ANNUAL REPORT 2018

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

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

CONTENTS

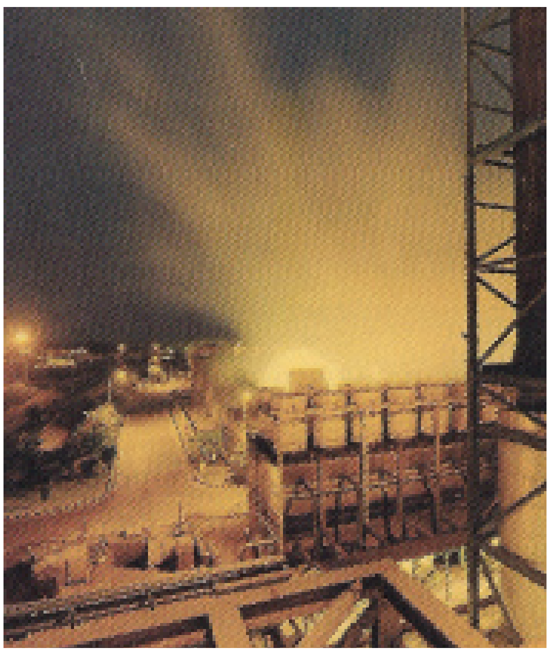
COMPANY INFORMATION

BOARD OF DIRECTORS:	Mrs. Farhat Saleem Chairperson Mr. Shahzad Saleem Chief Executive Mr. Zain Shahzad Director Mr. Syed Tariq Ali Director Mr. Aftab Ahmad Khan Director Mr. Muhammad Azam Director Ms. Ayesha Shahzad Director Mr. Yahya Saleem (appointed on July 17, 2018) Director
AUDIT COMMITTEE AND HR & R COMMITTEE:	Mr. Muhammad Azam Chairman Mr. Zain Shahzad Member Mr. Aftab Ahmad Khan 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 The Bank of Punjab Dubai Islamic Bank Pakistan Limited

AUDITORS:	A.F. Ferguson & Co. Chartered Accountants
LEGAL ADVISERS:	Raja Muhammad Akram & Co. Advocates & Legal Consultants Cornelius Lane & Mufti Advocates & Solicitors
REGISTERED & HEAD OFFICE:	31-Q, Gulberg II, Lahore, Pakistan. Ph: 042-35761730 Fax: 042-35878696-97 www.nishat.net
SHARE REGISTRAR:	Hameed Majeed Associates (Pvt) Limited 1st Floor, H.M. House 7-Bank Square, Lahore Ph: 042 37235081-2 Fax: 042 37358817
PLANT:	66-Km, Multan Raod, Pattoki Kasur.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 11th Annual General Meeting of the Shareholders of Nishat Chunian Power Limited (the "Company") will be held on 26th October, 2018 at 09:00 AM at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:



ORDINARY BUSINESS:

1. To confirm the minutes of the 10th Annual General Meeting held on October 23, 2017.
2. To receive, consider and adopt audited financial statements of the Company for the year ended 30 June 2018 together with Directors' and Auditors' reports thereon.
3. To approve the payment of final cash dividend of Rs. 1.50 per share i.e 15% as recommended by the Board of Directors in their meeting held on September 28, 2018.
4. To appoint auditors for the year ending June 30, 2019 and to fix their remuneration. The present Auditors M/s A.F Ferguson & Company, Chartered Accountants, retire and being eligible offer themselves for reappointment.
5. To transact any other business with the permission of the Chair.

By order of the Board

Lahore
Dated: October 04, 2018

Muhammad Bilal
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 19, 2018 to October 26, 2018 (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 18, 2018 will be considered in time to determine the above mentioned entitlement and to attend and vote at the Meeting.

2. Participation in the Annual General Meeting

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

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

A. For Attending the Meeting:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

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

3. 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.

Members are requested to submit declaration (CZ-50) as per Zakat & Usher Ordinance 1980, for Zakat exemption.

4. 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.

5. Unclaimed Dividend

In compliance with Section 244 of the Companies Act, 2017 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.

6. 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.

7. The Company has placed the audited financial statements for the year ended June 30, 2018 along with Auditors and Directors Reports thereon on its website: www.nishat.net

نشاط چونیاںپاور لمیٹڈ

اطلاع سالانہ اجلاسِ عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ نشاط چونیاں پاور لمیٹڈ (دی ''کمپنی'') کے حصص داران کا 11 واں سالانہ اجلاسِ عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ۔II، لاہور پر 26 اکتوبر 2018ء کو صبح 09:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 23 اکتوبر 2017ء کو منعقدہ 10ویں سالانہ اجلاسِ عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2018ء مختتمہ سال کیلئے کمپنی کے نظرثانی شدہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غوروخوض اور منظوری دینا۔

3۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق حتمی نقد منافع منقسمہ -/1.50 روپے فی شیئر یعنی 15 فیصد کی منظوری دینا۔

4۔ 30 جون 2019ء مختتمہ سال کیلئے محاسب کا تقرر اور اُن کے مشاہرہ کا تعین کرنا۔ موجودہ محاسب ایے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کیلئے اپنے آپ کو پیش کرتے ہیں۔

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

لاہور

مورخہ: 04 اکتوبر 2018ء

بحکم بورڈ

محمد بلال

کمپنی سیکرٹری

نوٹ:

1۔ حصص منتقلی کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں از 19 اکتوبر 2018 تا 26 اکتوبر 2018 (بشمول ہر دو ایام) بند رہیں گی۔ مادی منتقلیاں شیئر رجسٹرار کے دفتر، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور پر 18 اکتوبر 2018 کو کاروبار کے اختتام تک موصول ہونے والی اجلاس میں شرکت اور ووٹ دینے اور مذکورہ بالا استحقاق کے تعین کے لئے بروقت تصور ہونگی۔

2- 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 پراکسی مقرر کرسکتا ہے۔ پراکسی 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 ہوجانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سیکیورٹیز اینڈ ایکسچینج کمشن آف پاکستان سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 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 سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی 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 اینٹٹی، بورڈ آف ڈائریکٹرز کی قرارداد/ مختارنامہ معہ نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہونگے (اگر پہلے مہیا نہیں کئے گئے)۔

B- پراکسیز تقرری کیلئے:

(i)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا شخص جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو بالا ریکوائرمنٹ کے مطابق پراکسی فارم جمع کرانا ہوگا۔

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

(iii)۔ بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہونگی۔

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

(v)۔ بصورت کارپوریٹ اینٹٹی، بورڈ آف ڈائریکٹرز قرارداد/ مختارنامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے مہیا نہیں کئے)۔

3۔ نقد منافع منقسمہ کی الیکٹرونیکلی ادائیگی

کمپنیز ایکٹ 2017ء کے سیکشن 242 پروویژنز 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 شیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیویڈنڈ فارم پر الیکٹرونک ڈیویڈنڈ 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 پارٹیسپنٹ کو مہیا کرنی چاہئیں۔

4۔ ڈیجیٹل سٹوریج کے ذریعے سالانہ رپورٹس کی ترسیل

SECP کے نوٹیفکیشن SRO 471(1)/2016 مورخہ 31 مئی 2016 کی پیروی میں نشاط چونیاں پاور لمیٹڈ کے حصص داران کمپنی کے 9ویں AGM میں سالانہ رپورٹس بشمول تنقیح شدہ سالانہ حسابات، AGM کے نوٹسز اور کمپنی کی دیگر معلومات ہارڈ کاپیوں میں ترسیل کی بجائے سی ڈی /ڈی وی ڈی /یو ایس 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/ شیئر 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 بذریعہ ای میل 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۔

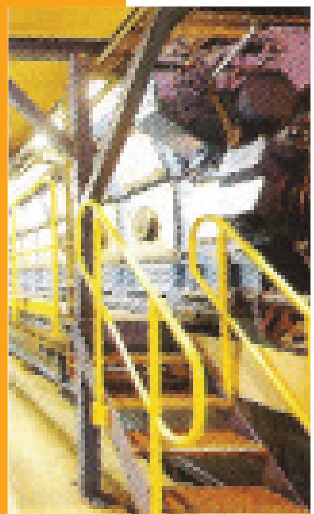
5۔ ان کلیم ڈیویڈنڈ

حصص داران کے ان کلیم ڈیویڈنڈز، جو کسی وجہ سے اپنے ڈیویڈنڈ کلیم نہیں کر سکے تھے، اگر کوئی ہوں، سے التماس ہے کہ ہمارے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک اسکوائر، مال لاہور سے اپنے ان کلیم ڈیویڈنڈ، اگر کوئی ہوں، کے بارے در یافت/ حاصل کرنے کے لئیے رابطہ کریں۔

6۔ 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) پارٹیسپنٹس اور (ii) مادی سیکورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کریں۔

7۔ کمپنی 30 جون 2018 مختتمہ سال کے لئے نظرثانی شدہ مالی حسابات معہ ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اپنی ویب سائٹ: www.nishat.net پر رکھ چکی ہے۔



CHAIRPERSON'S REVIEW REPORT

Nishat Chunian Power Limited (NCPL) has completed the eighth year of its twenty five year Power Purchase Agreement with the National Transmission and Dispatch Company and was able to achieve this success with solid performance and results.

Pivotal to the Company's success, Board implemented a robust governance framework that ensures the effective and prudent management of business matters. 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. The Board together with its committees was fully involved in the planning process and in developing the vision for the Company.

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.

