</b>	-	-
<b>Net exposure</b>	114,869	31
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Trade debts - overdue	3,218,815	1,972,650
WPPF receivable from NTDC - overdue	520,302	382,490
<b>Financial liabilities</b>		
Long term financing	(7,507,386)	(9,171,718)
Short term borrowings	(6,393,219)	(4,100,625)
<b>Net exposure</b>	(10,681,790)	(11,299,693)



## 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 103.501 million (2016: Rs 102.571 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:

	2017	2016
	(Rupees in thousand)	
Long term loans to executives	5,000	9,309
Long term security deposits	105	105
Trade debts	9,052,621	6,424,185
Advances, deposits and other receivables	680,911	689,023
Bank balances	115,560	2,308
	9,854,197	7,124,930

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

Neither past due nor impaired	4,120,701	3,388,320
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Past due but not impaired:

- 1 to 30 days	1,823,605	611,563
- 31 to 90 days	1,554,180	476,889
- 91 to 180 days	73,379	396,109
- 181 to 365 days	215,841	217,721
- above 365 days	1,264,915	1,333,583
	4,931,920	3,035,865
	9,052,621	6,424,185

**(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	2017	2016
	Short term	Long term			
NTDC		Not available		4,120,701	3,388,320
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	21	21
Askari Bank Limited	A1+	AA+	PACRA	8	19
Bank Alfalah Limited	A1+	AA+	PACRA	189	798
Faysal Bank Limited	A1+	AA	PACRA	-	-
Habib Bank Limited	A-1+	AAA	JCR-VIS	7	7
Habib Metropolitan Bank	A1+	AA+	PACRA	18	-
MCB Bank Limited	A1+	AAA	PACRA	455	1,379
National Bank of Pakistan	A1+	AAA	PACRA	38	60
United Bank Limited	A-1+	AAA	JCR-VIS	114,824	24
				4,236,261	3,390,628

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, 2017.

	<b>Carrying amount</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>More than five years</b>
	<b>( Rupees in thousand)</b>			
Long term financing	7,507,386	1,933,775	5,573,611	-
Short term borrowings	6,393,219	6,393,219	-	-
Trade and other payables	317,062	317,062	-	-
Accrued finance cost	255,569	255,569	-	-
	<u>14,473,236</u>	<u>8,899,625</u>	<u>5,573,611</u>	<u>-</u>

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

	<b>Carrying amount</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>More than five years</b>
	<b>( Rupees in thousand)</b>			
Long term financing	9,171,718	1,664,332	7,507,386	-
Short term borrowings	4,100,625	4,100,625	-	-
Trade and other payables	706,796	706,796	-	-
Accrued finance cost	269,628	269,628	-	-
Derivative financial instruments	1,713	1,713	-	-
	<u>14,250,480</u>	<u>6,743,094</u>	<u>7,507,386</u>	<u>-</u>

**35.2 Financial instruments by categories**

<b>Assets as per balance sheet</b>	<b>Loans and receivables</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
Long term loans to executives	5,000	9,309
Long term security deposits	105	105
Trade debts	9,052,621	6,424,185
Loans, advances, deposits and other receivables	680,911	689,023
Bank balances	115,560	2,308
	<u>9,854,197</u>	<u>7,124,930</u>
	<b>Financial liabilities at amortized cost</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
<b>Liabilities as per balance sheet</b>		
Long term financing	7,507,386	9,171,718
Short term borrowings	6,393,219	4,100,625
Trade and other payables	317,062	706,796
Accrued finance cost	255,569	269,628
	<u>14,473,236</u>	<u>14,248,767</u>
	<b>Financial liabilities at fair value through profit or loss</b>	
	<b>(Rupees in thousand)</b>	
Derivative financial instruments	-	1,713

### **35.3 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.

### **35.4 Financial assets and financial liabilities subject to offsetting**

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

### **35.5 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 29. Total capital is calculated as 'equity' as shown in the balance sheet plus borrowings.

The gearing ratio as at June 30, 2017 and June 30, 2016 is as follows:

	<b>2017</b>	<b>2016</b>
	<b>(Rupees in thousand)</b>	
Borrowings - note 7	7,507,386	9,171,718
Less: Cash and cash equivalents - note 29	<u>(5,927,659)</u>	<u>(4,098,317)</u>
Net debt	13,435,045	13,270,035
Total equity	<u>9,190,288</u>	<u>7,292,577</u>
Total capital	<u><u>22,625,333</u></u>	<u><u>20,562,612</u></u>
Gearing ratio	<b>Percentage</b>	
	59.38	64.53

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.

