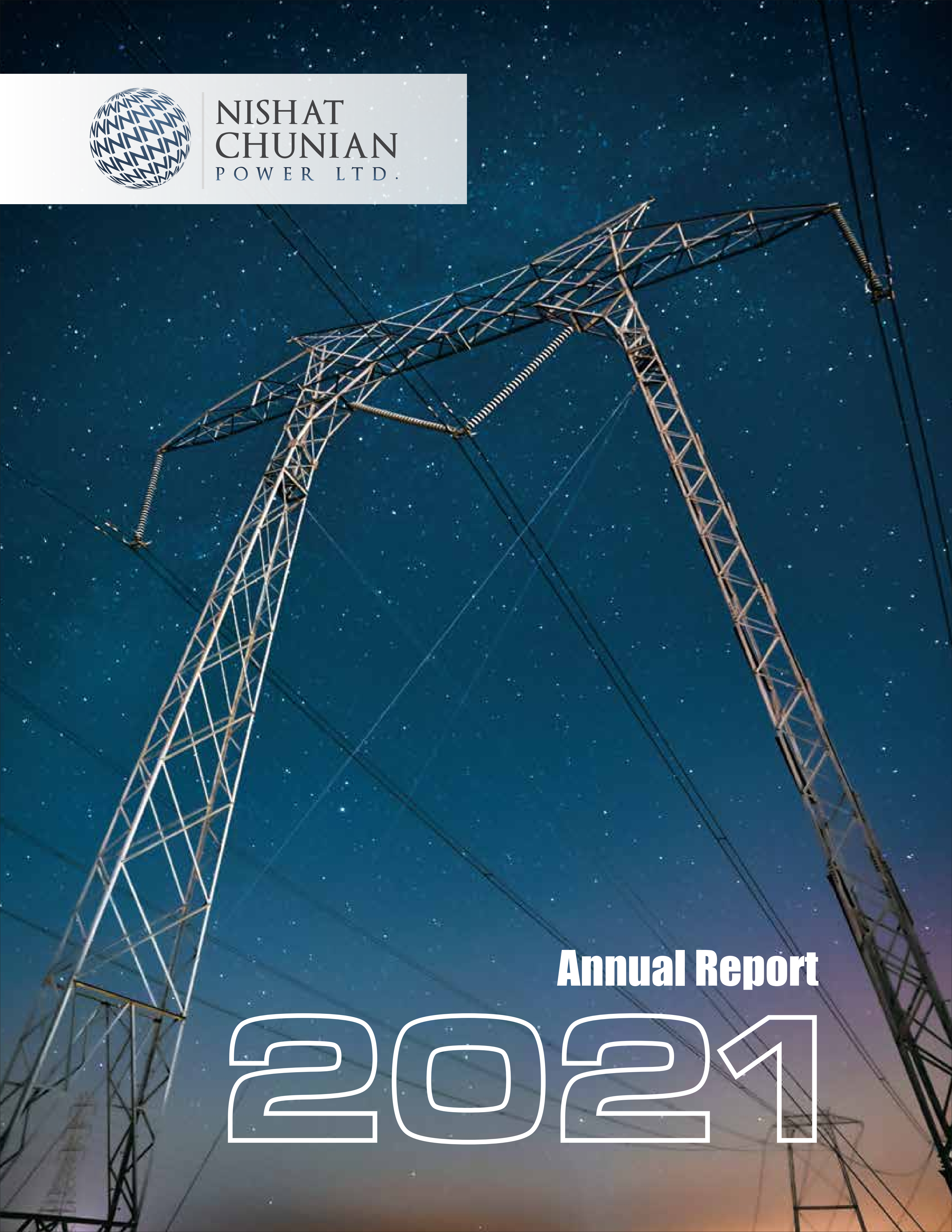

NISHAT CHUNIAN POWER LTD.

Annual Report 2021

BRIEF PROFILE

Contents

Company Information

BOARD OF DIRECTORS:

Mrs. Farhat Saleem
Chairperson
Mrs. Ayesha Shahzad
Director
Mr. Farrukh Ifzal
Chief Executive Officer
Mr. Aftab Ahmad Khan
Director
Mr. Muhammad Azam
Director
Mr. Muhammad Ashraf
Director
Mr. Babar Ali Khan
Director
Mr. Rehmat Naveed Elahi
Director

AUDIT COMMITTEE AND HR & R COMMITTEE:

Mr. Muhammad Azam
Chairman
Mr. Aftab Ahmad Khan
Member
Mr. Rehmat Naveed Elahi
Member

CHIEF EXECUTIVE OFFICER: **Mr. Farrukh Ifzal**

CHIEF FINANCIAL OFFICER: **Mr. Muhammad Bilal**

COMPANY SECRETARY: **Mr. Syed Tasawar Hussain**

BANKERS TO THE COMPANY:	Al Baraka Bank (Pakistan) Limited Allied Bank Limited Askari Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited MCB Islamic Bank Limited Meezan Bank Limited National Bank of Pakistan Pak Oman Investment Company Limited Pak Libya Holding Company Limited Sindh Bank Limited Summit Bank Limited The Bank of Punjab United Bank Limited
AUDITORS:	**Riaz Ahmad & Co.** Chartered Accountants
LEGAL ADVISERS:	**Ahmad & Pansota** 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 the 14th Annual General Meeting of the Shareholders of Nishat Chunian Power Limited (the "Company") will be held on October 28, 2021 at 10:00 AM at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 13th Annual General Meeting held on October 23, 2020.

2. To receive, consider and adopt audited financial statements of the Company for the year ended June 30, 2021 together with Chairperson's Review, Directors' and Auditors' reports thereon.

3. To appoint auditors for the year ending June 30, 2022, and to fix their remuneration. The present Auditors M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for reappointment.

4. To transact any other business with the permission of the Chair.

By order of the Board

Lahore
Dated: October 06, 2021

Syed Tasawar Hussain
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 22, 2021 to October 28, 2021 (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 21, 2021 will be considered in time to determine the entitlement 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 a proxy to attend and vote in the meeting. The 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 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 the case of a 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 the case of a 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. Video Conference Facility

i. In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid-up share capital may demand the facility of video-link for participating in the annual general meeting. The request for a video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting.

ii. In compliance with the guidelines issued by the Securities & Exchange Commission of Pakistan vide circular No. 6 of 2021 issued on March 03, 2021 the company has arranged a video link facility for shareholders to participate in the meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities. Shareholders interested in attending the meeting through video link are requested to register by submitting their following particulars at the Company Secretary's email (tasawar@nishat.net) not later than 48 hours before the time for holding the meeting. The link to participate in the meeting will be sent to the shareholders on the email address provided by them. Shareholders are requested to fill the particulars as per the below table:

Name of Shareholder	CNIC No.	Folio / CDC Account No.	No. of Shares held	Cell No.	Email address

The login facility will be opened at 10:00 a.m. on October 28, 2021 enabling the participants to join the proceedings.

4. Circulation of Annual reports through Digital Storage

Pursuant to the SECP's notification S.R.O 471(I)/2016 dated May 31, 2016 the shareholders of Nishat Chunian Power Limited in its 9th AGM of the Company had accorded their consent for the 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. Submission of Copy of CNIC (Mandatory)

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, Hameed Majeed Associates (Pvt) Ltd, 7-Bank Square, Lahore. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

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. Conversion of Physical Shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace his/her physical shares with bookentry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

نشاط چونیاں پاور لمیٹڈ۔

اطلاع برائے سالانہ اجلاسِ عام۔

بذریعہ نوٹس ہٰذا نشاط چونیاں پاور لمیٹڈ ("کمپنی") کے شیئر ہولڈرز کی 14ویں سالانہ اجلاسِ عام 28 اکتوبر، 2021 کو صبح 10 بجے رجسٹرڈ آفس، 31-Q، گلبرگ۔II، لاہور میں ہوگی اور مندرجہ ذیل امور طے پائیں گے؛

عام امور:

۱) 23 اکتوبر، 2020 کو منعقدہ 13 ویں سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنا۔

۲) 30 جون 2021 کو ختم ہوئے سال کے لئے کمپنی کے محاسب شدہ مالی حسابات اوران پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی موصولی ان پرغور کرنا اور اپنانے کے لئے منظوری دینا۔

۳) 30 جون 2022 کو ختم ہونے والے سال کے لئے محاسب کی تقرری اور ان کا معاوضہ طے کرنا۔موجودہ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ، ریٹائر ہو کر اہل ہونے کے بعد خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

۴) چیئرپرسن کی اجازت سے کسی دوسرے امر کا طے کرنا۔

بحکم بورڈ۔

سید تصور حسین

کمپنی سیکریٹری

لاہور

مورخہ: 06 اکتوبر، 2021

نوٹس:

۱) حصص منتقلی کی کتابوں کی بندش

کمپنی کی حصص منتقلی کی کتابیں 22 اکتوبر 2021 سے 28 اکتوبر 2021 تک (دونوں دن شامل) بند رہے گی۔ وہ منتقلیاں جو کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور کو 21 اکتوبر 2021 تک کاروبار کے اختتام تک موصول ہوں گی وہی حقدار کا تعین کرنے اور اجلاس میں شرکت اور ووٹ ڈالنے کے لئے بروقت تصور ہوں گی۔

۲) سالانہ عام اجلاس میں شرکت

اس اجلاس میں شرکت اور ووٹ ڈالنے کا اہل ممبر اجلاس میں شرکت اور ووٹ ڈالنے کے لئے کسی دوسرے ممبر کو پراکسی کے طور پر مقرر کرسکتا ہے۔ پراکسی (مہر اور دستخط شدہ) کمپنی کے رجسٹرڈ آفس پر 48 گھنٹے قبل موصول ہونا ضروری ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات پر عمل کرنا ہوگا۔

.A میٹنگ میں شرکت کے لئے:

(i) افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کی جاتی ہیں، وہ اجلاس میں شرکت کے وقت اپنی شناخت (کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ) کی تصدیق کرے گی۔

(ii) کارپوریٹ اینٹیٹی کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی برائے نامزد شخص کے نمونہ دستخط کے ساتھ پیش کیا جائے گا (جب تک کہ یہ پہلے فراہم نہیں کیا گیا ہو)۔

.B پراکسی تقرری کے لئے:

(i) افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کی جاتی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کروائیں۔

(ii) پراکسی فارم کی تصدیق دو افراد کریں گے جن کے نام، پتے اور CNIC نمبرز کا فارم پر ذکر کیا جائے گا۔

(iii) بینیفشل اونر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی پراکسی فارم کے ساتھ پیش کی جائیں گی۔

(iv) ملاقات کے وقت پراکسی اپنا اصلی CNIC یا اصل پاسپورٹ مہیا کرے گی۔

(v) کارپوریٹ اینٹیٹی کی صورت میں پراکسی فارم، بورڈ آف ڈائریکٹرز کی ریزولوشن/ پاور آف اٹارنی کے ساتھ نمونہ دستخط (جب تک کہ یہ پہلے فراہم نہیں کیا گیا ہو) کمپنی کے کو جمع کرایا جائے گا۔