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

چیئرپرسن کی جائزہ رپورٹ

نشاط چونیاں پاور لمیٹڈ (این سی پی ایل) نے نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی کے ساتھ اپنے پچیس سالہ بجلی خریداری معاہدے کے آٹھ سال مکمل کئے ہیں اور ٹھوس کارکردگی اور نتائج کے ساتھ یہ کامیابی حاصل کرنے کے قابل ہوئی۔

کمپنی کی کامیابی کے لئے بورڈ کی طرف سے مضبوط گورننس فریم ورک پر عملدرآمد کروانا اہم ہے جو کاروباری امور کے موثر اور قابل اعتماد انتظامات کو یقینی بناتا ہے۔ عالمی بہترین طریقوں کے مطابق بہتری کے شعبے متعارف اور آزمائے گئے۔ اس بات کو یقینی بنایا گیا کہ پیشہ ورانہ معیار 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۔

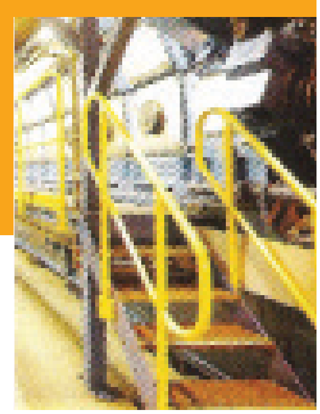
بورڈ وسیع تجربے اور متنوع علم کے حامل ارکان پر مشتمل ہے جو موثر فیصلہ سازی کے عمل کی وجہ ہے۔ بورڈ اپنی کمیٹیوں کے ہمراہ منصوبہ بندی کے عمل میں اور کمپنی کے نقطہ نظر کو فروغ دینے میں مکمل طور پر اپنا کردار ادا کرتا رہا ہے۔

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۔

بورڈ کی طرف سے، میں کمپنی کی کامیابی میں اپنے تمام ملازمین کے تعاون کو تسلیم کرتی ہوں۔

محترمہ فرحت سلیم

چیئرپرسن



DIRECTORS' REPORT

DEAR SHAREHOLDER

The Board is pleased to present our financial statements for the year ending on June 30, 2018. During fiscal year 2018 our company achieved adequate earnings. Turnover for the period was PKR 16.59 billion (2016: PKR 16.15 billion) with an after tax profit of PKR 3.41 billion (2016: PKR 2.99 billion) and an Earning Per Share (EPS) of PKR 9.27 (2016: PKR 8.17).

PROFITABILITY

Our top line improved slightly, mainly because of increase in fuel prices, despite lower capacity factor (64.14 % in 2018 vs. 76.17% in 2017) due to lower demand from NTDC/ CPPA (G) (Power Purchaser). A total of 1,099,666 MWH (2017: 1,315,869 MWH) of energy was delivered to Power Purchaser.

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 Power Purchaser. 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, 2018, our total receivables from Power Purchaser have amplified to PKR 12.26 billion, out of which PKR 8.01 billion were in overdue. Power Purchaser 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 and implemented 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 not acknowledged by Power Purchaser 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 Power Purchaser.

The Company maintains the view that this amount should be payable by Power Purchaser. 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 from the Supreme Court of Pakistan. Power Purchaser and the IPPs appointed Justice Sair Ali as the expert for mediation on this issue. During the financial year 2016, the expert gave his determination

whereby the aforesaid amount was determined to be payable to the company by Power Purchaser. 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, the Arbitrator declared his Final Award whereby he ordered Power Purchaser to pay to amount according to Expert Determination, pre-award interest, costs of proceedings and LCIA and damages breach of arbitration agreement and interest till the date of settlement of these amounts. Power Purchaser challenged the Final Award in Commercial Court of England which was later withdrawn and NCPL has filed an application before LHC for implementation of Final Award that is pending adjudication. On May 4. 2018 Commercial Court of England issued an injunction abstaining Power Purchaser from taking any steps outside England against Partial Final Award/Final Award. Power Purchaser has sought permission to file an appeal before the Court of Appeals, London, which is pending as of today.

External auditor has highlighted this point in Emphasis of Matter paragraph in their report, further details are provided in the notes of the accompanying financial statement.

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). This 350 bed hospital which is being constructed on 39 kanals of land will provide subsidized medical treatment to the underprivileged. The hospital will be functional by 2019. The company also donated Rs. 5.1 mln during the year 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 September 28, 2018 recommended Rs. 551.02 Million final cash dividend i.e. Rs. 1.5 per share.

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

AUDITORS

The retiring auditors M/s A.F. Ferguson & Co. Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the Company for the year 2018-19.

BOARD OF DIRECTORS AND ITS COMMITTEES

During the year under review Four (4) meetings were held. Attendance and composition of the board is as follows:

DIRECTORS ON THE BOARD

Name of Director	Category	Committee	Attendance
Mr. Shahzad Saleem	Executive	-	2
Mrs. Farhat Saleem	Non-Executive	-	2
Mr. Muhammad Azam	Independent	Audit and HR&R	3
Mr. Zain Shahzad	Non-Executive	Audit and HR&R	-
Mr. Aftab Ahmad Khan	Non-Executive	Audit and HR&R	4
Mr. Syed Tariq Ali	Non-Executive	-	4
Ms. Ayesha Shahzad (appointed on April 17, 2018)	Non-Executive	-	-
Mr. Yahya Saleem (appointed on July 17, 2018)	Non-Executive	-	-

DIRECTORS RESIGNED DURING THE PERIOD

Name of Director	Category	Committee	Attendance
Mr. Kamran Rasool (Resigned: Jan 22, 2018)	-	-	1
Mr. Muhammad Ali Zeb (Resigned: April 18, 2018)	-	-	2

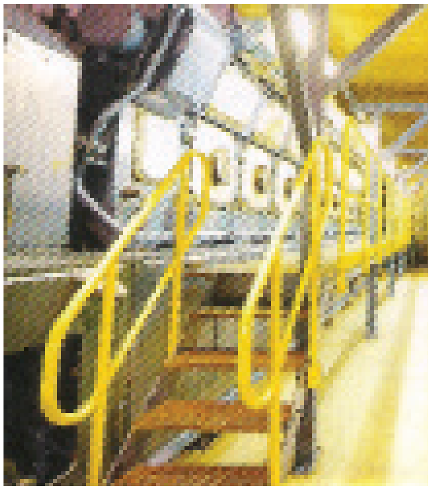
Company has 2 female and 5 male directors as at June 30, 2018.

DIRECTOR'S REMUNERATION

The remuneration of a Director and fee for attending meeting of the Board is determined by an approved policy in accordance with Companies Act 2017 & the listed Companies (Code of Corporate Governance) Regulations 2017.

PATTERN OF SHAREHOLDING

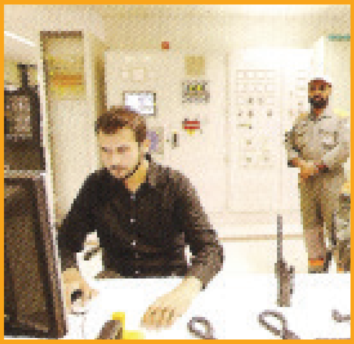
The pattern of shareholding as at June 30, 2018 is annexed with the Annual Report.



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 2018 کو ختتمہ سال کے لئے مالیاتی گوشوارے بخوشی پیش کرتا ہے۔مالی سال 2018 کے دوران کمپنی کو اطمینان بخش آمدنی حاصل ہوئی ہے۔موجودہ مدت کے لئے کاروبار 16.59 بلین روپے (2017 : 16.15 بلین روپے) معہ بعد از ٹیکس منافع 3.41 بلین روپے (2017: 2.99 بلین روپے) معہ 9.27 روپے فی شیئر آمدنی (EPS) (2017: 8.17 بلین روپے) تھی۔

منافع

ہماری بالائی لائن فرنس آئل کی قیمتوں میں اضافہ کی وجہ سے معمولی اوپر آ گئی، مزید اضافہ کم صلاحیتی عنصر (2018 میں 64.14 فیصد بخلاف 2017 میں 76.17 فیصد) کی وجہ سے ہوا جو بنیادی طور پر NTDC/CPPA(G) سے کم طلب کا نتیجہ ہے۔NTDC/CPPA(G) کو کل MWH 1,099,666 بجلی ترسیل (2017 : 1,315,8695 MWH) کی گئی۔

واضح رہے کہ تھرمل کارکردگی بیان کرنا محل ہے اور ہمارے ٹیرف میں O&M لاگت کا جز و 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 NTDCL / CPPA(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 گیارھویں سال سے اس کے گرنے کی پیش بینی کرتے ہیں۔

گردشی قرضے

گردشی قرضے اب بھی بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے پریشانی کا باعث ہیں۔سال کے دوران سیالیت کے انتظامات ایک مسئلہ رہے ہیں۔30 جون 2018 تک NTDCL / CPPA(G) کی طرف ہماری کل وصولیات 12.26 بلین روپے پاکستانی تک بڑھ گئیں جن میں سے 8.01 بلین روپے زائدالمعیاد واجب الادا تھے۔

ایک بار پھر نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی لمیٹڈ NTDCL / CPPA(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 چڑھاؤ کمپنی کے منافع پر اثر انداز ہو سکتا ہے۔خطرات کو کم کرنے کے لئے، کمپنی نے مناسب داخلی مالیاتی کنٹرول، دستی اور خودکار 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۔

زیرالتواءمسائل

کپیسٹی پرچیز پرائس کی مد میں 966.166 ملین روپے کی رقم کا ابھی بھی NTDCL اعتراف اس لئے نہیں کر رہی کہ کمپنی نے 2012 کے دوران بجلی کم پیدا کی تھی ۔ تاہم، بجلی کی اس کم پیداوار کی واحد وجہ NTDCL سے عدم ادائیگی کی وجہ سے ایندھن کی عدم دستیابی تھی ۔

کمپنی کا خیال ہے کہ یہ رقم NTDCL کی طرف سے قابل ادا ہونی چاہیے ۔ 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 پیز نے عدالت عظمیٰ پاکستان میں دائر صلاحیت کی ادائیگی کا اپنا مقدمہ واپس لے لیا۔ این ٹی ڈی سی اور آئی پی پیز نے اس معاملے پر ثالثی کے لئے جسٹس سائر علی کو ماہر کے طور پر مقرر کیا۔ مالی سال 2016 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 آربٹریشن ('LCIA')، میں ایک پٹیشن دائر کی ہے جس کے تحت ایک ثالث مقرر کیا گیا اور کارروائی شروع کی گئی۔ موجودہ سال کے دوران ثالث نے اپنے حتمی ایوارڈ کا حکم دیا ہے کہ ماہرین کا فیصلہ حتمی ہے اور NTDCL فیصلے کے مطابق رقم، ایوارڈ سے قبل کا سود، کارروائی اور LCIA کے اخراجات اور ثالثی معاہدہ کیخلاف ورزی کا جرمانہ اوران رقوم کے تصفیہ کی تاریخ تک کا سود کمپنی کو ادائیگی کرنے کی پابند ہے ۔ NTDCL نے حتمی ایوارڈ کو کمرشل کورٹ انگلینڈ میں چیلنج کیا جسے بعد میں واپس لے لیا گیا اور NCPL نے حتمی ایوارڈ کے عملدرآمد کے لئے لاہور ہائی کورٹ میں ایک درخواست دائر کی جو زیرالتواء ہے ۔ 4 مئی 2018 کو کمرشل کورٹ آف انگلینڈ نے NTDCL کو جزوی حتمی ایوارڈ/ حتمی ایوارڈ کے خلاف انگلینڈ سے باہر کوئی اقدامات اُٹھانے سے منع کر دیا ۔ NTDCL نے ایک اپیل کورٹ آف اپیلز، لندن میں دائر کرنے کے لئے اجازت کی کوشش کی ہے، جوتا تاریخ زیر التوا ہے ۔