### **36. Date of authorization for issue**

These financial statements were authorized for issue on 22 September, 2017 by the Board of Directors of the company.

### **37. Events after the balance sheet date**

The Board of Directors has proposed a final cash dividend for the year ended June 30, 2017 of Rs 1.0 (2016: Rs 1.5) per share, amounting to Rs 367.347 million (2016: Rs 551.020 million) at their meeting held on 22 September, 2017 for approval of the members at the Annual General Meeting to be held on 23 October, 2017. 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.

### **38. General**

The figures in these financial statements have been rounded off to the nearest thousand.

**Chief Executive**

**Chief Financial Officer**

**Director**

**NISHAT CHUNIAN POWER LIMITED**  
**CATEGORIES OF SHAREHOLDERS**  
**AS ON JUNE 30TH, 2017**

<b>Categories</b>	<b>No. of Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
A General Public	2,891	58,608,076	15.95%
B Directors/Chief Executive Officer and their Spouse and minor Children			
Mr. Muhammad Ali Zeb	1	1	0.00%
Mr. Aftab Ahmad Khan	1	1	0.00%
Mr. Kamran Rasool	1	1	0.00%
Mr. Wasif M. Khan	1	100	0.00%
Ms. Farhat Saleem	1	137,511	0.04%
Mr. Shahzad Saleem (Nominee - NCL)	-	-	0.00%
Mr. Zain Shahzad (Nominee - NCL)	-	-	0.00%
Mr. Syed Tariq Ali (Nominee - ABL)	-	-	0.00%
Ms. Ayesha Shahzad (Spouse of Shahzad Saleem)	1	50,000	0.01%
C Associated Companies, Undertaking and related Parties			
Nishat (Chunian) Limited	1	187,585,820	51.07%
D Joint Stock Companies	59	8,039,891	2.19%
E Financial Institutions	14	73,695,817	20.06%
F Insurance Companies	7	12,859,000	3.50%
G Investment Companies	2	68,500	0.02%
H Public Sector Companies	8	21,666,105	5.90%
I Mutual Funds			
CDC - Trustee AKD Index Tracker Fund	1	38,465	0.01%
CDC - Trustee National Investment (Unit) Trust	1	21,500	0.01%
Intereffekt Investment Funds N.V..	1	870,000	0.24%
CDC - Trustee ABL Stock Fund	1	854,500	0.23%
J Funds	12	1,077,000	0.29%
K Others	17	1,774,651	0.48%
	<b>3021</b>	<b>367,346,939</b>	<b>100.00%</b>

Shareholding 5% or more

<b>Name of Shareholder</b>	<b>Shares Held</b>	<b>Percentage</b>
Nishat (Chunian) Limited	187,585,820	51.07%
Allied Bank Limited	30,000,000	8.17%