۳) ویڈیو کانفرنس کی سہولت

(i)۔ کمپنیز ایکٹ، 2017 کے مطابق، شہر میں رہنے والے ممبران جو کم سے کم 10 فیصد حصص رکھتے ہیں، سالانہ عام اجلاس میں شرکت کے لئے ویڈیو لنک کی سہولت کا مطالبہ کرسکتے ہیں۔ ویڈیو لنک سہولت کے لئے درخواست شیئر رجسٹرار کے ذریعہ اجلاس کے تاریخ سے کم از کم 7 دن پہلے یہاں دیئے گئے پتے پر موصول ہوگی۔

(ii)۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 03 مارچ 2021 کو جاری کردہ 2021 کے سرکلر نمبر 6 کی رہنمائی کی تعمیل میں، کمپنی نے شیئر ہولڈرز کو اجلاس کی کاروائی میں شرکت کے لیے اپنے سمارٹ فونز یا کمپیوٹر آلات کے ذریعے اپنے گھروں یا کسی بھی مناسب جگہ سے حاضری کے تقاضے پورے کرنے کے بعد میٹنگ میں شرکت کے لیے ویڈیو لنک کی سہولت کا اہتمام کیا ہے۔

ویڈیو لنک کے ذریعے سے اجلاس میں شرکت کے خواہشمند حصص داران سے درخواست کی جاتی ہے کہ وہ اجلاس کے منعقد ہونے سے 48 گھنٹے قبل کمپنی سیکریٹری کے ای میل ایڈریس (tasawar@nishat.net) پر اپنی مندرجہ ذیل تفصیلات جمع کروائیں۔ اجلاس میں شریک ہونے کا لنک شیئر ہولڈرز کو ان کے فراہم کردہ ای میل ایڈریس پر ارسال کردیا جائے گا۔

حصص یافتگان سے گزارش ہے کہ وہ نیچے دیئے گئے جدول کے مطابق تفصیلات کو پر کریں:

شیئر ہولڈر کا نام	قومی شناختی کارڈ نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	تعداد شیئر	موبائل نمبر	ای میل

لاگ ان کی سہولت 28 اکتوبر 2021 کو صبح 10 بجے کھولی جائے گی جو شرکاء کو کاروائی میں شمولیت کے قابل بنائے گی۔

۴) ڈیجیٹل اسٹوریج کے ذریعہ سالانہ رپورٹس کی ترسیل

ایس ای سی پی کے نوٹیفکیشن ایس آر او 471 (I) / 2016 مورخہ 31 مئی، 2016 کے مطابق، کمپنی کے 9 ویں اے جی ایم میں نشاط چونیاں پاور لمیٹڈ کے حصص داروں نے محاسب شدہ سالانہ اکاؤنٹس، اے جی ایم کے نوٹس سمیت سالانہ رپورٹس، اور دیگر معلومات کی ترسیل ہارڈ کاپیوں کے بجائے سی ڈی/ ڈی وی ڈی/ یو ایس بی کے ذریعے کرنے کے لئے اپنی رضامندی دی تھی۔ وہ حصص یافتگان جو مذکورہ دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہیں وہ سالانہ رپورٹ میں فراہم کردہ درخواست فارم کمپنی سکریٹری/شیئر رجسٹرار کو بھیج سکتے ہیں، یہ فارم کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔ کمپنی ایسی مانگ کے ایک ہفتہ کے اندر بلا معاوضہ یہ دستاویزات حصص یافتگان کو فراہم کرے گی۔ جو حصص یافتگان یہ دستاویزات بشمول میٹنگ کے نوٹس ای میل کے ذریعے وصول کرنے کا ارادہ رکھتے ہیں اُن سے درخواست کی جاتی ہے کہ وہ سالانہ رپورٹ میں فراہم کردہ درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔ یہ فارم کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

۵) شناختی کارڈ کی کاپی جمع کروانا (لازمی)

فزیکل شیئر سرٹیفیکیٹ رکھنے والے تمام افراد بشمول مشترکہ ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی CNIC کی ایک کاپی کمپنی یا کمپنی کے شیئر رجسٹرار کو پیش کریں۔

تمام حصص یافتگان سے ایک بار پھر درخواست کی گئی ہے کہ وہ اپنی CNIC کی کاپی ہمارے شیئر رجسٹرار، حمید مجید ایسوسی ایٹس (پرائیوٹ) لمیٹڈ، 7-بینک اسکوائر، لاہور کو بھیجیں۔ سی این آئی سی بھیجتے وقت حصص یافتگان کا اپنے متعلقہ فولیو نمبر اور کمپنی کا نام درج کرنا ضروری ہے۔

۶) پتے کی تبدیلی

ممبران سے گزارش ہے کہ وہ اپنے پتے میں کوئی تبدیلی فوری طور پر مطلع کریں۔ حصص یافتگان سے درخواست کی گئی ہے کہ وہ مندرجہ بالا معلومات/ دستاویزات (i) متعلقہ سنٹرل ڈپازٹری نظام (سی ڈی ایس) کے شرکاء کو فراہم کریں اور (ii) مادی سیکیورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کریں۔

۷) مادی حصص کو CDS میں تبدیل کرنا

کمپنیز ایکٹ کے سیکشن 72 کے تقاضوں کے مطابق، ہر موجودہ لسٹڈ کمپنی کو اس کے مادی حصص کو بک انٹری فارم کے ساتھ اس انداز میں تبدیل کرنے کی ضرورت ہوگی جو کہ ایس ای سی پی کی طرف سے نہ صرف مخصوص کردہ ہو بلکہ مطلع کردہ تاریخ میں بھی ہو اور وہ تاریخ کمپنیز ایکٹ کے لاگو ہونے یعنی کہ 30 مئی 2017 کے چار سال کے اندر اندر ہوگی۔

مادی شیئر سرٹیفیکیٹ رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ جلد سے جلد اپنے شیئرز کو مادی فارم سے بک انٹری فارم میں تبدیل کریں۔ یہ ممبروں کو کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل، حصص کا نقصان نہ ہونا، ڈپلیکیٹ شیئرز کے اجراء کے لیے درکار رسمی شرائط سے بچنا اور منڈی میں آسانی سے شیئرز کی بہتر نرخوں پر فروخت اور خریداری ہونا شامل ہے۔

Chairperson's Review Report

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

The Company, like the rest of the world, faced a challenging year due to the novel Coronavirus pandemic and the resulting economic slowdown. Governments, around the globe, started slowing down economic activities through lockdowns as a means to control the spread of the virus. The company faced that period diligently. The power Sector was exempted from the lockdown in the country and the company remained equipped with the relevant staff and to ensure the availability of the power plant for power generation.

The board played a pivotal role in the Company's success by ensuring a diligent governance framework for the effective and prudent management of business matters. Board is always keen to implement improvements in the light of global best practices. Board ensured that adequate policies are in place that enhances the professional standards and corporate values. The board rooted a corporate culture that promotes sincerity among the Board, senior management, and other employees.

The Board comprising of (8) members, completed its tenure in October 23, 2020 and re-elections were held at the Annual General Meeting on October 23, 2020 to elect (8) Directors of the Company, as fixed by the Board of Directors, for the next term of three years, in accordance with the provisions of Section 159 of the Companies Act, 2017.The board comprises 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 five 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. Meeting 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

چیئر پرسن کی جائزہ رپورٹ

نشاط چونیاں پاور لمیٹڈ (این سی پی ایل) نے نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی/سنٹرل پاور پرچیزنگ ایجنسی گارنٹی لمیٹڈ کے ساتھ اپنے پچیس سالہ بجلی خرید معاہدے کے گیارہویں سال کو مکمل کیا ہے اور ٹھوس کارکردگی اور نتائج کے ساتھ یہ کامیابی حاصل کرنے میں کامیاب رہا ہے۔

اس کمپنی کو بھی پوری دنیا کی طرح، ناول کورونا وائرس اور اس کے نتیجے میں معاشی سست روی کی وجہ سے ایک مشکل سال کا سامنا کرنا پڑا۔ پوری دنیا میں حکومتوں نے، وائرس کے پھیلاؤ پر قابو پانے کے لیے لاک ڈاؤن کے ذریعے معاشی سرگرمیوں کو آہستہ کرنا شروع کر دیا۔
کمپنی نے اس عرصے کا پوری تندہی کے ساتھ سامنا کیا۔ ملک میں بجلی کے شعبے کو لاک ڈاؤن سے مستثنیٰ قرار دیا گیا تھا اور کمپنی نے متعلقہ عملے سمیت اس مدت میں بجلی پیدا کرنے کے لئے پاور پلانٹ کی دستیابی کو یقینی بنائے رکھا۔

کاروباری معاملات کے موثر اور محتاط انتظام کے لیے مستعد گورننس فریم ورک کو یقینی بناتے ہوئے بورڈ نے کمپنی کی کامیابی میں اہم کردار ادا کیا۔ بورڈ ہمیشہ بہترین عالمی طریقوں کی روشنی میں بہتریوں کو نافذ کرنے کا خواہشمند ہے۔ بورڈ نے اس بات کو یقینی بنایا کہ مناسب پالیسیاں موجود ہیں جو پیشہ ورانہ معیارات اور کارپوریٹ اقدار کو بڑھا رہی ہیں۔ بورڈ نے کارپوریٹ کلچر کو فروغ دیا جو بورڈ، سینئر مینجمنٹ، اور دوسرے ملازمین کے مابین اخلاص کو فروغ دیتا ہے۔

(8) ممبروں پر مشتمل بورڈ نے 23 اکتوبر 2020 میں اپنی مدت پوری کی اور 23 اکتوبر 2020 کو ہی ہونے والی سالانہ جنرل میٹنگ میں کمپنیز ایکٹ، 2017 کے سیکشن 159 کی دفعات کے تحت اگلی تین سالہ مدت کے لیے، بورڈ آف ڈائریکٹرز کی طرف سے تعین کردہ، 8 ڈائریکٹرز کو دوبارہ منتخب کرنے کے لیے انتخابات منعقد کیئے۔

بورڈ جن ممبران پر مشتمل ہے ان میں وسیع تجربہ اور متنوع علم موجود ہے جس کے نتیجے میں فیصلہ سازی کا ایک مؤثر عمل ہوتا ہے۔ بورڈ اپنی کمیٹیوں کے ساتھ مل کر منصوبہ بندی کے عمل میں اور کمپنی کے لئے وژن کو فروغ دینے میں پوری طرح شامل تھا۔

بورڈ آف ڈائریکٹرز نے سال کے دوران مجموعی کارکردگی کا جائزہ لینے، مالیاتی نتائج کو دیکھنے، اور بورڈ کے ذریعہ کمپنی کے مقاصد کے حصول میں ادا کردہ کردار کی مجموعی تاثیر ماپنے کے لئے پانچ بار ملاقات کی۔ بورڈ کے اجلاسوں کے لئے میٹنگ ایجنڈے اور معاون کاغذات بروقت وصول کیے گئے۔

بورڈ کی جانب سے، میں کمپنی کی کامیابی میں ہمارے تمام ملازمین کی شراکت کو تسلیم کرنا چاہتی ہوں۔

محترمہ فرحت سلیم
چیئر پرسن

Directors' Report

DEAR SHAREHOLDER

The Board is pleased to present financial statements for the year ending on June 30, 2021. During the fiscal year, 2021 turnover was PKR 11.64 billion (2020: PKR 13.02 billion) with an after-tax profit of PKR 2.51 billion (2020: PKR 4.61 billion) and an Earning Per Share (EPS) of PKR 6.83 (2020: PKR 12.54).