آڈیٹر نے اپنی رپورٹ میں اہم مسائل کے پیراگراف میں اس پوائنٹ کو اجاگر کیا ہے، مزید تفصیلات مالی گوشواروں کے نوٹ میں فراہم کی گئی ہیں ۔

کارپوریٹ سماجی ذمہ داری

کمپنی معہ اس کے اسپانسرز اور دیگر مخیر حضرات غیر منافع بخش جدید، سلیم میموریل ٹرسٹ ہسپتال (SMTH) قائم کر رہی ہے ۔ یہ 350 بستر کا ہسپتال جو 39 کنال کے رقبہ پر تعمیر کیا جا رہا ہے، غیر مراعات یافتہ کو ایک مثالی رعایتی طبی علاج فراہم کرے گا۔ ہسپتال 2019 تک فعال ہو جائے گا۔ موجودہ سال کے دوران کمپنی نے پھولنگر میں واقع ایک سکول کو 5.1 ملین روپے بھی عطیہ دیا 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 ایسی 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 نظماء نے 28 ستمبر 2018 کو منعقدہ اپنے اجلاس میں Million 551.02/- روپے بطور حتمی نقد منافع منقسمہ یعنی 1.50 روپے فی شیئر کی سفارش کی ہے ۔

آڈیٹرز

ریٹائر آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اہل ہونے کی بناء پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی نے سال 2018-19 کے لئے کمپنی کے آڈیٹر کی حیثیت سے ان کی دوبارہ تقرری کی سفارش کی ہے۔

بورڈ آف ڈائریکٹرز اور اسکی کمیٹیاں

زیر جائزہ سال کے دوران چار (4) اجلاس منعقد ہوئے۔ بورڈ کی حاضری ورترتیب حسب ذیل ہے:

بورڈ پر ڈائریکٹرز

نام ڈائریکٹر	کیٹگری	کمیٹی	تعداد حاضری
جناب شہزاد سلیم	ایگزیکٹو	-	2
محترمہ فرحت سلیم	نان ایگزیکٹو		2
جناب محمد اعظم	آزاد	آڈٹ اینڈ HR&R	3
جناب زین شہزاد	نان ایگزیکٹو	آڈٹ اینڈ HR&R	-
جناب آفتاب احمد خان	نان ایگزیکٹو	آڈٹ اینڈ HR&R	4
جناب سید طارق علی	نان ایگزیکٹو	-	4
محترمہ عائشہ شہزاد (17 اپریل 2018 کو مقرر ہوئیں)	نان ایگزیکٹو	-	-
جناب یحییٰ سلیم (17 جولائی 2018 کو مقرر ہوئے)	نان ایگزیکٹو	-	-

مدت کے دوران ڈائریکٹر مستعفی ہوئے۔

نام ڈائریکٹر	کیٹگری	کمیٹی	تعداد حاضری
جناب کامران رسول (استعفیٰ: 22 جنوری 2018)	ایگزیکٹو	-	2
جناب علی زیب (استعفیٰ: 18 اپریل 2018)	نان ایگزیکٹو		2

30 جون 2018 کے مطابق کمپنی کی 2 خاتون اور 5 مرد ڈائریکٹرز ہیں

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ اور بورڈ کے اجلاس کی فیس کا تعین کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق منظور شدہ پالیسی کے ذریعے کیا گیا ہے۔

نمونہ حصص داری

30 جون 2018 کے مطابق نمونہ حصص داری سالانہ رپورٹ کے ہمراہ منسلک کیا گیا ہے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز کمپنی کے ملازمین کی مسلسل خدمات، وفاداری اور کوششوں کی بھی تعریف کرتے ہیں اور امید کرتے ہیں کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔

چیف ایگزیکٹو	ڈائریکٹر

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FINANCIAL HIGHLIGHTS

	2012/13	2013/14	2014/15
			Rupees in Millions
Result of Operations			
Net Sales	25,166	27,630	22,575
Gross Profit	5,068	4,935	5,126
Operating Income	5,137	4,822	4,975
Financial Charges	(2,424)	(1,922)	(1,884)
Tax (Taxation) / Reversal	25	-	-
Net Income	2,737	2,901	3,090
Financial Position at Year-end:			
Capital	3,673	3,673	3,673
Accumulated profit	3,596	3,375	3,710
Net Worth	7,270	7,048	7,383
Fixed Assets	14,772	14,116	13,387
Long Term Deposits & Advances	0	1	11
Current Assets	7,858	13,282	10,849
Total Assets	22,631	27,398	24,247
Long Term Liabilities	11,837	10,604	9,172
Current Liabilities	3,524	9,746	7,692
Net Interest-Bearing Debt	12,902	17,536	15,946
Per Share Net Income	7.45	7.90	8.41
Cash Dividends	6.00	6.50	7.50
Dividend payout ratio	81%	82%	89%
Financial Measures			
ROE	37.66%	41.16%	41.86%
Shareholders' Equity Ratio	32.12%	25.72%	30.45%
Net Debt Equity Ratio (times)	1.77	2.49	2.16
Current Ratio	2.23	1.36	1.41
Common Stock			
Number of Shares Outstanding at Year-End	367,346,939	367,346,939	367,346,939

2015/16	2016/17	2017/18
13,854	16,148	16,594
4,194	4,320	4,640
3,975	4,091	4,453
(1,219)	(1,093)	(1,046)
-	1	-
2,756	3,000	3,406
3,673	3,673	3,673
3,619	5,517	8,556
7,293	9,190	12,229
12,815	12,000	11,387
9	5	4
8,857	11,809	15,015
21,681	23,814	26,406
7,507	5,574	3,327
6,881	9,050	10,850
13,272	13,901	13,230
7.50	8.17	9.27
7.75	3.00	1.00
103%	37%	11%
37.80%	32.64%	27.85%
33.64%	38.59%	46.31%
1.82	1.51	1.08
1.29	1.30	1.38
367,346,939	367,346,939	367,346,939

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2017

NISHAT CHUNIAN POWER LIMITED YEAR ENDING JUNE 30, 2018

The Company has complied with the requirements of the Regulations in the following manner:

1. At June 30, 2018 the total number of directors are seven as per the following:
   a. Male: 5
   b. Female: 2
2. The composition of board is as follows:

Category	Names
Independent Director	Mr. Muhammad Azam
Executive Director	Mr. Shahzad Saleem (Chief Executive)
Non-Executive Directors	Mrs. Farhat Saleem (Chairperson) Mrs. Ayesha Shahzad Mr. Syed Tariq Ali Mr. Zain Shahzad Mr. Aftab Ahmad Khan

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

10. CFO and CEO duly endorsed the financial statements before approval of the board.

11. The board has formed committees comprising of members given below:
    a. Audit Committee
        i. Mr. Muhammad Azam (Chairman)
        ii. Mr. Aftab Ahmad Khan (Member)
        iii. Mr. Zain Shahzad (Member)
    b. HR and Remuneration Committee
        i. Mr. Muhammad Azam (Chairman)
        ii. Mr. Aftab Ahmad Khan (Member)
        iii. Mr. Zain Shahzad (Member)
12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
13. The frequency of quarterly meetings of the committee were as per following:

a.	Audit Committee	4
b.	HR and Remuneration Committee	1

14. The board has outsourced the internal audit function to EY Ford Rhodes, who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
15. 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 and registered with Audit Oversight Board of Pakistan, 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.
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
17. We confirm that all other requirements of the Regulations have been complied with.

Mrs. Farhat Saleem
Chairperson

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF NISHAT CHUNIAN POWER LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Nishat Chunian Power Limited for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 28, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Chunian Power Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Nishat Chunian Power Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 18.2 to the annexed financial statements, which describes the matter regarding recoverability of certain trade debts. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Companies Act, 2017** *(Refer note 2.3 to the annexed financial statements)* The provisions of the Fourth Schedule to the Companies Act, 2017, became applicable to the Company for the first time in the preparation of the annexed financial statements.	We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following: - Considered the management's process to identify the additional disclosures required in the Company's annexed financial statements;

	As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous financial reporting framework and the current financial reporting framework and as a result, certain amendments and additional disclosures were made in the Company's annexed financial statements. In view of the additional disclosures in the annexed financial statements due to first time application of the Fourth Schedule to the Companies Act, 2017, we considered this as a key audit matter.	- Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and - Verified on test basis, the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) 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.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 28, 2018

NISHAT CHUNIAN POWER LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
385,000,000 (2017: 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 (2017: 367,346,939)			
ordinary shares of Rs 10 each	5	3,673,469	3,673,469
Revenue reserve: Un-appropriated profit	6	8,555,857	5,516,819
		12,229,326	9,190,288
NON-CURRENT LIABILITIES			
Long term financing - secured	7	3,326,769	5,573,611
CURRENT LIABILITIES			
Current portion of long term financing - secured	7	2,246,839	1,933,775
Short term borrowings - secured	8	7,655,933	6,043,219
Short term loan from holding company - unsecured	9	-	350,000
Trade and other payables	10	636,482	452,099
Unclaimed dividend		15,499	15,094
Accrued finance cost	11	295,234	255,569
		10,849,987	9,049,756
CONTINGENCIES AND COMMITMENTS	12		
		26,406,082	23,813,655

The annexed notes 1 to 40 form an integral part of these financial statements.