**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, 2016 to June 30, 2017

<b>Sale</b>	<b>Purchase</b>
- Nil -	- Nil -

**NISHAT CHUNIAN POWER LIMITED**  
**PATTERN OF SHAREHOLDING**  
**AS ON JUNE 30TH, 2017**

Number of Share Holders	Shareholdings		Total Number of Share Held	Percentage of Total Capital
	From	To		
186	1	- 100	4,943	0.00%
672	101	- 500	325,082	0.09%
379	501	- 1000	371,421	0.10%
756	1001	- 5000	2,367,277	0.64%
311	5001	- 10000	2,597,662	0.71%
131	10001	- 15000	1,691,505	0.46%
106	15001	- 20000	1,989,391	0.54%
75	20001	- 25000	1,797,625	0.49%
55	25001	- 30000	1,597,677	0.43%
28	30001	- 35000	933,040	0.25%
20	35001	- 40000	773,213	0.21%
18	40001	- 45000	779,600	0.21%
51	45001	- 50000	2,527,500	0.69%
15	50001	- 55000	800,501	0.22%
8	55001	- 60000	477,840	0.13%
8	60001	- 65000	503,500	0.14%
6	65001	- 70000	406,000	0.11%
8	70001	- 75000	595,500	0.16%
3	75001	- 80000	240,000	0.07%
1	80001	- 85000	84,000	0.02%
4	85001	- 90000	347,000	0.09%
2	90001	- 95000	188,000	0.05%
24	95001	- 100000	2,395,500	0.65%
4	100001	- 105000	412,595	0.11%
4	105001	- 110000	434,500	0.12%
1	110001	- 115000	113,500	0.03%
5	115001	- 120000	596,000	0.16%
3	120001	- 125000	370,500	0.10%
7	125001	- 130000	902,500	0.25%
4	130001	- 135000	536,351	0.15%
5	135001	- 140000	691,011	0.19%
2	140001	- 145000	288,000	0.08%
5	145001	- 150000	742,500	0.20%
2	150001	- 155000	306,000	0.08%
4	155001	- 160000	631,500	0.17%
3	160001	- 165000	487,554	0.13%
3	165001	- 170000	510,000	0.14%
2	170001	- 175000	349,500	0.10%
2	185001	- 190000	378,500	0.10%
3	190001	- 195000	582,901	0.16%
9	195001	- 200000	1,800,000	0.49%
3	200001	- 205000	612,000	0.17%
2	205001	- 210000	418,000	0.11%
3	210001	- 215000	639,000	0.17%
1	220001	- 225000	222,000	0.06%
1	225001	- 230000	226,500	0.06%
3	230001	- 235000	700,500	0.19%
1	245001	- 250000	250,000	0.07%
1	250001	- 255000	252,000	0.07%
1	270001	- 275000	275,000	0.07%
1	290001	- 295000	294,000	0.08%
1	295001	- 300000	300,000	0.08%
1	300001	- 305000	301,085	0.08%

1	305001	-	310000	306,800	0.08%
1	320001	-	325000	324,000	0.09%
1	335001	-	340000	338,000	0.09%
1	345001	-	350000	349,500	0.10%
2	360001	-	365000	730,000	0.20%
1	365001	-	370000	369,000	0.10%
1	380001	-	385000	385,000	0.10%
5	395001	-	400000	1,997,011	0.54%
1	425001	-	430000	430,000	0.12%
1	430001	-	435000	434,500	0.12%
1	445001	-	450000	448,000	0.12%
1	450001	-	455000	451,539	0.12%
1	470001	-	475000	471,000	0.13%
1	490001	-	495000	493,000	0.13%
3	495001	-	500000	1,500,000	0.41%
1	505001	-	510000	510,000	0.14%
1	540001	-	545000	543,500	0.15%
2	545001	-	550000	1,100,000	0.30%
2	575001	-	580000	1,152,500	0.31%
3	590001	-	595000	1,782,000	0.49%
3	595001	-	600000	1,800,000	0.49%
1	605001	-	610000	609,000	0.17%
1	625001	-	630000	630,000	0.17%
1	695001	-	700000	700,000	0.19%
1	755001	-	760000	760,000	0.21%
1	770001	-	775000	771,000	0.21%
1	795001	-	800000	800,000	0.22%
2	850001	-	855000	1,707,000	0.46%
1	865001	-	870000	870,000	0.24%
1	895001	-	900000	899,500	0.24%
1	925001	-	930000	928,500	0.25%
1	1000001	-	1005000	1,001,000	0.27%
1	1005001	-	1010000	1,007,693	0.27%
1	1295001	-	1300000	1,300,000	0.35%
1	1495001	-	1500000	1,500,000	0.41%
1	1525001	-	1530000	1,530,000	0.42%
1	1545001	-	1550000	1,550,000	0.42%
1	1740001	-	1745000	1,741,500	0.47%
1	1745001	-	1750000	1,745,500	0.48%
1	2690001	-	2695000	2,692,500	0.73%
1	2995001	-	3000000	3,000,000	0.82%
1	3095001	-	3100000	3,100,000	0.84%
1	3125001	-	3130000	3,126,000	0.85%
1	3445001	-	3450000	3,450,000	0.94%
1	4205001	-	4210000	4,205,500	1.14%
1	4245001	-	4250000	4,250,000	1.16%
1	4780001	-	4785000	4,780,500	1.30%
1	4855001	-	4860000	4,858,000	1.32%
1	10135001	-	10140000	10,139,500	2.76%
1	13465001	-	13470000	13,469,302	3.67%
1	18305001	-	18310000	18,306,500	4.98%
1	29995001	-	30000000	30,000,000	8.17%
1	187585001	-	187590000	187,585,820	51.07%
<hr/>				<hr/>	
<b>3,021</b>			<b>367,346,939</b>	<b>100%</b>	

**NISHAT CHUNIAN POWER LIMITED  
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 23, 2017 (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 \_\_\_\_\_ 2017 signed by the  
said \_\_\_\_\_ in presence of  
\_\_\_\_\_

Witness

Signature

Signature

Affix Rs. 5/- Revenue  
Stamp

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.