PERFORMANCE

During the year ended June 30, 2021, the capacity factor of the plant was 31.35% (2020: 20.43%) with an availability factor of 97.84% (2020: 92.61%) and the Company dispatched 537,568 MWH (2020: 351,228 MWH) to Power Purchaser.

Revenue of the company has declined, as the long term loan repayment component of the capacity tariff ceased with effect from July 21, 2020. The tariff structure was such that principal payments for the long-term loan were being received as part of the revenue during the first ten years from the Commercial Operations Date (July 21, 2010) Our profits for the first ten years were overstated in compliance with the accounting standards. As we anticipated, there is a drop in the profits from the current financial year and onwards.

The thermal efficiency and O&M cost component in our tariff are levelized over a 25-years period. As maintenance costs in the initial years are low, therefore our profit will be higher than the average over the remaining life of the project. Therefore, we expect reduced profitability in later years due to plant aging and higher maintenance costs.

Receivables impact the profitability of the company as under the Power Purchase Agreement (PPA) the Power Purchaser's default in making timely payments of the invoices entitles the company to Delay Payment mark-up. Since, the Power Purchaser is in continuous default of making timely payment therefore Delay Payment mark-up contributes to the bottom line of the company.

SIGNIFICANT DEVELOPMENTS

i) The Company, National Transmission and Dispatch Company Limited ('NTDC') and CPPA-G have entered into a "Novation Agreement to the Power Purchase Agreement" to transfer the rights, obligations, and liabilities of NTDC under the Power Purchase Agreement ('PPA') in favor of CPPA-G whereby making CPPA-G the Power Purchaser under the PPA.

ii) On February 11, 2021, the Company along with other IPPs signed the Amendment to the Power Purchase Agreement (PPA) and Master Agreement (the Agreements) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G/Power Purchaser) whereby certain concessions have been given to the Power Purchasers that are subject to fulfillment of certain terms and conditions and a mechanism of settlement of long outstanding receivables has also been agreed and is an integral part of the Agreements. The company and Power Puchaser also agreed on amicable resolution of the disputes as detailed in note 12.1.1(vii), note 18.2 and note 18.4 to the accompanying financial statements. Further details are provided in note 1.3 of the accompanying financial statements.

CIRCULAR DEBT

Circular debt has always been a major issue for companies operating in the power sector. Liquidity management remained challenging during the year. As of June 30, 2021, our total receivables from Power Purchaser have amplified to PKR 20.45 billion, out of which PKR 15.53 billion were overdue.

RISK MANAGEMENT AND CONTROLS

Financial risks to the company are mostly catered for in the tariff. Apart from liquidity risk (circular debt), the other major financial risk the company is exposed to is the 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. The Board of Directors ensures that sufficient adequate internal control exists in the company. These controls are also periodically monitored by our Internal Audit Function.

CORPORATE SOCIAL RESPONSIBILITY

The Company always believes in the health and prosperity of its employees. Moreover at the time of a global pandemic, NCPL offered free of cost COVID-19 vaccine to all its employees.

The company is keen on 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.

DIVIDENDS

The company's ability to pay dividends depends on the recoverability of the receivables from Power Purchaser. The Power Purchaser consistently failed to make timely payments to the Company, consequently, our receivables have amplified to PKR 20.45 billion with short-term borrowings at PKR 10.02 billion. Since the company could not realize enough receivables, therefore, is unable to pay dividends to its shareholders in this financial year.

AUDITORS

The retiring auditor's M/s Riaz Ahmad & 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 2021-22.

PATTERN OF SHAREHOLDING

The pattern of shareholding as of June 30, 2021, is annexed with the Annual Report.

Board of Directors and its Committees

During the year under review, five (5) meetings were held. Attendance and composition of the board are as follows:

DIRECTORS ON THE BOARD

Name of Director	Category	Committee	Attendance
Mrs. Farhat Saleem	Non-Executive	-	2
Mrs. Ayesha Shahzad	Non-Executive	-	2
Mr. Farrukh Ifzal (CEO)	Executive	-	5
Mr. Muhammad Ashraf	Non-Executive	-	5
Mr. Aftab Ahmad Khan	Non-Executive	Audit and HR&R	5
Mr. Muhammad Azam	Independent	Audit and HR&R	5
Mr. Rehmat Naveed Elahi	Independent	Audit and HR&R	3
Mr. Babar Ali Khan	Non-Executive	-	5
Mr. Syed Tariq Ali (Retired on October 23, 2020)	Non-Executive	-	1

The company has 2 female and 6 male directors as at June 30, 2021.

DIRECTORS' REMUNERATION

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fees which are determined by the Board as per the Companies Act 2017 & the listed Companies (Code of Corporate Governance) Regulations, 2019.

The aggregate amount of remuneration paid to executive and non-executive directors has been disclosed in note 31 of the annexed financial statements.

Acknowledgement

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

Chief Executive Officer **Director**

مجلس نظماء رپورٹ

محترم حصص داران،

بورڈ 30 جون، 2021 کو ختم ہونے والے سال کے لئے مالی بیانات پیش کرنے پر خوش ہے۔ مالی سال کے دوران، وصولی 11.64 ارب (2020: 13.02 ارب)، ٹیکس کے بعد منافع 2.51 ارب (2020: 4.61 ارب) اور فی شیئر آمدنی 6.83 (2020: 12.54) ہے۔

منافع

30 جون، 2021 کو ختم ہونے والے سال کے دوران، پلانٹ کی صلاحیت کا عنصر 31.35٪ (2020: 20.43٪) تھا جس کی موجودگی کا عنصر 97.84٪ (2020: 92.61٪) تھا۔ سال کے دوران کمپنی نے 537,568، میگاواٹ (2020: 351,228 میگاواٹ) بجلی پاور خریدار کو بیچی۔

کمپنی کی وصولی کم ہوگئی ہے کیونکہ کیپیسٹی محصول کا طویل مدتی قرض کا جزو 21 جولائی، 2020 سے ختم ہو چکا ہے۔ ہمارا محصولات کا ڈھانچہ اس طرح تھا کہ کمرشل آپریشنز کی تاریخ (21 جولائی، 2010) سے لے کر پہلے دس سال کے عرصے کے دوران محصول میں طویل مدتی قرض کے جزو کے اصل زر کی ادائیگی وصولی کے طور پر کی جارہی تھیں۔ لہذا، اکاؤنٹنگ سٹینڈرڈ کے مطابق ہمارے ابتدائی دس سالوں میں ہمارا منافع بڑھا ہوا تھا۔ جیسا کہ ہم نے توقع کی تھی، موجودہ مالی سال کے منافع میں کمی ہوگئی ہے۔

ہمارے ٹیرف میں تھرمل کارکردگی اور O&M لاگت کا جزو 25 سال کے عرصے میں برابر کیا جاتا ہے۔ چونکہ ابتدائی سالوں میں دیکھ بھال کے اخراجات کم ہیں، لہذا ابتدائی سالوں میں ہمارا منافع منصوبے کی باقی زندگی کے اوسط سے زیادہ ہوگا۔ لہذا، ہم پیداواری یونٹ کی عمر بڑھنے اور دیکھ بھال کے زیادہ اخراجات کی وجہ سے بعد کے سالوں میں کم منافع کی توقع کرتے ہیں۔

کمپنی کے منافع پر تاخیر سے وصولی کی انوائس اثر انداز ہوتی ہیں جیسا کہ پاور خریداری معاہدے (پی پی اے) کے تحت انوائس کی بروقت ادائیگی کرنے میں پاور خریدار کی ناکامی کمپنی کو تاخیر سے متعلق ادائیگی کے سود کا اہل بناتا ہے۔ پاور خریدار بروقت ادائیگی کرنے میں مستقل ناکام ہے اور کمپنی کی وصول کنندہ سے وصولیوں میں بڑی تعداد میں اضافہ ہوا ہے جس کی وجہ سے کمپنی کی تاخیر سے متعلق ادائیگی کی آمدنی اور نتیجے میں خالص منافع میں اضافہ ہوا ہے۔

اہم پیشرفت

۱) کمپنی نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی لمیٹڈ ('این ٹی ڈی سی') اور سی پی پی اے-جی نے "بجلی کی خریداری کے معاہدے میں نوویشن معاہدہ" کیا ہے۔نوویشن معاہدہ کا مقصد پی پی اے کے تحت این ٹی ڈی سی کے حقوق اور ذمہ داریاں سی پی پی اے-جی کو منتقل کرنا اور سی پی پی اے-جی کو پاور خریدار بنانا ہے۔

۲) 11 فروری 2021 کو، کمپنی نے دیگر آئی پی پیز کے ساتھ مل کر سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ('سی پی پی اے-جی') کے ساتھ "ماسٹر ایگریمنٹ" اور "پی پی اے ترمیمی معاہدہ" پر دستخط کیے جس کے ذریعے پاور خریدار کو کچھ رعایتیں فراہم کی گئی ہیں اور یہ رعایتیں کچھ شرائط وضوابط کی تکمیل سے مشروط ہیں۔طویل بقایا وصولیوں کے حل کے طریقہ کار پر بھی اتفاق کیا گیا ہے اور یہ ترمیمی معاہدے کا لازمی جزو ہے۔کمپنی اور پاور خریدار نے مالی بیانات کے نوٹ 12.1.1 (vii)، نوٹ 18.2 اور نوٹ 18.4 کے تنازعہ کے متفقہ حل پر بھی اتفاق کیا۔

گردشی قرضے

گردشی قرضے بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ہمیشہ ایک اہم مسئلہ رہے ہیں۔سال کے دوران لیکویڈیٹی مینجمنٹ چیلنج رہا۔30 جون، 2021 تک، پاور خریدار سے ہمارے وصول کردہ قابل وصولات 20.45 ارب ہو چکے ہیں، جن میں سے 15.53 ارب واجب الادا ہے۔

رسک مینجمنٹ

کمپنی کو لاحق ہونے والے زیادہ تر مالی خطرات کا محصول میں احاطہ کیا جاتا ہے۔لیکویڈیٹی رسک (گردشی قرضے) کے علاوہ، کمپنی کو جو دیگر بڑے مالی خطرہ لاحق ہے اس میں سود کی شرح ہے۔سود کی شرح میں کوئی اتار چڑھاؤ کمپنی کے منافع کو متاثر کرسکتا ہے۔رسک مینجمنٹ کے ایک حصے کے طور پر، کمپنی نے مناسب داخلی مالیاتی کنٹرول، دستی اور خودکار طریقے سے، ڈیزائن کیا ہے اور اس پر عمل درآمد کیا ہے، جو مختلف پالیسیوں اور طریقہ کار کے رہنما خطوط کے ذریعہ عملے کو بتایا جاتا ہے۔بورڈ آف ڈائریکٹرز اس بات کو یقینی بناتا ہے کہ کمپنی میں مناسب اندرونی کنٹرول موجود ہے۔یہ کنٹرول ہمارے اندرونی آڈٹ فنکشن کے ذریعہ وقتاً فوقتاً بھی مانیٹر کیے جاتے ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی ہمیشہ سے اپنے ملازمین کی صحت اور خوشحالی پر یقین رکھتی ہے۔مزید براں، وبا کے دنوں میں، کمپنی نے اپنے ملازمین کو مفت کووڈ-19 کی ویکسین فراہم کی۔