Director

	Note	2018	2017
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	11,374,223	11,982,700
Intangible assets	14	12,843	17,156
Long term loans to employees	15	3,995	5,000
Long term security deposits		105	105
		11,391,166	12,004,961
CURRENT ASSETS			
Stores and spares	16	648,744	631,469
Inventories	17	1,337,183	846,831
Trade debts	18	11,706,117	9,052,621
Loans, advances, deposits, prepayments and other receivables	19	1,209,674	1,150,763
Income tax receivable		14,961	11,450
Bank balances	20	98,237	115,560
		15,014,916	11,808,694
		26,406,082	23,813,655

Chief Financial Officer **Director**

NISHAT CHUNIAN POWER LIMITED

STATEMENT OF PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
Sales	21	16,594,018	16,147,843
Cost of sales	22	(11,954,459)	(11,827,672)
Gross profit		4,639,559	4,320,171
Administrative expenses	23	(207,083)	(172,968)
Other expenses	24	(15,788)	(92,693)
Other income	25	35,964	36,458
Finance cost	26	(1,046,267)	(1,092,520)
Profit before taxation		3,406,385	2,998,448
Taxation	27	-	1,303
Profit for the year		3,406,385	2,999,751
Earnings per share - basic and diluted (in Rupees)	28	9.27	8.17

The annexed notes 1 to 40 form an integral part of these financial statements.

Director **Chief Financial Officer** **Director**

NISHAT CHUNIAN POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	(Rupees in thousand)	
Profit for the year	3,406,385	2,999,751
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive income for the year	3,406,385	2,999,751

The annexed notes 1 to 40 form an integral part of these financial statements.

Director **Chief Financial Officer** **Director**

NISHAT CHUNIAN POWER LIMITED

Statement of Cash flow for the year ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	29	2,491,613	2,670,703
Finance cost paid		(1,006,602)	(1,106,579)
Net income tax (paid)/refunded		(3,511)	2,933
Retirement benefits paid		(8,063)	(7,501)
Net decrease in long term loans to employees		1,005	4,309
Net cash inflow from operating activities		1,474,442	1,563,865
Cash flows from investing activities			
Purchase of property, plant and equipment		(474,420)	(429,659)
Proceeds from disposal of property, plant and equipment		20,267	95,419
Loss on derivative financial instruments		-	(1,713)
Profit on bank deposits received		799	463
Net cash outflow from investing activities		(453,354)	(335,490)
Cash flows from financing activities			
Repayment of long term financing		(1,933,778)	(1,664,332)
Short term borrowings from holding company		1,450,000	6,750,000
Repayment of short term borrowings from holding company		(1,800,000)	(6,400,000)
Dividend paid		(367,347)	(1,743,385)
Net cash outflow from financing activities		(2,651,125)	(3,057,717)
Net decrease in cash and cash equivalents		(1,630,037)	(1,829,342)
Cash and cash equivalents at the beginning of the year		(5,927,659)	(4,098,317)
Cash and cash equivalents at the end of the year	30	(7,557,696)	(5,927,659)

Refer notes 7 and 9 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 40 form an integral part of these financial statements.

Director **Chief Financial Officer** **Director**

NISHAT CHUNIAN POWER LIMITED
Statement of Changes In Equity for the year ended June 30, 2018

	Share capital	Revenue reserve: Un-appropriated profit	Total
		(Rupees in thousand)	
Balance as on July 1, 2016	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	-	-	-
Total comprehensive income for the year	-	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)
Total distributions to owners of the company recognized directly in equity	-	(1,102,040)	(1,102,040)
Balance as on June 30, 2017	3,673,469	5,516,819	9,190,288
Profit for the year	-	3,406,385	3,406,385
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,406,385	3,406,385
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2017 @ Rs 1 per share	-	(367,347)	(367,347)
Total distributions to owners of the company recognized directly in equity	-	(367,347)	(367,347)
Balance as on June 30, 2018	3,673,469	8,555,857	12,229,326

The annexed notes 1 to 40 form an integral part of these financial statements.

Director **Chief Financial Officer** **Director**

1. The company and its activities

Nishat Chunian Power Limited (the 'company') is a public company limited by shares incorporated in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017). 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 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017; and

ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2017 but are considered not to be relevant to or 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') 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 statement of financial position 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. The company has given the required disclosure in these financial statements.

- IAS 12 'Income taxes' (Amendment), on recognition of deferred tax assets for unrealised losses. These amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets. Further, there are no debt instruments measured at fair value. The company's current accounting treatment is already in line with the requirements of this standard.

2.2.2 Exemption from applicability of certain interpretations to standards

The Securities and Exchange Commission of Pakistan ('SECP') through SRO 24(I)/2012 dated January 16, 2012 has granted exemption from the application of International Financial Reporting Interpretations Committee ('IFRIC') 4, 'Determining whether an Arrangement contains a Lease', and IFRIC 12, 'Service Concession Arrangements', to all companies.

Under IFRIC 4, the consideration required to be made by the lessee for 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:

	2018	2017
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(11,339,436)	(11,903,840)
Recognition of lease debtor	8,960,423	10,874,924
(Decrease)/increase in un-appropriated profit at the beginning of the year	(1,028,916)	20,986
Decrease in profit for the year	(1,350,097)	(1,049,902)
Decrease in un-appropriated profit at the end of the year	(2,379,013)	(1,028,916)

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2018 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:

- IFRS 9, ‘Financial instruments’ (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. 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 this standard.

- IFRS 15, ‘Revenue from contracts with customers’: (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. 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. It is unlikely that this standard will have any significant impact on the company's financial statements.

- IFRS 16, ‘Leases’: (effective for periods beginning on or after January 1, 2019). This standard has been notified by the SECP to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the current guidance in IAS 17, ‘Leases’ and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The company is yet to assess the full impact of this 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.

- IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The company is yet to assess the full impact of the interpretation.

2.3 Changes due to Companies Act, 2017

The Act has also brought certain changes with regard to the preparation and presentation of the company's financial statements. These changes also include change in nomenclature of primary statements, etc. Further, the disclosure requirements contained in the Fourth Schedule to the Act have been revised, resulting in the:

- Elimination of duplicative disclosures with the IFRS disclosure requirements; and
- Incorporation of significant additional disclosures.

In view of the above, the presentation of these financial statements has been realigned with the provisions contained in the Act. The application of the Act, however, does not have any impact on the recognition and measurement of the amounts included in these financial statements.

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention as modified by the remeasurement 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) Useful lives and residual values of fixed assets

The company reviews the useful lives of fixed assets i.e. property, plant and equipment and intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of fixed assets with a corresponding effect on the depreciation/amortisation 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

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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 statement of profit or loss 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 reporting date. Deferred tax is charged or credited in the statement of profit or loss, 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 Property, plant and equipment

4.2.1 Operating fixed assets
Operating fixed assets are stated at historical cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation on operating fixed assets, other than identifiable capital spares in plant and machinery, is charged to statement of profit or loss 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, 2018, 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 statement of profit or loss 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.

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).

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 reporting 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 reporting 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 statement of financial position.

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 reporting 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 recognised at the time when the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognised 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 recognised at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised 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. For investments having quoted price in active market, the quoted price represents the fair value. In other cases, fair value is measured using appropriate valuation methodology and where fair value cannot be measured reliably, these are carried at cost. 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 statement of profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss 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 statement of profit or loss as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of profit or loss. Dividends on available-for-sale equity instruments are recognized in the statement of profit or loss when the company's right to receive payments is established.

The company assesses at each reporting 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 statement of profit or loss. Impairment losses recognized in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. 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 statement of profit or loss.

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 statement of profit or loss. 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 statement of profit or loss. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss.

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 Employee benefits

(i) Short term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Post employment benefit - Defined contribution plan (Provident Fund)

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 subject to completion of minimum qualifying period of service as determined under the rules of the fund.

4.14 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

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 reporting 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 statement of financial position.

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 statement of profit or loss 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 reporting date.

4.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

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 statement of profit or loss.

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 (2017: 367,346,939) ordinary shares of Rs 10 each fully paid in cash. 187,585,820 (2017: 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.

	2018	**2017**
7. Long term financing - secured	**(Rupees in thousand)**	
7.1 The reconciliation of the carrying amount is as follows:		
Opening balance	7,507,386	9,171,718
Less: Repayments during the year	1,933,778	1,664,332
	5,573,608	7,507,386
Less: Current portion shown under current liabilities	2,246,839	1,933,775
	3,326,769	5,573,611

		2018	2017
		(Rupees in thousand)	
7.2 This comprises of:			
Senior facility	- note 7.3	4,489,070	6,049,162
Term finance facility	- note 7.4	1,084,538	1,455,224
		5,573,608	7,504,386

7.3 Senior facility

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

Lender		
National Bank of Pakistan	772,718	1,041,262
Habib Bank Limited	1,034,831	1,394,466
Allied Bank Limited	1,034,831	1,394,466
United Bank Limited	1,034,831	1,394,465
Faysal Bank Limited	466,518	628,648
Summit Bank Limited	60,536	81,592
Sindh Bank Limited	84,805	114,263
	4,489,070	6,049,162
Less: Current portion shown under current liabilities	1,812,653	1,560,087
	2,676,417	4,489,075

7.4 Term finance facility

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

Lender		
National Bank of Pakistan	186,685	251,009
Habib Bank Limited	250,010	335,153
Allied Bank Limited	250,010	335,153
United Bank Limited	250,010	335,153
Faysal Bank Limited	147,823	198,756
	1,084,538	1,455,224
Less: Current portion shown under current liabilities	434,186	373,688
	650,352	1,081,536

7.5 This represents long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited is on murabaha basis. The overall financing is secured against registered first joint parri passu charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of the company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the holding company in Nishat Chunian Power Limited. It carries mark-up at the rate of three months Karachi Inter-Bank Offered Rate (KIBOR) plus three percent per annum, payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 9.14% to 9.50% (2017: 9.04% to 9.12%) per annum. As of June 30, 2018, the finance is repayable in nine quarterly installments ending on July 01, 2020.