پراکسی فارم (مختار نامہ)

کمپنی سیکرٹری

نشاط چوینیاں پاور لمیٹڈ

31-Q، گلبرگ II، لاہور

میں انہم

ساکن

بحیثیت رکن نشاط چوینیاں پاور لمیٹڈ اور حامل عام حصص برطابق شیئر رجسٹر فلیو نمبر  
(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر پارٹیسپنٹ آئی ڈی نمبر)

بذریعہ ہذا

محترم / محترمہ ساکن

جو کمپنی کا ممبر ہے برطابق شیئر رجسٹر فلیو نمبر یا (اسکی غیر موجودگی میں محترم / محترمہ) ساکن  
جو کمپنی کا ممبر ہے برطابق شیئر رجسٹر فلیو نمبر کو

مورخہ 23 اکتوبر 2017ء کو کمپنی کے صدر دفتر 31-Q، گلبرگ II، لاہور میں منعقد ہونے والے کمپنی کے 10 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے کے لئے اپنا/ ہمارا بطور  
مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

بطور گواہ میرے دستخط..... آج بروز..... تاریخ..... 2017ء

دستخط گواہ

دستخط گواہ

5 روپے کارسیدی

ٹکٹ چسپاں کریں

نوٹ:

- 1- پر آکسیاں تا نکلہ موخر ہو سکیں کمپنی کے رجسٹرڈ دفتر / صدر دفتر میں باقاعدہ مہر، دستخط اور گواہی شدہ اجلاس سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئیں۔
- 2- دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں

**NISHAT CHUNIAN POWER LIMITED**  
**CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM**

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED  
H.M. House, 7-Bank Square,  
The Mall, Lahore

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of Nishat Chunian Power Limited (“Company”), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

Name of Shareholder(s):	
Fathers / Husband Name:	
CNIC:	
NTN:	
Fathers / Husband Name:	
E-mail address:	
Telephone:	
Mailing Address:	

Date: \_\_\_\_\_

Signature: (In case of corporate shareholders, the authorized signatory must sign)

**NISHAT CHUNIAN POWER LIMITED**  
**STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS**

1. Name of Member: \_\_\_\_\_

2. CNIC/Passport Number: \_\_\_\_\_

3. Participant ID / Folio No/Sub A/C: \_\_\_\_\_

8. Registered Address: \_\_\_\_\_

\_\_\_\_\_

I/We hereby request you to provide me/us a hard copy of the Annual Report of Nishat Chunian Power Limited for the year ended June 30, 2017 at my above mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT CHUNIAN POWER LIMITED  
31-Q, Gulberg II, Lahore  
Email: mbilal@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED  
H.M. House, 7-Bank Square,  
The Mall, Lahore

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

**NISHAT CHUNIAN POWER LIMITED  
E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)**

**The Company Secretary/Share Registrar,**

I/We, \_\_\_\_\_, holding CNIC No. \_\_\_\_\_, being the registered shareholder of the company under folio no. \_\_\_\_\_, state that pursuant the relevant provisions of Section 242 of the Companies Act, 2017 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur through revised E-Dividend Form.

Title of Bank Account	
Bank Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant

Date: \_\_\_\_\_

Member's Signature

**Note:**

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

NISHAT CHUNIAN POWER LIMITED  
31-Q, Gulberg II, Lahore  
Email: mbilal@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED  
H.M. House, 7-Bank Square,  
The Mall, Lahore

**NISHAT CHUNIAN POWER LIMITED  
FORM FOR VIDEO CONFERENCE FACILITY**

**The Company Secretary/Share Registrar,**

I/we, \_\_\_\_\_, of \_\_\_\_\_, being the registered shareholder(s) of the company under Folio No(s). \_\_\_\_\_/ CDC Participant ID No. \_\_\_ and Sub Account No. \_\_\_ CDC Investor Account ID No., and holder of \_\_\_\_\_ Ordinary Shares, hereby request for video conference facility at \_\_\_\_\_ for the Annual General Meeting of the Company to be held on 23<sup>rd</sup> October, 2017

Date: \_\_\_\_\_

Member's Signature

**Note:**

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT CHUNIAN POWER LIMITED  
31-Q, Gulberg II, Lahore  
Email: mbilal@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED  
H.M. House, 7-Bank Square,  
The Mall, Lahore



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