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

کمپنی کی جانب سے منافع کی ادائیگی کرنے کی اہلیت کا انحصار پاورخریدار سے وصولیوں پر ہے۔ پاورخریدار کمپنی کو بروقت ادائیگی کرنے میں مستقل طور پر ناکام رہا، اس کے نتیجے میں، ہمارے وصول کنندگان 20.45 ارب اور مختصر مدت کے ادھار 10.02 ارب پر پہنچ چکے ہیں۔ چونکہ کمپنی پاورخریدار سے معقول وصولیاں نہیں کر سکی، لہذا، اس مالی سال میں اپنے حصص یافتگان کو منافع ادا کرنے سے قاصر ہے۔

محاسب

ریٹائرڈ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اہل ہونے کی بناء پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی نے سال 22-2021 کے لئے کمپنی کے محاسب کی حیثیت سے ان کی دوبارہ تقرری کی منظوری دی ہے۔

نمونہ حصص داری

30 جون 2021 کے مطابق نمونہ حصص داری سالانہ رپورٹ کے ہمراہ منسلک کیا گیا ہے۔

مجلسِ نظما اور اسکی کمیٹیاں

زیر جائزہ سال کے دوران پانچ (5) اجلاس منعقد ہوئے۔ بورڈ کی حاضری اور ترتیب حسب ذیل ہے:

بورڈ پر ڈائریکٹرز

نام ڈائریکٹر	کیٹگری	کمیٹی	تعداد حاضری
محترمہ فرحت سلیم	نان ایگزیکٹو	-	2
محترمہ عائشہ شہزاد	نان ایگزیکٹو	-	2
جناب فرخ افضال	ایگزیکٹو	-	5
جناب محمد اشرف	نان ایگزیکٹو	-	5
جناب آفتاب احمد خان	نان ایگزیکٹو	آڈٹ اینڈ HR&R	5
جناب محمد اعظم	آزاد	آڈٹ اینڈ HR&R	5
جناب رحمت نوید الٰہی	آزاد	آڈٹ اینڈ HR&R	3
جناب بابر علی خان	نان ایگزیکٹو	-	5
جناب سید طارق علی (ریٹائرڈ 23 اکتوبر، 2020)	نان ایگزیکٹو	-	1

30 جون 2021 پر کمپنی میں 2 خاتون اور 6 مرد ڈائریکٹرز ہیں۔

ڈائریکٹرز کا مشاہرہ

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو سوائے ملاقات کی فیسوں کے جو بورڈ کے ذریعے کمپنیز ایکٹ 2017 اور کمپنیوں کے (کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق طے کی جاتی ہے کوئی ادائیگی نہیں کرتی ہے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کی جانے والی فیس کی مجموعی رقم منسلک مالیاتی بیانات کے نوٹ 31 میں ظاہر کی گئی ہے۔

اظہار تشکر

ڈائریکٹرز اس موقع پر ہمارے قابل قدر شیئر ہولڈرز کا شکریہ ادا کریں گے جو ہماری کمپنی پر بھروسہ رکھتے ہیں اور کمپنی کے ملازمین کی خدمات، وفاداری، اور کوششوں کے لیے ان سے اظہار تشکر کرنا چاہتے ہیں اور امید کرتے ہیں کہ وہ اس کام کو مستقبل میں جاری رکھیں گے۔

چیف ایگزیکٹو

ڈائریکٹر

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Financial Highlights

Rupees in Millions

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Result of Operations						
Net Sales	13,854	16,148	16,594	15,021	13,023	11,643
Gross Profit	4,194	4,320	4,640	5,076	6,756	3,770
Operating Income	3,975	4,091	4,453	4,759	6,640	3,494
Financial Charges	(1,219)	(1,093)	(1,046)	(1,342)	(2,034)	(984)
Taxation	-	1	-	-	-	-
Net Income	2,756	3,000	3,406	3,417	4,606	2,509
Financial Position at Year-end:						
Capital	3,673	3,673	3,673	3,673	3,673	3,673
Accumulated profit	3,619	5,517	8,556	10,687	15,292	17,802
Net Worth	7,293	9,190	12,229	14,360	18,966	21,475
Fixed Assets	12,815	12,000	11,387	11,495	10,572	9,857
Long Term Deposits & Advances	9	5	4	3	3	2
Current Assets	8,857	11,809	15,015	18,073	20,376	23,237
Total Assets	21,681	23,814	26,406	29,571	30,951	33,095
Long Term Liabilities	7,507	5,574	3,327	716	729	17
Current Liabilities	6,881	9,050	10,850	14,494	11,254	11,603
Net Interest-Bearing Debt	13,272	13,901	13,230	14,094	10,993	10,072
Per Share Net Income	7.50	8.17	9.27	9.30	12.54	6.83
Cash Dividends	7.75	3.00	1.00	2.00	-	-
Dividend payout ratio	103%	37%	11%	22%	0%	0%
Financial Measures						
ROE	37.80%	32.64%	27.85%	23.79%	24.28%	11.68%
Shareholders' Equity Ratio	33.64%	38.59%	46.31%	48.56%	61.28%	64.89%
Net Debt Equity Ratio (times)	1.82	1.51	1.08	0.98	0.58	0.47
Current Ratio	1.29	1.30	1.38	1.25	1.81	2.00
Number of Shares Outstanding at Year-End	367,346,939	367,346,939	367,346,939	367,346,939	367,346,939	367,346,939

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULAT IONS 2019

Name of Company: **Nishat Chunian Power Limited**
Year ended: **June 30, 2021**

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

1. The total number of Directors are Eight (8) as per the following:
   a. Male: 6
   b. Female: 2

2. The composition of board is as follows:

Category	Names
Independent Director	Mr. Muhammad Azam Mr. Rehmat Naveed Elahi
Non-Executive Directors	Mrs. Farhat Saleem Mr. Aftab Ahmad Khan Mr. Muhammad Ashraf Mrs. Ayesha Shahzad Mr. Babar Ali Khan
Executive Director	Mr. Farrukh Ifzal (Chief Executive Officer)

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the 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 the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Mrs. Farhat Saleem meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence is exempt from Directors' Training program. Further, the Board has arranged Directors' Training program for the following:

Names of Directors
Mr. Farrukh Ifzal
Mr. Aftab Ahmad Khan
Mr. Muhammad Azam

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. Muhammad Azam	Chairman
Mr. Aftab Ahmad Khan	Member
Mr. Rehmat Naveed Elahi	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Muhammad Azam	Chairman
Mr. Aftab Ahmad Khan	Member
Mr. Rehmat Naveed Elahi	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended June 30, 2021.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2021.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. 1The 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;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Representation of Minority shareholders** The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
2	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
3	**Directors' Training** It is encouraged that by June 30, 2021 at least 75% of the directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	4 out of 8 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. The Company has planned to arrange Directors' Training Program certification for remaining four directors before June 30, 2022.	19(1)
4	**Directors' Training** Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
5	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
6	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.	30
7	**Disclosure of significant policies on website** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35

20. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

MRS. FARHAT SALEEM
Chairperson

September 28, 2021
Lahore

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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat Chunian Power Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 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. 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.

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, 2021.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 28, 2021

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, 2021, 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, 2021 and of the profit, 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.

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. These matters were 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 these matters.

Following is the key audit matter:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Master Agreement and PPA Amendment Agreement** On February 11, 2021, the Company signed the Amendment to the Power Purchase	Our audit procedures, amongst others, included the following:

Sr. No.	Key audit matters	How the matters were addressed in our audit
	Agreement (PPA) and Master Agreement (the Agreements) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G/Power Purchaser) whereby settlements relating to capacity revenue dispute and its receivable have been made. The settlement resulted in an impairment of Rupees 174.487 million. Further, pursuant to the PPA Amendment Agreement, the existing term of Power Purchase Agreement (PPA) of twenty-five years has been extended by 75 days. The Company in consideration also agreed to forgo certain amounts under the Final Award. Further, subject to the terms of the PPA Amendment Agreement, the Company agreed to forgo its right to late payment interest on late payment interest invoices. Signing of the above-mentioned agreements is a significant event during the year and the evaluation of its impact involves significant management judgement, therefore, we considered this as a key audit matter. For further information on Master Agreement and PPA Amendment Agreement, refer to the following: - Significant events occurred during the year, note 1.3 to the financial statements. - Contingent liabilities, note 12.1.1(vii) to the financial statements. - Trade debts, note 18.2 and note 18.4 to the financial statements.	• Assessed whether the revenue and related trade debts / receivables have been recognized in accordance with the applicable accounting policies of the Company; • Obtained and assessed details of the Agreements and discussed the same with the Company's management; • Inspected the minutes of the meetings of Board of Directors during the year ended June 30, 2021; • Assessed the adequacy of impairment in relation to the disputed capacity receivables; and • Assessed adequacy of the accounting treatment and related disclosures made in the financial statements, with regards to applicable accounting and reporting standards.

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 judgment 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 28, 2021

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STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 385,000,000 (2020: 385,000,000) ordinary shares of Rupees 10 each		3,850,000	3,850,000
Issued, subscribed and paid-up share capital	3	3,673,469	3,673,469
Revenue reserve - un-appropriated profit		17,801,761	15,292,471
Total equity		21,475,230	18,965,940
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	4	17,110	728,548
Deferred income - Government grant	5	181	637
		17,291	729,185
CURRENT LIABILITIES			
Trade and other payables	6	1,284,480	593,183
Accrued mark-up / profit	7	242,834	377,662
Short term loan from holding company - unsecured	8	-	-
Short term borrowings	9	10,022,747	9,705,011
Current portion of long term liabilities	10	34,615	560,785
Unclaimed dividend	11	18,276	18,940
		11,602,952	11,255,581
TOTAL LIABILITIES		11,620,243	11,984,766
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		33,095,473	30,950,706

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

CHIEF EXECUTIVE OFFICER

	Note	2021	2020
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	9,856,214	10,567,872
Intangible assets	14	604	4,217
Long term loans to employees	15	1,736	2,447
Long term security deposit		100	100
		9,858,654	10,574,636
CURRENT ASSETS			
Stores and spares	16	393,040	468,803
Inventories	17	868,726	153,368
Trade debts	18	20,441,944	19,006,151
Loans, advances, deposits, prepayments and other receivables	19	870,443	697,322
Income tax receivable		52,902	48,080
Short term investment	20	311,931	-
Bank balances	21	297,833	2,346
		23,236,819	20,376,070
TOTAL ASSETS		33,095,473	30,950,706

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
Revenue from Contract with Customer	22	11,643,346	13,022,871
Cost of Sales	23	(7,873,192)	(6,267,119)
Gross Profit		3,770,154	6,755,752
Administrative Expenses	24	(140,768)	(144,121)
Other Expenses	25	(174,487)	(3,194)
Other Income	26	38,809	31,613
Profit From Operations		3,493,708	6,640,050
Finance Cost	27	(984,418)	(2,034,280)
Profit Before Taxation		2,509,290	4,605,770
Taxation	28	-	-
Profit After Taxation		2,509,290	4,605,770
Earnings Per Share - Basic And Diluted (Rupees)	29	6.83	12.54