		2018	2017
		(Rupees in thousand)	

8. Short term borrowings - secured

Short term borrowings under mark-up arrangements obtained as under:			
Running finances	- note 8.1	37,742	950,954
Money market loans	- note 8.2	6,070,000	3,900,000
Murabaha and musharaka facilities	- note 8.3	1,548,191	1,192,265
		7,655,933	6,043,219

8.1 Running finances

Running finance main facilities available from commercial banks under mark-up arrangements amount to Rs 8,250 million (2017: Rs 6,450 million). Running finance facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.15% to 2% per annum, payable quarterly. 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 6.29% to 8.50% (2017: 6.38% to 8.12%) per annum.

8.2 Money market loans

Money market loans are available to the company as a sub-facility to the running finance facility at mark-up rates ranging from one month to six months KIBOR plus 0.035% to 0.05% 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 6.14% to 7.08% (2017: 6.03% to 6.55%) per annum.

8.3 Murabaha and musharaka facilities

Murabaha and musharaka main facilities available from Islamic banks aggregate to Rs 4,500 million (2017: Rs 4,500 million) at mark-up rates ranging from one week to six months KIBOR plus 0.1% to 1% per annum. The amount utilised as at June 30, 2018, for musharaka facilities was Rs 1,548.190 million (2017: Rs 1,192.265 million). Mark-up on murabaha is payable at the maturity of the respective murabaha transaction, whereas, the mark-up on musharaka 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 6.24% to 7.45% (2017: 6.19% to 6.75%) per annum.

8.4 Letters of credit and guarantees

The main facilities for opening letters of credit and guarantees aggregate to Rs 1,411.032 million (2017: Rs 1,411.032 million). The amount utilised at June 30, 2018, for letters of credit was Rs 144.073 million (2017: Rs 38.068 million) and for guarantees was Rs 36.878 million (2017: Rs 26.747 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. Short term loan from holding company - unsecured

This represented a short term loan from the holding company to meet the working capital requirements of the company. The effective mark up rate charged during the year on outstanding balance was 8.18%. The reconciliation of the carrying amount is as follows:

	2018	2017
	(Rupees in thousand)	
Opening balance	350,000	-
Disbursements during the year	1,450,000	6,750,000
	1,800,000	6,750,000
Less: Repayments during the year	1,800,000	6,400,000
	-	350,000

10. Trade and other payables

		2018	2017
Creditors		405,562	271,990
Retention money		9	9
Accrued liabilities		56,633	27,489
Workers' profit participation fund	- note 10.1	170,344	150,013
Withholding tax payable		488	118
Other liabilities		3,446	2,480
		636,482	452,099

10.1 Workers' Profit Participation Fund

		2018	2017
Opening balance		150,013	137,837
Provision for the year	- note 19.2	170,319	149,988
		320,332	287,825
Less: Payments		149,988	137,812
Closing balance		170,344	150,013

10.2 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.

11. Accrued finance cost

	2018	2017
	(Rupees in thousand)	
Accrued mark-up/interest on:		
Long term financing - secured	132,458	170,814
Short term borrowings - secured	162,776	84,678
Short term loan from holding company - unsecured	-	77
	295,234	255,569

12. Contingencies and commitments

12.1 Contingencies

Contingent liabilities:

(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 dated December 10, 2013 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 on March 17, 2014 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 on May 08, 2014 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 12, 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') on July 23, 2015. During the year 2017, LHC disposed off 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 filed a review petition before the LHC on January 09, 2017 and an appeal before the Supreme Court of Pakistan on November 24, 2017 against the aforementioned LHC's order, both of which are pending adjudication.

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 on November 20, 2015. 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 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 reporting 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) During the current year, an amendment order dated August 31, 2017 was issued by the DCIR under section 122 of the Income Tax Ordinance, 2001 ('ITO') for Tax Year 2014 whereby income tax of Rs 191.536 million was 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 WWF was also levied of Rs 12.946 million. Against the aforesaid order, the company preferred an appeal on September 25, 2017 before the CIR(A) and the learned CIR(A) passed an order on February 2, 2018, declaring that the levy of income tax on interest on delayed payments from NTDC and minimum tax on capacity sales is not justified, while directing the company to pay income tax aggregating to Rs 1.466 million on profit on debt, miscellaneous income, capital gain on disposal of securities, minimum tax on scrap sales and fixed assets' disposal, and WWF of Rs 4.552 million. The company and tax authority both have filed appeals on March 8, 2018 and March 26, 2018 respectively, before the ATIR against the order of CIR(A) that are pending adjudication.

Further, during the current year, another amendment order dated June 13, 2018 was issued by the Additional Commissioner Inland Revenue under section 122 of the ITO for Tax Year 2012 and subsequently, rectification order dated June 27, 2018 under section 221 of the ITO was issued whereby income tax of Rs 50.063 million was levied mainly comprising minimum tax on capacity sales. Subsequent to year end, the company has filed an appeal on July 26, 2018 before the CIR(A) against the aforesaid orders, which is pending adjudication.

The 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 abovementioned amounts aggregating Rs 254.545 million.

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

(a) Letters of guarantee aggregating Rs 18.942 million (2017: Rs 26.747 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.

Contingent asset:

(i) During the year on July 29, 2017, the company instituted arbitration proceedings against NTDC/Government of Pakistan by filing a Request for Arbitration ('RFA') with the London Court of International Arbitration ('LCIA') (the 'Arbitration Proceedings') for disallowing an amount of Rs 1,161.535 million relating to delayed payment charges on outstanding delayed payment invoices. The company believes it is entitled to claim delayed payment charges on outstanding delayed payments receivables from NTDC as per terms of the PPA. However, NTDC has denied this liability and objected on the maintainability of the Arbitration Proceedings, terming it against the PPA and refused to pay delayed payment charges on outstanding delayed payments receivables.

The LCIA appointed a sole Arbitrator and hearings were also held on February 19 and 20, 2018. On April 16, 2018, the Arbitrator has issued Partial Final Award in which he has rejected the NTDC's objection to the maintainability of the Arbitration Proceedings.

Arbitration Proceedings on merits of the case are underway, however, in May 23, 2018, NTDC filed a civil suit against this Interim Award in Civil Court, Lahore, that is pending adjudication. As the above amount is disputed, therefore, on prudence basis, the company has not accounted for these amounts as receivable in these financial statements.

12.2 Commitments

(i) Letters of credit and contracts other than for capital expenditure aggregate to Rs 144.073 million (2017: Rs 38.068 million).

		2018	2017
		(Rupees in thousand)	
13. Property, plant and equipment			
Operating fixed assets	- note 13.1	11,372,422	11,980,793
Capital work-in-progress	- note 13.2	1,801	1,907
Major spare parts and standby equipment	- note 13.3	-	-
		11,374,223	11,982,700

13.1 Operating fixed assets

(Rupees in thousand)

	Freehold land - note 13.1.1	Buildings on freehold land	Plant and machinery	Electric installations	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Total
COST									
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
Balance as at July 01, 2017	71,017	194,974	17,898,174	2,614	16,656	36,685	1,009	94,849	18,315,978
Additions during the year	-	-	464,135	1,896	1,340	845	-	6,310	474,526
Disposal during the year	-	-	(647,687)	-	(645)	-	-	(31,867)	(680,199)
Balance as at June 30, 2018	71,017	194,974	17,714,622	4,510	17,351	37,530	1,009	69,292	18,110,305
DEPRECIATION									
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
Balance as at July 01, 2017	-	50,055	6,201,772	1,814	9,661	21,718	632	49,533	6,335,185
Charge for the year - note 13.1.1	-	7,989	1,029,048	361	3,414	8,653	97	16,457	1,066,019
Disposal during the year	-	-	(647,687)	-	(303)	-	-	(15,331)	(663,321)
Balance as at June 30, 2018	-	58,044	6,583,133	2,175	12,772	30,371	729	50,659	6,737,883
Book value as at June 30, 2017	71,017	144,919	11,696,402	800	6,995	14,967	377	45,316	11,980,793
Book value as at June 30, 2018	71,017	136,930	11,131,489	2,335	4,579	7,159	280	18,633	11,372,422
Annual depreciation rate %	**-**	**4.17 to 5.46**	**4 to 5.86 and number of hours used**	**10**	**30**	**10 to 30**	**10**	**20**	

13.1.1 Freehold land represents 99,527 square meters of land situated at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab out of which approximately 19,782 square meters represent covered area.

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

		2018	2017
		(Rupees in thousand)	
Cost of sales	- note 22	1,048,732	1,134,897
Administrative expenses	- note 23	17,287	17,751
		1,066,019	1,152,648

13.1.3 Disposal of operating fixed assets

Detail of operating fixed assets disposed off is as follows:

Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain/(loss) on disposal	Mode of disposal
		2018 (Rupees in thousand)				
Plant and machinery	Retired as no longer usable	647,687	-	-	-	Scrapped
Vehicles	**Key Management Personnel**					
	Ms. Sonia Karim	1,983	-	670	670	As per company policy
	Outside parties					
	Sprint Services Rawalpindi	14,151	8,255	9,400	1,145	Negotiation
	Gilgit Baltistan Mountain Seeds	12,003	5,601	6,500	899	-do-
	Muhammad Yahya Saleem (Brother of Chief Executive Officer)	2,674	2,451	2,674	223	-do-
	Muhammad Ansar Khan	1,055	229	760	531	-do-
Computer equipment						
Items with net book value less than Rs 500,000	**Employees**	172	66	40	(26)	As per company policy
	Outside parties	474	276	223	(53)	Negotiation
		680,199	16,878	20,267	3,389	

Particulars of assets	Sold to	Cost	Book value	Sale proceeds	Gain on disposal	Mode of disposal
		2017 (Rupees in thousand)				
Plant and machinery	Retired as no longer usable	573,407	-	-	-	Scrapped
Freehold land	**Holding Company**					
	Nishat (Chunian) Limited	79,702	79,702	80,200	498	Negotiation
Buildings on freehold land	-do-	8,000	7,000	10,800	3,800	-do-
Vehicles	**Key Management Personnel**					
	Mr. Farrukh Ifzal	1,974	-	606	606	As per company policy
	Employees					
	Saqib Riaz	1,038	363	1,038	675	-do-
	Babar Ali	725	302	725	423	-do-
	Outside party					
	Umar Ayub	1,430	858	1,430	572	Bid
	Theft	687	-	540	540	Insurance claim
Computer equipment						
Items with net book value less than Rs 500,000	**Employees**	150	43	40	(3)	As per company policy
	Outside parties	67	57	40	(17)	Negotiation
		667,180	88,325	95,419	7,094	

13.2 Capital work-in-progress	**2018**	**2017**
	(Rupees in thousand)	
Civil works	1,801	260
Advances to suppliers against purchase of vehicles	-	1,647
	1,801	1,907
The reconciliation of the carrying amount is as follows:		
Opening balance	1,907	902
Additions during the year	6,363	7,268
	8,270	8,170
Transfers during the year	(6,469)	(6,263)
Closing balance	1,801	1,907

13.3 Major spare parts and standby equipment		
Opening balance	-	162,636
Additions during the year	-	-
	-	162,636
Transferred to operating fixed assets	-	(161,488)
Charged to consumption	-	(1,148)
Closing balance	-	-

14. Intangible assets

COMPUTER SOFTWARE		**Rupees in thousand**
Cost		
Balance as at July 01, 2016		5,885
Additions during the year		18,067
Balance as at June 30, 2017		23,952
Balance as at July 01, 2017		23,952
Additions during the year		-
Balance as at June 30, 2018		23,952
Amortization		
Balance as at July 01, 2016		3,085
Charge for the year	- note 14.1	3,711
Balance as at June 30, 2017		6,796
Balance as at July 01, 2017		6,796
Charge for the year	- note 14.1	4,313
Balance as at June 30, 2018		11,109
Book value as at June 30, 2017		**17,156**
Book value as at June 30, 2018		**12,843**
Annual amortization rate %		**20%**

		2018	2017
		(Rupees in thousand)	

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

Cost of sales	- note 22	3,613	3,011
Administrative expenses	- note 23	700	700
		4,313	3,711

15. Long term loans to employees

Loans to employees - considered good:

- Key management personnel	- note 15.2	4,009	4,640
- Others		971	1,283
		4,980	5,923
Less: Current portion shown under current assets			
- Key management personnel		651	612
- Others		334	311
	- note 19	985	923
		3,995	5,000

15.1 This represents house and car loans to employees as per company's policy 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 (2017: 3.1% to 10.66% per annum). Such loans are secured against the accumulated provident fund balance of the relevant employee.

15.2 This represents loan to the Managing Director. The maximum aggregate amount outstanding at the end of any month during the year was Rs 4.928 million (2017: Rs 10 million).

16. 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.

	2018	2017
	(Rupees in thousand)	

17. Inventories

Furnace oil	1,317,385	829,992
Diesel	3,469	3,894
Lubricating oil	16,329	12,945
	1,337,183	846,831

18. Trade debts

18.1 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% (2017: 10.48% to 14.71%) per annum.

18.2 Included in trade debts is an amount of Rs 966.166 million relating to capacity purchase price not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDC, therefore, management believes that company cannot be penalized in the form of payment deductions due to NTDC's default of making timely payments under the PPA. Hence, the company had taken up this issue at appropriate forums.

On June 28, 2013, the company entered into a Memorandum of Understanding ('MoU') for cooperation on extension of credit terms with NTDC whereby it was agreed that the constitutional petition filed by the company before the Supreme Court of Pakistan on the abovementioned 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 in 2013 and on 25 January 2018, the Supreme Court disposed off the petitions filed before it. During the financial year 2014, the company in consultation with NTDC, appointed an Expert for dispute resolution under the PPA.

During the financial year 2016, the Expert gave 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 966.166 million from NTDC that has not yet been paid by NTDC.

The company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed. In October 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') filed a case in the court of Senior Civil Judge, ("Civil Case 2015"), Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication.

Consequently, invitation to participate in arbitration was issued to the PPIB/GOP. PPIB filed separate Civil Suit before the Civil Judge, Lahore, seeking inter alia that the parties should be restrained from participating in the arbitration proceedings in the LCIA ("Civil Case 2016"). The company filed applications in the Civil Court where the company prayed that the Civil Court, Lahore lacks the jurisdiction in respect of the cases filed by PPIB. In respect of the aforementioned applications, through its orders dated April 18, 2017, the Civil Court, Lahore rejected company's pray and granted the pray of PPIB whereby, the court accepted PPIB's applications for interim relief in 2015 and 2016 civil suits. Being aggrieved, the company challenged before the Additional District Judge, Lahore against the aforementioned orders of the Civil Court and continued to take part in the arbitration proceedings. Furthermore, in response to the company's continued participation in the arbitration proceedings, PPIB filed contempt petition before Lahore High Court (LHC) in respect of the decision of the Civil Court, Lahore and the LHC passed an order in those proceedings. The company challenged the LHC's order before the Division Bench of LHC, which decided the matter in favour of the company through its order dated May 31, 2017 whereby, the aforementioned order of the LHC was suspended.

The Arbitrator, on June 08, 2017, declared his Partial Final Award and decided the matter principally in company's favour and declared that the above mentioned Expert's determination is final and binding on all parties ("Final Partial Award").

Aggrieved by the Partial Final Award, NTDC challenged the Arbitrator's decision in Lahore Civil Court ("Civil Case 2017"), which suspended the Final Partial Award on July 10, 2017. In response to this decision of Civil Court, the company filed a revision petition in District Court and the District Court ("District Case 2017") while granting interim relief to the company, suspended the Civil Court's order on August 12, 2017. Alongwith challenging the Final Partial Award in Lahore Civil Court, NTDC also challenged the same, on July 06, 2017, in Commercial Court of England. As per advice of foreign legal counsel, the company also filed a case for anti suit injunction in Commercial Court of England against NTDC on August 14, 2017.

The District Judge, Lahore through its order dated July 8, 2017 set-aside the aforementioned orders of the Civil Judge, Lahore dated April 18, 2017 and accepted company's appeals but dismissed the company's revision petitions concerning the issue of jurisdiction. Aggrieved by this decision, (i) the company filed writ petitions before the LHC, which announced a favourable decision and suspended the proceedings of Civil Cases 2015 and 2016 till the final decision of LHC; and (ii) GOP/PPIB filed revision petitions in the LHC, which are currently pending adjudication.

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC to pay to the company: i) Rs 966.166 million pursuant to Expert's determination; ii) Rs 224.229 million being Pre award interest; iii) Rs 9.203 million for breach of arbitration agreement; iv) Rs 1.684 million and USD 612,311 for the company's cost of proceedings; v) GBP 30,157 for company's LCIA cost of arbitration and vi) Interest at KIBOR + 4.5% compounded semiannually from the date of Final Award until payment of these amounts by NTDC ("the Final Award") that works out to Rs 92.932 million upto June 30, 2018.

On November 24, 2017, NTDC challenged the Final Award in Commercial Court of England. On November 29, 2017, the company filed an application before LHC for implementation of Final Award that is also pending adjudication. During the hearing held in December 2017 in London, NTDC withdrew its petitions dated July 06, 2017 and November 24, 2017 filed before Commercial Court of England against the company, pertaining to Partial Final Award and Final Award respectively.

On May 4, 2018, Commercial Court of England issued a favourable decision in the case of anti suit injunction, thereby preventing NTDC from pursuing case in Pakistan Civil Courts against Partial Final Award/Final Award and taking any steps outside England to set aside Partial Final Award/Final Award issued by the Arbitrator. Aggrieved by this decision, NTDC has sought permission to file an appeal before the Court of Appeals, London, which is pending as of today.

Based on the favourable Expert's determination and Arbitration Award, management strongly feels that under the terms of the PPA and Implementation Agreement, the above amount of Rs 966.166 million is likely to be recovered by the company. Consequently, no provision for this amount has been made in these financial statements.

Further, on prudence basis, the company has not recognised the abovementioned amounts in these financial statements for Pre-award interest, breach of arbitration agreement, company's cost of proceedings, company's LCIA cost of arbitration and interest thereon on all these amounts as per Final Award due to its uncertainty since it is pending adjudication as mentioned above. Such amounts as per Final Award would be recognized when it attains finality and it is certain.

19. Loans, advances, deposits, prepayments and other receivables		**2018**	**2017**
		(Rupees in thousand)	
Advances - considered good:			
- To suppliers		65,464	36,282
- To key management personnel	- note 19.1	736	-
Current portion of long term loans to employees	- note 15	985	923
Balance with statutory authority:			
- Sales tax receivable		331,513	431,813
Claim recoverable from NTDC for pass through items:			
- Workers' Profit Participation Fund	- note 19.2	726,930	670,314
Security deposit		9,032	9,032
Prepayments		990	1,757
Insurance claim receivable		73,370	-
Other receivables		654	642
		1,209,674	1,150,763

19.1 This represents the maximum aggregate amount outstanding at the end of any month during the year.

19.2 Workers' Profit Participation Fund

		2018	2017
		(Rupees in thousand)	
Opening balance		670,314	674,842
Accrued for the year	- note 10.1	170,319	149,988
		840,633	824,830
Less: Amount received during the year		111,815	154,516
Charged to profit		1,888	-
		113,703	154,516
Closing balance		726,930	670,314

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

20. Bank balances

		2018	2017
		(Rupees in thousand)	
Cash at bank:			
- On saving accounts	- note 20.1	97,084	114,869
- On current accounts		1,153	691
		98,237	115,560

20.1 Profit on balances in saving accounts ranged from 1.94% to 4.55% (2017: 1.95% to 4.00%) per annum.

21. Sales

		2018	2017
		(Rupees in thousand)	
Energy purchase price		13,862,595	13,669,909
Less: Sales tax		1,945,116	1,948,085
		11,917,479	11,721,824
Capacity purchase price		4,676,539	4,426,019
		16,594,018	16,147,843

22. Cost of sales

Raw materials consumed		10,302,630	10,142,578
Salaries and other benefits	- note 22.1	158,375	142,057
Stores and spares consumed		188,068	141,647
Electricity consumed in-house		2,207	853
Insurance		165,132	168,677
Travelling and conveyance		17,652	16,797
Postage and telephone		2,745	2,657
Repairs and maintenance		46,423	52,891
Entertainment		438	155
Depreciation on operating fixed assets	- note 13.1.2	1,048,732	1,134,897
Amortization	- note 14.1	3,613	3,011
Fee and subscription		3,497	3,423
Miscellaneous	- note 22.2	14,947	18,029
		11,954,459	11,827,672

22.1 Salaries and other benefits include Rs 5.964 million (2017: Rs 5.506 million) in respect of provident fund contribution by the company.