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	(Rupees in thousand)	
Profit After Taxation	2,509,290	4,605,770
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
Total Comprehensive Income For The Year	2,509,290	4,605,770

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Share Capital	Revenue reserve: Un-appropriated profits	Total Equity
		(Rupees in thousand)	
Balance as at June 30, 2019	3,673,469	10,686,701	14,360,170
Profit for the year ended June 30, 2020	-	4,605,770	4,605,770
Other comprehensive income for the year ended June 30, 2020	-	-	-
Total comprehensive income for the year ended June 30, 2020	-	4,605,770	4,605,770
Balance as at June 30, 2020	3,673,469	15,292,471	18,965,940
Profit for the year ended June 30, 2021	-	2,509,290	2,509,290
Other comprehensive income for the year ended June 30, 2021	-	-	-
Total comprehensive income for the year ended June 30, 2021	-	2,509,290	2,509,290
Balance as at June 30, 2021	3,673,469	17,801,761	21,475,230

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
Cash Flows From Operating Activities			
Cash generated from operations	30	2,733,762	5,141,322
Finance cost paid		(1,115,372)	(2,071,619)
Net decrease in long term loans to employees		810	608
Income tax paid		(4,822)	(5,655)
Decrease in long term security deposits		-	5
Retirement benefits paid		(9,906)	(6,455)
Profit on bank deposits received		6,488	9,476
Net cash generated from operating activities		1,610,960	3,067,682
Cash Flows From Investing Activities			
Capital expenditure on property, plant and equipment		(92,652)	(89,054)
Short term investment made		(307,260)	-
Proceeds from disposal of property, plant and equipment		5,431	276,416
Net cash (used in) / from investing activities		(394,481)	187,362
Cash Flows From Financing Activities			
Proceeds from long term financing		51,641	17,225
Repayment of long term financing		(1,289,705)	(2,054,075)
Short term loans obtained from holding company		4,548,222	8,996,618
Repayment of short term loans from holding company		(4,548,222)	(8,996,618)
Dividend paid		(664)	(299,614)
Net cash used in financing activities		(1,238,728)	(2,336,464)
Net (decrease) / increase in cash and cash equivalents		(22,249)	918,580
Cash and cash equivalents at the beginning of the year		(9,702,665)	(10,621,245)
Cash and cash equivalents at the end of the year		(9,724,914)	(9,702,665)
Cash And Cash Equivalents			
Bank balances		297,833	2,346
Short term borrowings		(10,022,747)	(9,705,011)
		(9,724,914)	(9,702,665)

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 Nishat Chunian Power Limited ('the Company') is a public Company limited by shares incorporated in Pakistan on February 23, 2007 under the repealed 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.

1.2 The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 31-Q, Gulberg II, Lahore. On November 13, 2007, the Company entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from July 21, 2010. The PPA has been extended by a period of 75 days as per the terms of PPA Amendment Agreement dated February 11, 2021 as referred to in note 1.3 to these financial statements. On February 11, 2021, the Company, NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as 'Power Purchaser') have entered into a 'Novation Agreement' to transfer the rights, obligations and liabilities of NTDC under the PPA (as amended by the 'PPA Amendment Agreement') in favour of CPPA-G.

1.3 Significant events occurred during the year - Master Agreement and PPA Amendment Agreement

The Company along with other Independent Power Producers has agreed to amend its existing contractual arrangements with CPPA-G for the sale of electricity. In this respect, the Company entered into a 'Master Agreement' and a 'PPA Amendment Agreement' (hereinafter referred to as the 'Agreements') on February 11, 2021. Under these Agreements, the Company and CPPA-G have primarily agreed on the following matters that are subject to fulfilment of certain terms and conditions mentioned in the Agreements: mechanism of settlement of long outstanding receivables as at November 30, 2020 amounting to Rupees 14,619.019 million in two installments; discounts in tariff components; sharing of future savings in fuel and O&M; reduction in delayed payment rate; conversion of the PPA to 'Take and Pay Basis' subject to mutual agreement of the Parties when competitive trading arrangement is implemented and becomes fully operational; and amicable resolution of the disputes as detailed in note 12.1.1(vii), note 18.2 and note 18.4 to these financial statements. The accounting implications of the same have been detailed in note 18.2 and note 2.2.1 to these financial statements.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) 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:

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

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

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

b) Accounting convention

These financial statements have been prepared on historical cost basis, except as otherwise stated in respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of the assets for possible impairments on an annual basis. If such indication exists assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after July 01, 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors'
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after January 02, 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after January 01, 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B-3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after January 01, 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after January 01, 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are to be applied retrospectively, restatement of prior periods is not required.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after January 01, 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after January 01, 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Property, plant and equipment

2.2.1 Operating fixed assets

Operating fixed assets, except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Residual values and estimated useful lives are reviewed at each reporting date, with the effect of changes in estimate accounted for on prospective basis.

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. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

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 and other comprehensive income during the period in which they are incurred.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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.

Change in accounting estimate

During the year ended June 30, 2021, the term of PPA was extended by a period of 75 days as an 'Other Force Majeure Event', thereby resulting in an increase in useful lives of freehold land, buildings on freehold land, plant and machinery for the same number of days. Such a change in useful lives has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The effect of this change in the accounting estimate on the profit before taxation for the year ended June 30, 2021, carrying amount of property, plant and equipment as at the reporting date and future profits before taxation is not material, hence, has not been detailed in these financial statements.

2.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. 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.

2.2.3 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.

2.2.4 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.3 Leases

Exemption from requirements of IFRS 16 to the extent of Power Purchase Agreement (PPA)

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 986(I)/2019 dated September 02, 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before January 01, 2019. Therefore, the Company is not required to account for the portion of its PPA with CPPA-G as a lease under IFRS 16 'Leases'. However, if the Company followed IFRS 16, the effect on the financial statements would be as follows:

	2021	2020
	(Rupees in thousand)	
De-recognition of property, plant and euipment	(9,611,311)	(10,347,142)
Recognition of lease debtor	11,343,919	10,899,874
De-recognition of trade debts	(7,575,910)	(6,912,852)
Decrease in un-appropriated profit at the beginning of the year	(6,360,120)	(4,481,072)
Increase / (decrease) in profit for the year	516,798	(1,879,048)
Decrease in un-appropriated profit at the end of the year	(5,843,322)	(6,360,120)

2.4 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.5 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.6 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss and as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.7 Financial liabilities – Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.8 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables other than those due from the Government of Pakistan, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.9 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') under the PPA that also includes accrued amounts. SECP through SRO 985(I)/2019 dated September 02, 2019 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till June 30, 2021 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment 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.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

2.10 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.11 Offsetting of financial instruments

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

2.12 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. Figures are rounded off to the nearest thousands of Pak Rupees.

2.13 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at 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 charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.14 Employee benefits

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.

Defined contribution plan

The Company operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 8.33% of basic salary of employees.

2.15 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 is determined on the basis of estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. Provision for obsolete and slow moving inventories is made based on management's estimate.

2.16 Stores and spares

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

2.17 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 obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.18 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.19 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.20 Taxation

2.20.1 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 clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

2.20.2 Deferred

Deferred tax is accounted for using the 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 base used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets 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 profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax has not been provided in these financial statements as the management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the Company remains exempt from taxation under clause 132 of Part I and clause 11A of Part IV of Second Schedule to the Income Tax Ordinance, 2001.

2.21 Cash and cash equivalents

Cash and cash equivalents include 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.

2.22 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.

2.23 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.

2.24 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. Trade debts are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.25 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.

2.26 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.27 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the profit or loss.

2.28 Revenue recognition

Revenue shall be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue from the sale of electricity to CPPA-G, the sole customer of the Company, is recorded on the following basis:

- Capacity Purchase Price revenue is recognised over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and

- Energy Purchase Price revenue is recognised at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity Purchase Price revenue and Energy Purchase Price revenue is recognised based on the rates determined under the mechanism laid down in the PPA.

Delayed payment mark-up on amounts due under the PPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA.

Invoices are generally raised on a monthly basis and are due after 30 days from acknowledgement by CPPA-G.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.30 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.31 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
(Number of shares)			(Rupees in thousand)	
367,346,939	367,346,939	Ordinary shares of Rupees 10 each fully paid-up in cash	3,673,469	3,673,469

187,585,820 (2020: 187,585,820) ordinary shares of the Company are held by Nishat (Chunian) Limited - holding company.

3.1 Capital risk 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 and make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends paid to shareholders or issue new shares. 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 borrowings divided by total equity. Net borrowings are calculated as total borrowings including current and non-current borrowings, as disclosed in notes 4, 8 and 9 to these financial statements, less bank balances as disclosed in note 21 to these financial statements. Total capital employed includes equity as shown in the statement of financial position, plus net borrowings.

	2021	2020
	(Rupees in thousand)	
Long term financing	51,906	1,289,970
Short term borrowings	10,022,747	9,705,011
Less: bank balances	297,833	2,346
Net borrowings	9,776,820	10,992,635
Equity	21,475,230	18,965,940
Capital and net borrowings	31,252,050	29,958,575
Gearing ratio	31.28%	36.69%

In accordance with the terms of agreement with the lenders of long term finances (as referred to in note 4 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.

	Note	2021	2020
		(Rupees in thousand)	
4 LONG TERM FINANCING - SECURED			
4.1 From banking companies			
Senior facility	4.2 & 4.4	-	1,126,820
Term finance facility	4.3 & 4.4	-	145,874
Loan under State Bank of Pakistan (SBP) Refinance Scheme	4.5	49,409	15,557
		49,409	1,288,251
Less: Current portion shown under current liabilities	10	(32,299)	(559,703)
		17,110	728,548

	2021	2020
	(Rupees in thousand)	

4.2 Senior facility

	2021	2020
Long term financing under mark-up arrangement was obtained from following banks:		
National Bank of Pakistan	-	193,964
Habib Bank Limited	-	259,758
Allied Bank Limited	-	259,758
United Bank Limited	-	259,758
Faysal Bank Limited	-	117,103
Summit Bank Limited	-	15,200
Sindh Bank Limited	-	21,279
	-	1,126,820
Less: Current portion shown under current liabilities	-	556,510
	-	570,310

4.3 Term finance facility

	2021	2020
Long term financing under mark-up arrangement is obtained from following banks:		
National Bank of Pakistan	-	25,110
Habib Bank Limited	-	33,627
Allied Bank Limited	-	33,627
United Bank Limited	-	33,627
Faysal Bank Limited	-	19,883
	-	145,874
Less: Current portion shown under current liabilities	-	-
	-	145,874

4.4 This represented 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 was on murabaha basis. The overall financing was secured against registered exclusive 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 carried 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 ranged from 10.25% to 10.26% (2020: 14.22% to 16.85%) per annum. The loan was repayable in forty unequal quarterly installments commenced on October 01, 2010 and ended on November 02, 2020.

4.5 This term finance facility, aggregating to Rupees 68.866 million (2020: Rupees 17.225 million) is obtained by the Company from Bank Alfalah Limited under SBP refinance scheme for payment of wages and salaries to workers and employees of business concerns. This facility is secured against joint ownership of diminishing musharaka assets of the Company to the tune of Rupees 81.264 million, first joint parri passu charge on all the present and future current assets including fuel stocks, inventories and energy price payment receivables from CPPA-G and demand promissory notes by the Company. This finance facility is payable in 8 equal quarterly installments commenced from January 04, 2021 and ending on October 19, 2022. Mark-up is payable quarterly at the rate of SBP refinance rate plus 1.5% and 3.00%

per annum. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates of 10.25% to 11.18% (2020: 11.15% to 11.18%) per annum.

		Note	2021	2020
			(Rupees in thousand)	
5	**DEFERRED INCOME - GOVERNMENT GRANT**			
	Opening balance		1,719	-
	Recognized during the year		4,652	1,827
	Amortized during the year	26	(3,874)	(108)
			2,497	1,719
	Current portion shown under current liabilities	10	(2,316)	(1,082)
			181	637

5.1 The State Bank of Pakistan (SBP), through its Circular No. 06 of 2020 dated April 10, 2020 has introduced a temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns (the Refinance Scheme). The refinance scheme is funded by SBP. Borrowers can obtain loans from the banks and ease their cash flow constraints to avoid layoffs. One of the key feature of the refinance scheme is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Company has obtained this loan as disclosed in note 4 to the financial statements. In accordance with IFRS 9 'Financial Instruments' loan obtained under the refinance scheme was initially recognised at its fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortised in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating.

		Note	2021	2020
			(Rupees in thousand)	
6	**TRADE AND OTHER PAYABLES**			
	Creditors		589,493	60,468
	Accrued liabilities		25,652	34,930
	Workers' profit participation fund payable	6.1	526,607	401,142
	Workers' welfare fund	6.2	142,301	92,115
	Income tax deducted at source		347	1,064
	Payable to employees provident fund trust		-	2,019
	Others		80	1,445
			1,284,480	593,183
6.1	**Workers' profit participation fund payable**			
	Balance as at July 01		401,142	170,853
	Allocation for the year	25.1	125,465	230,289
			526,607	401,142
	Payments made during the year		-	-
	Balance as at June 30		526,607	401,142

	Note	2021	2020
		(Rupees in thousand)	

6.2 Workers' welfare fund

	Note	2021	2020
Balance as at July 01		92,115	-
Provision for the year	25.2	50,186	92,115
Payments made during the year		-	-
Balance as at June 30		142,301	92,115

7 ACCRUED MARK-UP / PROFIT

	2021	2020
Long term financing - secured	-	45,018
Short term borrowings - secured	242,834	327,322
Short term loan from holding company - unsecured	-	5,322
	242,834	377,662

8 SHORT TERM LOAN FROM HOLDING COMPANY - UNSECURED

This represented short term loan from holding company to meet the working capital requirements of the Company. This carried mark-up at the rate of three months KIBOR plus 2% or borrowing cost of the holding company, whichever is higher. The effective rate of mark-up charged during the year on outstanding balance was 9.25% to 9.59% (2020: 13.22% to 15.85%) per annum. The reconciliation of the carrying amount is as follows:

	Note	2021	2020
		(Rupees in thousand)	
Opening balance		-	-
Add: Received during the year		4,548,222	8,996,618
		4,548,222	8,996,618
Less: Repaid during the year		4,548,222	8,996,618
		-	-

9 SHORT TERM BORROWINGS

From banking companies and financial institution - Secured

	Note	2021	2020
Running finances	9.1	5,262,724	6,306,349
Term finances	9.2	650,000	500,000
Running musharakah and murabaha	9.3	4,110,023	2,898,662
		10,022,747	9,705,011

9.1 These running finance facilities are obtained from commercial banks under mark-up arrangements amounting to Rupees 6,212.500 million (2020: Rupees 6,416.667 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.25% to 2% (2020: one month to six months KIBOR plus 0.05% to 2%) per annum, payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the Company including fuel stocks, inventories and energy price payment receivables from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranges from 7.51% to 9.59% (2020: 9.33% to 15.84%) per annum.

9.2 These facilities are obtained from financial institutions under mark-up arrangement amounting to Rupees 900 million (2020: Rupees 500 million). These facilities are secured against first joint pari passu charge on current assets of the Company including fuel stocks, inventories and energy price payment receivables from CPPA-G. These facilities are available at mark-up rates ranging from three months KIBOR plus 2% to 2.5% (2020: three month KIBOR plus 2%) payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 9.27% to 10.14% (2020: 13.19% to 15.35%) per annum.

9.3 These murabaha and musharaka facilities are obtained from Islamic banks aggregating to Rupees 6,900 million (2020: Rupees 6,400 million) at profit rates ranging from one month to six months KIBOR plus 0.50% to 2.5% (2020: one month to six months KIBOR plus 0.1% to 2.5%) per annum. Profit on murabaha is payable at the maturity of the respective murabaha transaction, whereas, the profit on musharaka is payable quarterly on the balance outstanding. These 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 CPPA-G. The profit rate charged during the year on the outstanding balance ranges from 7.69% to 9.85% (2020: 9.33% to 14.86%) per annum.

		Note	2021	2020
			(Rupees in thousand)	
10	**CURRENT PORTION OF NON-CURRENT LIABILITIES**			
	Long term financing	4	32,299	559,703
	Deferred income - Government grant	5	2,316	1,082
			34,615	560,785
11	**UNCLAIMED DIVIDEND**		18,276	18,940

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Contingent liabilities:

i) Assistant Commissioner Inland Revenue ('ACIR') has raised a demand of Rupees 1,161.548 million through its order dated November 28, 2013 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 on 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, 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 Federal Board of Revenue ('tax department') also preferred an appeal on May 08, 2014 before the ATIR against the CIR(A)’s order. The ATIR decided the case in favour of the Company on September 11, 2018. However, the tax department has filed a sales tax reference with Honourable Lahore High Court against the decision which is pending adjudication.

Furthermore, the Deputy Commissioner Inland Revenue (‘DCIR’) issued a show cause notice on November 12, 2014 whereby intentions were shown to raise a sales tax demand of Rupees 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 Honourable Lahore High Court, Lahore on July 23, 2015. The Honourable Lahore High Court 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 Honourable Lahore High Court on January 09, 2017 and an appeal before the Honourable Supreme Court of Pakistan on November 24, 2017 against the aforementioned Honourable Lahore High Court's order, both of which are pending adjudication.

For the period July 2013 to June 2014, Company’s case was selected for audit by the tax department, which selection was objected to, on jurisdictional basis, by Company by way of filing a writ petition before the Honourable Lahore High Court on November 20, 2015. While, the Honourable Lahore High Court has allowed the tax 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 tax 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 Rupees 631.769 million primarily including a disallowance of input sales tax of Rupees 622.263 million has been confronted on same grounds as explained above. The Honourable Lahore High Court through its order dated January 09, 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 Rupees 631.769 million alongwith default surcharge should not be recovered from the Company. The Company filed a representation in this regard with the Chairman, Federal Board of Revenue. The Chairman, Federal Board of Revenue disposed of the case on the grounds that it did not invoke any provision of section 7 of the FBR Act 2007 as no issue of misadministration is involved therein. The Company then challenged the show cause notice before the Honourable Lahore High Court. The Honourable Lahore High Court declared on November 09, 2018 that the show cause notice was issued without having jurisdiction.

The tax department filed appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan decided the appeal in favour of tax department. On January 21, 2021, 'DCIR' issued notice to the Company requiring to submit reply of the show cause notice. The Company duly submitted its reply to the show cause notice. On June 03, 2021, DCIR passed an order wherein aggregate demand of Rupees 1,326.682 million including penalty and default surcharge was raised. The Company being aggrieved with the order of DCIR, preferred an appeal before the CIR(A), which is pending adjudication. Subsequent to the reporting date, the Company also filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. The management based on the advice of its legal council, has strong grounds to believe that the case will be decided in favour of the Company. Therefore, no provision has been made in these financial statements.

ii) During the year ended June 30, 2019, the Commissioner Inland Revenue ('CIR') has raised a demand of Rupees 104.977 million against the Company through his order dated April 16, 2019, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the various tax periods and sales tax default on account of suppression of sales related to various tax periods. The Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, the Company has filed appeals before CIR(A) and ATIR against the order. The ATIR decided the case against the Company vide its order dated May 06, 2020. The Company has filed sales tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication.During the year ended June 30, 2021, the Honourable Lahore High Court, Lahore on an application of the Company provided interim relief by restricting tax department from taking any coercive action against the Company subject to furnishing of the bank guarantee of disputed amount. Management based on the advice of its legal councel, has strong grounds to believe that the case will be decided in favour of the Company. Therefore, no provision has been made in these financial statements.

iii) An amendment order dated August 31, 2017 was issued by the DCIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2014 whereby income tax of Rupees 191.536 million was levied on other income, interest on delayed payments from CPPA-G, minimum tax on capacity sales, scrap sales and sale proceeds of fixed assets' disposal, and WWF was also levied of Rupees 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 02, 2018, declaring that the levy of income tax on interest on delayed payments from CPPA-G and minimum tax on capacity sales is not justified, while directing the Company to pay income tax aggregating to Rupees 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 Rupees 4.552 million. The Company and tax department both have filed appeals on March 08, 2018 and March 26, 2018 respectively, before the ATIR against the order of CIR(A) that are pending adjudication. ATIR decided the case in favour of tax department and dismissed Company's appeal to grant relief. Further, all relieves granted by CIR(A) have been vacated and original order of DCIR has been upheld. The Company, being aggrieved by the ATIR's decision, filed income tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated January 25 , 2021 provided interim relief to the Company and suspended the order of ATIR subject to furnishing of the bank guarantee of disputed amount. Management based on the advice of its legal councel, has strong grounds to believe that the case will be decided in favour of the Company. Therefore, no provision has been made in these financial statements.

Further, another amendment order dated December 15 , 2014 was issued by Additional Commissioner Inland Revenue under section 122 of the Income Tax Ordinance, 2001 for tax year 2013 whereby income tax of Rupees 25.340 million was levied on interest income and minimum tax on capacity sales and disallowed the tax credit under section 65B of the Income Tax Ordinance, 2001 amounting to Rupees 4.027 million. Against the aforesaid order, the Company preferred an appeal before CIR(A) on January 23, 2015 and the learned CIR(A) passed an order on April 03, 2015, declaring that income tax on interest income and minimum tax on capacity sales is not justified, while upheld to disallow the tax credit under section 65B of the Income Tax Ordinance, 2001. The Company and tax department both have filed appeals before the ATIR against the order of CIR(A) which is pending adjudication.