22.2 This includes wages of contractual employees of Rs 4.029 million (2017: Rs 9.555 million).

		2018	2017
		(Rupees in thousand)	

23. Administrative expenses

Salaries and other benefits	- note 23.1	72,951	66,219
Travelling and conveyance		10,462	13,307
Entertainment		2,219	2,291
Common facilities cost	- note 23.2	18,000	18,011
Printing and stationery		592	884
Postage and telephone		1,411	1,621
Insurance		931	1,614
Vehicle running expenses		1,310	825
Repairs and maintenance		74	58
Legal and professional charges	- note 23.3	75,106	43,397
Advertisement		104	317
Fee and subscription		3,675	3,864
Depreciation on operating fixed assets	- note 13.1.2	17,287	17,751
Amortization on intangible asset	- note 14.1	700	700
Advances written off		-	75
Miscellaneous		2,261	2,034
		207,083	172,968

23.1 Salaries and other benefits include Rs 2.100 million (2017: Rs 1.994 million) in respect of provident fund contribution by the company.

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

	2018	2017
	(Rupees in thousand)	
23.3 Legal and professional charges include the following in respect of auditors' services (excluding sales tax) for:		
Statutory audit	1,565	1,500
Half yearly review	875	840
Tax services	1,175	230
Certifications required by various regulations	239	463
Reimbursement of expenses	223	230
	4,077	3,263

24. Other expenses

Exchange loss		8,635	6,968
Donations	- note 23.1	5,082	84,825
Loss on derivative financial instruments		-	900
Miscellaneous		2,071	-
		15,788	92,693

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

Name of donee	Directors of the company	Interest in donee	2018	2017
			(Rupees in thousand)	
Mian Muhammad Yahya Trust	Mr Shahzad Saleem and Mrs Farhat Saleem	Trustees	5,082	4,125
Saleem Memorial Trust Hospital	Mr Shahzad Saleem and Mrs Farhat Saleem	Directors	-	80,000
			5,082	84,125

25. Other income

	2018	2017
Profit on bank deposits	799	463
Mark-up on loans to employees	218	299
Gain on derivative financial instruments	1,077	-
Gain on disposal of operating fixed assets	3,389	7,094
Scrap sales	29,863	28,203
Miscellaneous	618	399
	35,964	36,458

26. Finance cost

	2018	2017
Interest/mark-up on:		
- Long term financing - secured	584,272	742,180
- Short term borrowings - secured	457,557	343,419
- Short term loan from holding company - unsecured	1,188	3,767
Bank charges and commission	3,250	3,154
	1,046,267	1,092,520

27. Taxation

	2018	2017
Current		
- For the year	-	-
- Prior years	-	(1,303)
	-	(1,303)

	2018	2017
	(Rupees in thousand)	

27.1 Relationship between tax income and accounting profit

Profit before taxation	3,406,385	2,998,448
Tax at the applicable rate of 30% (2017: 31%)	1,021,916	929,519
Tax effect of amounts that are exempt as referred to in note 4.1	(1,021,676)	(929,375)
Allowable as tax credit	(240)	(144)
Effect of change in prior years' tax	-	(1,303)
	-	(1,303)

27.2 For the purposes of current taxation, the tax credit available for carry forward is estimated at Rs 101.737 million (2017: Rs 94.115 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, on prudence basis, deferred tax asset on tax credit available for carry forward has not been recognized in these financial statements.

27.3 Management assessment on sufficiency of provision for income taxes

A comparison of provision on account of income taxes with most recent tax assessment for last three tax years is as follows:

	2017	2016	2015
		(Rupees in thousand)	
Tax assessed as per most recent tax assessment	Nil	Nil	Nil
Provision in accounts for income tax	Nil	Nil	Nil

As at June 30, 2018, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, there is no provision in accounts for income tax as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

		2018	2017

28. Earnings per share

28.1 Basic earnings per share

Net profit for the year	**Rupees**	3,406,385,000	2,999,751,000
Weighted average number of ordinary shares	**Number**	367,346,939	367,346,939
Earnings per share	**Rupees**	9.27	8.17

28.2 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, 2018, and June 30, 2017, which would have any effect on the earnings per share if the option to convert is exercised.

		2018	2017
		(Rupees in thousand)	
29. Cash generated from operations			
Profit before taxation		3,406,385	2,998,448
Adjustment for non cash charges and other items:			
Depreciation on operating fixed assets		1,066,019	1,152,648
Amortization on intangible assets		4,313	3,711
Profit on bank deposits		(799)	(463)
Finance cost		1,046,267	1,092,520
Advances written off		-	75
Provision for employee retirement benefits		8,063	7,501
Profit on disposal of operating fixed assets		(3,389)	(7,094)
Profit before working capital changes		5,526,859	5,247,346
Effect on cash flow due to working capital changes:			
Decrease/(increase) in current assets:			
Stores and spares		(17,275)	56,198
Inventories		(490,352)	(321,948)
Trade debts		(2,653,496)	(2,628,436)
Loans, advances, deposits, prepayments and other receivables		(58,911)	53,638
		(3,220,034)	(2,840,548)
Increase/(decrease) in current liabilities:			
Trade and other payables		184,383	265,417
Unclaimed dividend		405	(1,512)
		184,788	263,905
		2,491,613	2,670,703
30. Cash and cash equivalents			
Bank balances	- note 20	98,237	115,560
Short term borrowings - secured	- note 8	(7,655,933)	(6,043,219)
		(7,557,696)	(5,927,659)

32. Transactions with related parties

The related parties comprise the holding company, subsidiaries and associates of holding company, related parties due to common directorship, 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. Related party transactions have been disclosed in respective notes in these financial statements other than the following:

Relationship with the company	Nature of transactions		2018	2017
			(Rupees in thousand)	
Holding company	Dividends paid		187,586	562,757
Key management personnel	Remuneration	- note 32.1	42,239	32,177

32.1 This represents remuneration of the Chief Executive and certain executives that is included in the remuneration disclosed in note 31 to these financial statements.

33. Capacity and production

	2018 MWH	2017 MWH
Installed capacity [based on 8,760 hours (2017: 8,760 hours)]	1,714,525	1,714,525
Actual energy delivered	1,099,666	1,315,869

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

34. Number of employees

	2018	2017
Total number of employees as at June 30	183	179
Total number of factory employees as at June 30	156	150
Average number of employees during the year	185	186
Average number of factory employees during the year	157	155

35. Disclosure relating to Provident Fund

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

36. Financial risk management

36.1 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 reporting date, the interest rate profile of the company's interest bearing financial instruments was:

	2018	2017
Fixed rate instruments	**(Rupees in thousand)**	
Financial assets		
Bank balances - savings accounts	97,084	114,869
Financial liabilities	-	-
Net exposure	97,084	114,869
Floating rate instruments		
Financial assets		
Trade debts - overdue	5,433,697	3,218,815
WPPF receivable from NTDC - overdue	556,586	520,302
	5,990,283	3,739,117
Financial liabilities		
Long term financing	(5,573,608)	(7,507,386)
Short term borrowings	(7,655,933)	(6,043,219)
Short term loan from holding company	-	(350,000)
	(13,229,541)	(13,900,605)
Net exposure	(7,795,844)	(10,681,790)

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 reporting 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 133.146 million (2017: Rs 103.501 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:

	2018	2017
	(Rupees in thousand)	
Long term loans to employees	3,995	5,000
Long term security deposits	105	105
Trade debts	11,706,117	9,052,621
Advances, deposits and other receivables	737,601	680,911
Bank balances	98,237	115,560
	12,546,055	9,854,197

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

Neither past due nor impaired	4,254,679	4,120,701
Past due but not impaired:		
- 1 to 30 days	1,597,972	1,823,605
- 31 to 90 days	2,622,907	1,554,180
- 91 to 180 days	1,725,872	73,379
- 181 to 365 days	167,099	215,841
- above 365 days	1,337,588	1,264,915
	7,451,438	4,931,920
	11,706,117	9,052,621

(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, 2018.

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term financing	5,573,608	2,246,839	3,326,769	-
Short term borrowings	7,655,933	7,655,933	-	-
Trade and other payables	465,650	465,650	-	-
Unclaimed dividend	15,499	15,499	-	-
Accrued finance cost	295,234	295,234	-	-
	14,005,924	10,679,155	3,326,769	-

The following are the contractual maturities of financial liabilities as at June 30, 2017.

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term financing	7,507,386	1,933,775	5,573,611	-
Short term borrowings	6,043,219	6,043,219	-	-
Short term loan from holding company	350,000	350,000	-	-
Trade and other payables	301,968	301,968	-	-
Unclaimed dividend	15,094	15,094	-	-
Accrued finance cost	255,569	255,569	-	-
	14,473,236	8,899,625	5,573,611	-

36.2 Financial instruments by categories

	Loans and receivables	
	2018	2017
Assets as per statement of financial position	(Rupees in thousand)	
Long term loans to employees	3,995	5,000
Long term security deposits	105	105
Trade debts	11,706,117	9,052,621
Loans, advances, deposits and other receivables	737,601	680,911
Bank balances	98,237	115,560
	12,546,055	9,854,197

	Financial liabilities at amortized cost	
	2018	2017
Liabilities as per statement of financial position	(Rupees in thousand)	
Long term financing	5,573,608	7,507,386
Short term borrowings	7,655,933	6,043,219
Short term loan from holding company	-	350,000
Trade and other payables	465,650	301,968
Unclaimed dividend	15,499	15,094
Accrued finance cost	295,234	255,569
	14,005,924	14,473,236

36.3 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.

36.4 Financial assets and financial liabilities subject to offsetting

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

36.5 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 borrowings including current and non-current borrowings, as disclosed in notes 7 and 9, less cash and cash equivalents as disclosed in note 30. Total capital is calculated as 'equity' as shown in the statement of financial position plus borrowings.