Furthermore, another amendment order dated June 13, 2018 was issued by the ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2012 and subsequently, rectification order dated June 27, 2018 under section 221 of the Income Tax Ordinance, 2001 was issued whereby income tax of Rupees 50.063 million was levied mainly comprising minimum tax on capacity sales. The Company filed an appeal on July 26, 2018 before the CIR(A) against the aforesaid orders. The CIR(A), through its order dated September 12, 2018, has decided the case in favour of the Company. However, the tax department has filed an appeal before the ATIR against the order of the CIR(A) 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 Rupees 283.912 million.

iv) For the period from July 2015 to June 2016, the Company’s case was selected for sales tax audit by the tax department. The tax department conducted the audit and the Deputy Commissioner Inland Revenue - Audit [DCIR (Audit)] issued the audit report on September 18, 2019 in which observations involving sales tax amounting to Rupees 530.207 million were raised and comments were sought thereon from the management of the Company. The main observation was apportionment of sales tax which is already decided in favour of the Company by the Honorable Lahore High Court, Lahore in the previous case. The Company submitted detailed reply on all the observations. DCIR (Audit) has further issued a show cause notice to the Company on October 08, 2019 with the same amount. The Company submitted detailed reply of the show cause notice but DCIR (Audit) issued final order on November 27 , 2019 involving sales tax amounting to Rupees 530.207 million. The Company filed an appeal before CIR(A) against the above mentioned order of the DCIR (Audit). The CIR(A) vide its order dated March 04, 2020 accepted the stance of the Company on main observation of apportionment of sales tax and remanded back the case for rest of observations to DCIR (Audit) which is pending adjudication.

v) On April 19, 2021, DCIR issued show cause notice to the Company involving Rupees 223.773 million on account of input sales tax on capacity purchase price claimed by the Company for the period from July 2017 to January 2021. The Company challenged the jurisdiction of DCIR to issue show cause notice before the Honourable Lahore High Court, Lahore. On May 31, 2021, the Honourable Lahore High Court, Lahore directed the Company to file the reply of show cause notice issued by DCIR and ordered the DCIR to first determine the jurisdiction as raised by the Company. The Company filed its reply to show cause notice to DCIR. DCIR determined its jurisdiction to be lawful. Subsequent to the reporting period, the DCIR passed an order where by a demand of Rupees 223.773 million was raised against the Company. Against the aforesaid order of DCIR, the Company preferred an appeal before CIR(A) which is pending adjudication. The management based on the advice of its legal council, has strong grounds to believe that the case will be decided in favour of the Company. Therefore, no provision has been made in these financial statements.

vi) During the year ended June 30, 2019, National Electric Power Regulatory Authority (NEPRA) initiated suo moto proceedings against the Company and other IPPs on the profits earned by the companies since Commercial Operation Date (COD). The Company filed suit in Islamabad High Court and was provided an interim relief whereby the Court suspended the suo moto proceedings and whereas the suit is still pending adjudication. Based on the facts and law, the Company expects no outflow at this stage and consequently, no provision has been made in these financial statements.

vii) In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the Independent Power Producers ('IPPs'), including the Company, in the tariff components. On February 11, 2021, the Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" as detailed in note 1.3 to these financial statements wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP.

Management believes that there are strong grounds that the matter will ultimately be decided in Company's favour. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these financial statements.

viii) Letter of guarantees of Rupees 328.227 million (2020: Rupees 19.152 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess, Fedral Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases.

		Note	2021	2020
			(Rupees in thousand)	
12.2	**Commitments**			
	Commitments in respect of other than capital expenditure		83,245	-
13	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	13.1	9,625,622	10,364,069
	Capital work-in-progress	13.2	1,844	1,907
	Major spare parts and standby equipment	13.3	228,748	201,896
			9,856,214	10,567,872

13.1 Reconciliation of carrying amounts of operating fixed assets at the beginning and at the end of the year is as follows:

Description	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	TOTAL
					Rupees in thousand				
At 30 June 2019									
Cost	71,017	196,865	17,889,567	4,510	18,212	37,530	1,009	66,227	18,284,937
Accumulated depreciation	-	(66,135)	(6,923,451)	(2,643)	(15,491)	(36,873)	(823)	(50,523)	(7,095,939)
Net book value	71,017	130,730	10,966,116	1,867	2,721	657	186	15,704	11,188,998
Year ended June 30, 2020									
Opening net book value	71,017	130,730	10,966,116	1,867	2,721	657	186	15,704	11,188,998
Additions	-	-	178,046	-	766	-	-	3,604	182,416
Disposals / derecognitions:									
Cost	-	-	(512,670)	-	(2,637)	-	-	(8,277)	(523,584)
Accumulated depreciation	-	-	244,368	-	2,492	-	-	6,904	253,764
	-	-	(268,302)	-	(145)	-	-	(1,373)	(269,820)
Adjustments:									
Cost	-	(87)	-	-	-	-	-	-	(87)
Accumulated depreciation	-	8	-	-	-	449	-	-	457
	-	(79)	-	-	-	449	-	-	370
Depreciation charge for the year	-	(8,100)	(722,286)	(468)	(1,316)	(396)	(90)	(5,239)	(737,895)
Closing net book value	71,017	122,551	10,153,574	1,399	2,026	710	96	12,696	10,364,069
At June 30, 2020									
Cost	71,017	196,778	17,554,943	4,510	16,341	37,530	1,009	61,554	17,943,682
Accumulated depreciation	-	(74,227)	(7,401,369)	(3,111)	(14,315)	(36,820)	(913)	(48,858)	(7,579,613)
Net book value	71,017	122,551	10,153,574	1,399	2,026	710	96	12,696	10,364,069
Year ended June 30, 2021									
Opening net book value	71,017	122,551	10,153,574	1,399	2,026	710	96	12,696	10,364,069
Additions	-	-	61,653	-	1,166	-	-	3,044	65,863
Disposals / derecognitions:									
Cost	-	-	(129,948)	-	(1,048)	-	-	(5,376)	(136,372)
Accumulated depreciation	-	-	129,948	-	967	-	-	5,091	136,006
	-	-	-	-	(81)	-	-	(285)	(366)
Depreciation charge for the year	-	(8,036)	(789,364)	(215)	(1,332)	(154)	(39)	(4,804)	(803,944)
Closing net book value	71,017	114,515	9,425,863	1,184	1,779	556	57	10,651	9,625,622
At 30 June 2020									
Cost	71,017	196,778	17,486,648	4,510	16,459	37,530	1,009	59,222	17,873,173
Accumulated depreciation	-	(82,263)	(8,060,785)	(3,326)	(14,680)	(36,974)	(952)	(48,571)	(8,247,551)
Net book value	71,017	114,515	9,425,863	1,184	1,779	556	57	10,651	9,625,622
Annual rate of depreciation (%)	-	4 to 6	4 to 25 and number of hours	10	30	10	10	20	

13.1.1 All items of operating fixed assets disposed of during the year had net book value of less than Rupees 500,000.

13.1.2 Particulars of immovable properties (i.e. land and buildings) are as follows:

Description	Address	Area of land	Covered area of buildings
		Square meter	
Freehold land	Jambar kalan, Tehsil Pattoki, District Kasur, Punjab	99,527	19,782

13.1.3 Fixed assets having cost of Rupees 723.167 million (2020: Rupees 811.502 million) which are fully depreciated but still in the use of the Company.

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

	Note	2021	2020
		(Rupees in thousand)	
Cost of sales	23	801,274	734,165
Administrative expenses	24	2,670	3,278
		803,944	737,443

13.2 Capital work-in-progress

	2021	2020
Plant and machinery	1,844	1,907

13.2.1 The reconciliation of the carrying amount is as follows:

	2021	2020
Balance as at July 01	1,907	3,157
Additions during the year	-	42,085
	1,907	45,242
Transferred to operating fixed assets during the year	(63)	(43,335)
Balance as at June 30	1,844	1,907

13.3 Major spare parts and standby equipment

13.3.1 The reconciliation of the carrying amount is as follows:

	2021	2020
Balance as at July 01	201,896	293,926
Additions during the year	88,442	22,496
	290,338	316,422
Transferred to operating fixed assets	(61,590)	(114,526)
Balance as at June 30	228,748	201,896

14 INTANGIBLE ASSETS

	Note	2021	2020
Balance as at July 01		4,217	8,530
Amortization during the year	14.2	(3,613)	(4,313)
Balance as at June 30		604	4,217
Annual rate of amortization (%)		20%	20%

		Note	2021	2020
			(Rupees in thousand)	
14.1	Cost as at 30 June		23,952	23,952
	Accumulated amortization		(23,348)	(19,735)
	Net book value as at June 30		604	4,217

		Note	2021	2020
14.2	The amortization charge for the year has been allocated as follows:			
	Cost of sales	23	3,613	3,613
	Administrative expenses	24	-	700
			3,613	4,313

14.3 This includes intangible assets having cost of Rupees 5.885 million (2020: Rupees 2.385 million) which are fully amortized.

		Note	2021	2020
			(Rupees in thousand)	
15	**LONG TERM LOANS TO EMPLOYEES**			
	Considered good:			
	Executives	15.1	2,367	3,177
	Current portion shown under current assets	19	(631)	(730)
			1,736	2,447

15.1 Reconciliation of carrying amount of loans to Chief Executive Officer and Chief Financial officer:

	Note	2021	2020
		(Rupees in thousand)	
Balance as at July 01		3,177	3,785
Add: Interest accrued during the year	26	138	241
		3,315	4,026
Repaid during the year		(948)	(849)
Balance as at June 30		2,367	3,177

15.1.1 Maximum aggregate balance due from chief executive officer and Chief Financial Officer at the end of any month during the year was Rupees 2.932 million and Rupees 0.179 million (2020: Rupees 3.376 million and Rupees 0.350 million).

15.2 This represents house and car loans to chief executive officer and Chief Financial Officer 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. The loan was sanctioned and disbursed to Chief Executive Officer and chief financial officer in the previous years when they were not the Company's Chief Executive Officer and Chief Financial Officer. These carry interest at the rates ranging from 4.25% to 10.02% per annum (2020: 5.30% to 7.30% per annum). Such loans are secured against the accumulated provident fund balance of the relevant employee.

15.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

16 STORES AND SPARES

16.1 These include stores in transit of Rupees Nil (2020: Rupees 0.293 million). 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.

	2021	2020
	(Rupees in thousand)	
17 INVENTORIES		
Furnace oil	842,471	135,215
Diesel	3,392	2,821
Lubricating oil	22,863	15,332
	868,726	153,368
18 TRADE DEBTS		
Other than related parties - considered good	20,441,944	19,006,151

18.1 These represent trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free, 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 11.53% to 18.41% (2020: 10.64% to 18.42%) per annum. Trade debts include unbilled receivables of Rupees 1,621.128 million (2020: Rupees 1,261.689 million).

18.2 Prior to the signing of the 'Master Agreement' and 'PPA Amendment Agreement' as referred to in note 1.3 to these financial statements, an amount of Rupees 966.166 million was included in trade debts relating to capacity revenue not acknowledged by Power Purchaser 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.

Since management considered that the primary reason for claiming these payments was that plant was available, however, it could not generate electricity due to non-payment by Power Purchaser, therefore, management believed that Company cannot be penalized in the form of payment deductions due to Power Purchaser's default of making timely payments under the PPA. Hence, the Company took up this issue in consultation with Power Purchaser and 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 Power Purchaser. Pursuant to the Expert's determination, the Company demanded the payment of the aforesaid amount of Rupees 966.166 million from Power Purchaser. The Company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed.

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered Power Purchaser to pay to the Company: i) Rupees 966.166 million pursuant to Expert's determination; ii) Rupees 224.229 million being pre award interest; iii) Rupees 9.203 million for breach of arbitration agreement; iv) Rupees 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 semi-annually from the date of Final Award until payment of these amounts by Power Purchaser ("the Final Award") that works out to Rupees 599.591 million up to June 30, 2021.