The gearing ratio as at June 30, 2018 and June 30, 2017 is as follows:

		2018	**2017**
		(Rupees in thousand)	
Borrowings - note 7 and note 9		5,573,608	7,857,386
Less: Cash and cash equivalents - note 30		(7,557,696)	(5,927,659)
Net debt		13,131,304	13,785,045
Total equity		12,229,326	9,190,288
Total capital		25,360,630	22,975,333
Gearing ratio	**Percentage**	51.78	60.00

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.

37. Summary of significant transactions and events

The company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- repaid principal on long term finance aggregating Rs 1,933.778 million (refer to note 7);

- declared dividend amounting to Rs 367.347 million (refer to statement of changes in equity); and

- the Arbitrator declared Final Award in the company's favour wherein he ordered NTDC to pay various significant amounts to the company (refer to note 18.2).

38. Date of authorization for issue

These financial statements were authorized for issue on September 28, 2018 by the Board of Directors of the company.

39. Event after the reporting date

The Board of Directors have proposed a final cash dividend for the year ended June 30, 2018 of Rs. 1.5 per share, amounting to Rs. 551.02 million at their meeting held on September 28, 2018 for approval of the members at the Annual General Meeting to be held on October 26, 2018. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

40. Corresponding figures

Corresponding figures have been reclassified wherever necessary to reflect better presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. Reclassifications made are as follows:

	Rupees in thousand
'Unclaimed dividend' previously presented under 'Trade and other payables' now separately presented on the face of the statement of financial position	15,094
'Intangible assets' previously presented under 'Fixed assets', now presented separately on the face of the statement of financial position	17,156

The above reclassifications do not have any material effect on the information presented in the statement of financial position, statement of profit or loss and statement of cash flows. Therefore, third statement of financial position has not been presented.

Director **Chief Financial Officer** **Director**

NISHAT CHUNIAN POWER LIMITED

CATEGORIES OF SHAREHOLDERS

AS ON JUNE 30TH, 2018

	Categories	No. of Shareholder	Shares Held	Percentage
A	General Public	3,212	71,770,416	19.54%
B	Directors/Chief Executive Officer and their Spouse and minor Children			
	Mr. Aftab Ahmad Khan	1	1	0.00%
	Mr. Muhammad Azam	1	500	0.00%
	Ms. Farhat Saleem	1	142,511	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	63	8,063,793	2.20%
E	Financial Institutions	10	69,530,000	18.93%
F	Insurance Companies	6	2,243,500	0.61%
G	Investment Companies	3	83,000	0.02%
H	Public Sector Companies	8	23,302,422	6.34%
I	Mutual Funds			
	CDC - TRUSTEE AKD INDEX TRACKER FUND	1	38,465	0.01%
	CDC - TRUSTEE AKD OPPORTUNITY FUND	1	200,000	0.05%
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	590,000	0.16%
	CDC - TRUSTEE APF-EQUITY SUB FUND	1	60,000	0.02%
	CDC - TRUSTEE ABL STOCK FUND	1	89,000	0.02%
	TCM INVESTMENT FUNDS LUX - TCM GLOB FRONTR HI DIVDEND EQUITY	1	870,000	0.24%
J	Funds	14	1,610,511	0.44%
K	Others	18	1,117,000	0.30%
		3345	**367,346,939**	**100.00%**

Shareholding 5% or more

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

NISHAT CHUNIAN POWER LIMITED
PATTERN OF SHAREHOLDINGS
AS ON JUNE 30TH, 2018

Number of ShareHolders	Shareholdings			Total Number of Share Held	Percentage of Total Capital
	From		To		
206	1	-	100	4,763	0.00%
718	101	-	500	345,511	0.09%
415	501	-	1000	405,112	0.11%
885	1001	-	5000	2,763,214	0.75%
354	5001	-	10000	2,962,514	0.81%
139	10001	-	15000	1,827,524	0.50%
113	15001	-	20000	2,082,230	0.57%
81	20001	-	25000	1,928,660	0.53%
52	25001	-	30000	1,518,677	0.41%
28	30001	-	35000	923,500	0.25%
23	35001	-	40000	882,218	0.24%
19	40001	-	45000	829,600	0.23%
47	45001	-	50000	2,318,106	0.63%
18	50001	-	55000	956,501	0.26%
13	55001	-	60000	769,340	0.21%
9	60001	-	65000	578,000	0.16%
11	65001	-	70000	741,500	0.20%
13	70001	-	75000	951,000	0.26%
4	75001	-	80000	320,000	0.09%
4	80001	-	85000	332,000	0.09%
6	85001	-	90000	530,500	0.14%
5	90001	-	95000	469,000	0.13%
20	95001	-	100000	1,993,000	0.54%
8	100001	-	105000	821,595	0.22%
4	105001	-	110000	433,000	0.12%
2	110001	-	115000	228,500	0.06%
3	115001	-	120000	360,000	0.10%
3	120001	-	125000	370,500	0.10%
4	125001	-	130000	515,000	0.14%
5	130001	-	135000	666,851	0.18%
4	135001	-	140000	548,511	0.15%
1	140001	-	145000	144,000	0.04%
4	145001	-	150000	593,000	0.16%
1	150001	-	155000	152,000	0.04%
5	155001	-	160000	794,500	0.22%
2	160001	-	165000	325,054	0.09%
3	165001	-	170000	506,000	0.14%
1	170001	-	175000	175,000	0.05%
1	180001	-	185000	182,500	0.05%
3	185001	-	190000	567,000	0.15%
2	190001	-	195000	387,901	0.11%
12	195001	-	200000	2,397,000	0.65%
2	200001	-	205000	406,000	0.11%
2	205001	-	210000	415,500	0.11%
3	210001	-	215000	639,500	0.17%
1	215001	-	220000	219,500	0.06%
1	225001	-	230000	226,500	0.06%
4	230001	-	235000	935,500	0.25%
3	235001	-	240000	718,500	0.20%
1	240001	-	245000	244,500	0.07%
5	245001	-	250000	1,246,085	0.34%
1	250001	-	255000	252,000	0.07%
3	270001	-	275000	820,500	0.22%
1	290001	-	295000	294,000	0.08%
3	295001	-	300000	898,000	0.24%
1	300001	-	305000	305,000	0.08%

5	395001	-	400000	1,997,011	0.54%
1	400001	-	405000	405,000	0.11%
1	405001	-	410000	410,000	0.11%
1	450001	-	455000	451,539	0.12%
1	465001	-	470000	465,500	0.13%
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	543,000	0.15%
1	555001	-	560000	560,000	0.15%
1	560001	-	565000	561,500	0.15%
1	585001	-	590000	590,000	0.16%
5	595001	-	600000	3,000,000	0.82%
1	600001	-	605000	601,000	0.16%
1	605001	-	610000	609,000	0.17%
1	625001	-	630000	630,000	0.17%
2	670001	-	675000	1,346,500	0.37%
1	695001	-	700000	700,000	0.19%
1	755001	-	760000	760,000	0.21%
1	795001	-	800000	800,000	0.22%
1	865001	-	870000	870,000	0.24%
1	970001	-	975000	973,000	0.26%
2	995001	-	1000000	2,000,000	0.54%
1	1000001	-	1005000	1,001,000	0.27%
1	1585001	-	1590000	1,589,000	0.43%
1	1595001	-	1600000	1,600,000	0.44%
1	1780001	-	1785000	1,783,500	0.49%
1	1820001	-	1825000	1,825,000	0.50%
1	1885001	-	1890000	1,886,000	0.51%
1	2265001	-	2270000	2,268,000	0.62%
1	2495001	-	2500000	2,500,000	0.68%
1	3035001	-	3040000	3,040,000	0.83%
1	3095001	-	3100000	3,100,000	0.84%
1	3120001	-	3125000	3,124,000	0.85%
1	3125001	-	3130000	3,126,000	0.85%
1	3295001	-	3300000	3,298,500	0.90%
1	3950001	-	3955000	3,950,500	1.08%
1	4205001	-	4210000	4,205,500	1.14%
1	4670001	-	4675000	4,673,000	1.27%
1	7120001	-	7125000	7,122,000	1.94%
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%
3,345				367,346,939	100.00%

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 26, 2018 (Friday) at 9.00 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 ____________________________ 2018 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, singed and witnessed.

2. Signature must agree with the specimen signature registered with the Company.

نشاط چونیاں پاورلمیٹڈ

پراکسی فارم (مختار نامہ)

کمپنی سیکرٹری،
نشاط چونیاں پاورلمیٹڈ
Q-31،گلبرگ II،لاہور۔

میں/ہم ——————————————————————————————
ساکن ——————————————————————————————
بحیثیت رکن نشاط چونیاں پاورلمیٹڈ ،اور مالک ———————عام حصص بمطابق فولیونمبر ——————(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر ————پارٹیسپنٹ آئی ڈی نمبر————)بذریعہ ہذامحترم/محترمہ ——————— ساکن ۔ کمپنی کا دیگر رکن بمطابق شیئر رجسٹر فولیو نمبر————(یااسکی غیرموجودگی میں ——————ساکن ——————
جو مذکورہ کمپنی کا حصص دار بھی ہے
کواپنے/ہمارے ایماء پر:—مورخہ 26اکتوبر2018ء،بروز جمعہ صبح 9:00 بجے—————
رجسٹرڈ دفتر: Q-31: گلبرگ II،لاہور میں
منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے ،شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ ہمارا بطور مختار (پراکسی)مقرر کرتاہوں/کرتے ہیں۔
آج بروز..................بتاریخ...........2018ءکومیرے/ ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

گواهان

5روپے کا رسیدی ٹکٹ چسپاں کریں۔

دستخط : ——————————

دستخط : ——————————

اهم نوٹ:

1۔ باقاعدہ مہر، دستخط اور گواہی شدہ کمپنی کے رجسٹرڈ دفتر/صدر دفتر میں اجلاس منعقد ہونے سے کم ازکم 48(اڑتالیس) گھنٹے قبل لازماً وصول ہوجانی چاہئیں پراکسیاں تاکہ مؤثر ہوسکیں۔
2۔ دستخط لازماً 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, 2018 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 26th October, 2018

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
www.nishat.net
www.facebook.com/NishatChunianGroup