Thereafter, on November 29, 2017, the Company filed an application before Lahore High Court for implementation / enforcement of Final Award that is pending adjudication. On prudence basis, the amounts other than the principal of Rupees 966.166 million were not recognised in these financial statements.

On February 11, 2021, as part of the PPA Amendment Agreement as referred to in note 1.3 to these financial statements, the Power Purchaser and the Company acknowledged that the dispute relating to withheld capacity payment of Rupees 966.166 million which was awarded by LCIA, has now been settled through the extended disputed period of 75 days which shall be treated as an "Other Force Majeure Event" under the PPA commencing on July 20, 2021 and will end on October 04, 2021. Consequently, the term of PPA has been extended by 75 days, till October 04, 2035. Further, Power Purchaser agreed to make certain payments to the Company, subject to certain terms, as compensation of the withheld capacity payments. In return, the Company agreed to forgo certain amounts declared under the Final Award as enumerated above. Further, subject to fulfillment of certain conditions, the Company and Power Purchaser agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honorable Lahore High Court.

Pursuant to the provisions of PPA Amendment Agreement as mentioned above, out of the recongized receivable of Rupees 966.166 million, the Company has assessed that amounts aggregating Rupees 174.487 million are no longer recoverable and therefore, such amounts have been written off during the year in other expenses as referred to in note 25. On account of the remaining receivable, amounts aggregating Rupees 182.054 million have been duly verified by the Power Purchaser.

		2021	2020
		(Rupees in thousand)	
18.3	**As at June 30, age analysis of trade debts is as follows:**		
	Neither past due nor impaired	4,912,037	3,832,540
	Past due but not impaired:		
	- 1 to 30 days	521,760	479,593
	- 31 to 90 days	1,041,729	1,568,892
	- 91 to 180 days	2,268,001	2,711,845
	- 181 to 365 days	7,627,687	7,706,905
	- Above 365 days	4,070,730	2,706,376
		15,529,907	15,173,611
		20,441,944	19,006,151

18.4 On July 29, 2017, the Company instituted arbitration proceedings against CPPA-G / Government of Pakistan by filing a Request for Arbitration ('RFA') with the London Court of International Arbitration ('LCIA') (the 'Arbitration Proceedings') for disallowing delayed payment charges on outstanding delayed payment invoices. On July 25, 2019, Final Partial Award was issued in favour of the Company. On September 12, 2019, the Memorandum of Corrections to the Final Partial Award has been issued which corrected the Final Partial Award to the amount of Rupees 1,518.767 million. On October 28, 2019, the Arbitrator declared his Final Award whereby he ordered CPPA-G to pay to the Company in addition to the amount determined in Final Partial Award: i) Rupees 332.402 million being interest on Final Partial Award; ii) Rupees 27.302 million as the costs awarded in the Award; iii) Rupees 7.675 million as the amount of the costs awarded in respect of Interim Award and iv) Interest at KIBOR plus 4.5% per annum compounded semi-annually from the date of Final Award until payment of these amounts by CPPA-G that worked out to Rupees 1,029.200 million upto June 30, 2021.

However, under the Master Agreement, the CPPA-G has agreed to ensure that all present and future invoices shall follow the PPA's mandated FIFO payment principle. As long as this principle is followed by the CPPA-G in relation to past and future payments, the Company in consideration thereof has agreed to forgo and waive all of its claims of delayed payment charges on delayed payment invoices and it shall withdraw all such invoices. However, this will have no impact on the existing revenue and receivables of the Company, as the Company has not recognized the income and corresponding receivable for the said amounts on prudence basis.

19 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021	2020
		(Rupees in thousand)	
Current maturity of long term loans to employees	15	631	730
Advances to suppliers - unsecured and considered good		59,340	111,626
Sales tax receivable		117,978	80,976
Margin against bank guarantees		11,032	9,032
Prepayments		2,180	1,124
Insurance claim receivable		673	-
Recoverable from CPPA-G as pass through item:			
Workers' profit participation fund	19.1	526,607	401,142
Workers' welfare fund	19.2	142,301	92,115
Private Power and Infrastructure Board's fee		9,409	-
Others		292	577
		870,443	697,322

19.1 Workers' profit participation fund

	Note	2021	2020
Opening balance		401,142	386,307
Allocation for the year	6.1	125,465	230,289
		526,607	616,596
Amount received during the year		-	(215,454)
Closing balance		526,607	401,142

19.2 Workers' welfare fund

	Note	2021	2020
Opening balance		92,115	-
Allocation for the year	6.2	50,186	92,115
		142,301	92,115
Amount received during the year		-	-
Closing balance		142,301	92,115

20 SHORT TERM INVESTMENT

	Note	2021	2020
At amortized cost			
Term deposit receipts	20.1	307,260	-
Accrued interest		4,671	-
		311,931	-

20.1 This represent term deposit receipt under lien with the bank of the Company against bank guarantees issued by the bank. Rate of interest on term deposit receipt ranges from 6.75% to 7.30% per annum. The maturity period of this term deposit receipt is 12 months.

	Note	2021	2020
		(Rupees in thousand)	

21 BANK BALANCES

	Note	2021	2020
Cash with banks on:		297,666	1,251
Saving accounts	21.1	167	1,095
Current accounts		297,833	2,346

21.1 Saving accounts carry profit at the rates ranging from 5.03% to 8.84% (2020: 6.5% to 11.25%) per annum.

		Note	2021	2020
			(Rupees in thousand)	
22	**Revenue from Contract with Customer**			
	Energy purchase price revenue		8,500,293	6,422,928
	Sales tax		(1,237,325)	(937,223)
			7,262,968	5,485,705
	Capacity purchase price revenue		2,685,226	5,503,514
	Delayed payment mark-up		1,695,152	2,033,652
			11,643,346	13,022,871
23	**Cost of Sales**			
	Raw material consumed		6,526,605	4,907,341
	Salaries and other benefits	23.1	140,158	144,369
	Stores and spares consumed		88,921	143,388
	Electricity consumed in-house		19,577	19,614
	Insurance		238,807	248,999
	Travelling and conveyance		18,998	19,306
	Postage and telephone		3,494	3,604
	Repair and maintenance		15,628	26,487
	Entertainment		98	103
	Depreciation on operating fixed assets	13.1.4	801,274	734,165
	Amortization on intangible assets	14.2	3,613	3,613
	Fee and subscription		3,971	3,375
	Miscellaneous		12,048	12,755
			7,873,192	6,267,119

23.1 Salaries and other benefits include Rupees 5.915 million (2020: Rupees 6.384 million) in respect of provident fund contribution by the Company.

		Note	2021	2020
			(Rupees in thousand)	
24	**Administrative Expenses**			
	Salaries and other benefits	24.1	45,060	88,394
	Travelling and conveyance		3,479	5,115
	Entertainment		2,179	2,264
	Common facilities cost	24.2	19,800	18,900
	Printing and stationery		577	381
	Postage and telephone		1,357	1,507
	Insurance		552	677
	Vehicle running expenses		1,985	2,718
	Repairs and maintenance		319	24
	Legal and professional		56,554	9,179
	Auditor's remuneration	24.3	2,917	2,876
	Advertisement		161	121
	Fee and subscription		982	5,240
	Depreciation on operating fixed assets	13.1.4	2,670	3,278
	Amortization on intangible assets	14.2	-	700
	Miscellaneous		2,176	2,747
			140,768	144,121

24.1 Salaries and other benefits include Rupees 1.973 million (2020: Rupees 2.090 million) in respect of provident fund contribution by the Company.

24.2 The amount represents common facilities cost charged to the Company by Nishat (Chunian) Limited - holding company.

		Note	2021	2020
			(Rupees in thousand)	
24.3	**Auditor's remuneration**			
	Statutory audit		1,750	1,675
	Half yearly review		965	875
	Certifications required by various regulations		160	155
	Out of pocket expenses		42	171
			2,917	2,876
25	**Other Expenses**			
	Exchange loss		-	2,131
	Donations		-	445
	Trade debts written off	18.2	174,487	-
	Miscellaneous		-	618
			174,487	3,194
26	**Other Income**			
	Income from financial assets:			
	Profit on bank deposits		11,159	9,476
	Interest on loans to employees	15.1	138	241
	Income from non-financial assets:			
	Gain on disposal of operating fixed assets		5,065	6,596
	Amortization of deferred income - Government grant	5	3,874	108
	Insurance claim		-	421
	Scrap sales		16,976	14,771
	Miscellaneous		1,238	-
	Other:			
	Exchange gain		359	-
			38,809	31,613
27	**Finance Cost**			
	Mark-up / profit on:			
	Long term financing		49,549	335,974
	Short term borrowings		927,806	1,672,292
	Short term loan from holding company		3,060	23,320
	Bank charges and commission		4,003	2,694
			984,418	2,034,280

28 TAXATION

28.1 Provision for taxation has not been made in these financial statements as the total income of the Company except other income is exempt from levy of income tax under Clause 132 of Part I and Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. No provision for taxation is required against other income due to availability of tax credits. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	Note	2021	2020
		(Rupees in thousand)	
28.2 Relationship between tax expense and accounting profit			
Profit before taxation		2,509,290	4,605,770
Tax at the applicable rate of 29% (2020: 29%)		727,694	1,335,673
Tax effect of amounts that are:			
Exempt as referred to in	28.1	(727,439)	(1,335,451)
Allowable as tax credit		(255)	(222)
		-	-

29 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

	2021	2020
Profit attributable to ordinary shareholders (Rupees in thousand)	2,509,290	4,605,770
Weighted average number of shares (Number)	367,346,939	367,346,939
Earnings per share - basic and diluted (Rupees)	6.83	12.54

	2021	2020
	(Rupees in thousand)	
30 CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,509,290	4,605,770
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	803,944	737,443
Amortization on intangible assets	3,613	4,313
Amortization of deferred income - Government grant	(3,874)	(108)
Profit on bank deposits	(11,159)	(9,476)
Finance cost	984,418	2,034,280
Trade debts written off	174,487	-
Exchange (gain) / loss	(359)	2,131
Provision for employee retirement benefit	7,887	8,474
Gain on disposal of property, plant and equipment	(5,065)	(6,596)
Cash flows generated from operating activities before working capital changes	4,463,182	7,376,231
Working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	75,763	93,414
Inventories	(715,358)	923,387
Trade debts	(1,610,280)	(3,575,549)
Advances, deposits, prepayments and other receivables	(173,220)	117,255
	(2,423,095)	(2,441,493)
Increase in trade and other payables	693,675	206,584
	2,733,762	5,141,322

30.1 There are no non-cash investing and financing activities during the year.

30.2 Reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:

	2021		
	Liabilities from financing activities		
	Long term financing	Unclaimed dividend	Total
		(Rupees in thousand)	
Balance as at July 01, 2020	1,288,251	18,940	1,307,191
Borrowings obtained	51,641	-	51,641
Repayment of financing / borrowings	(1,289,705)	-	(1,289,705)
Dividend paid	-	(664)	(664)
Other change - Non-cash movement	(778)	-	(778)
Balance as at June 30, 2021	49,409	18,276	67,685

	2020		
	Liabilities from financing activities		
	Long term financing	Unclaimed dividend	Total
		(Rupees in thousand)	
Balance as at July 1, 2019	3,326,769	318,554	3,645,323
Borrowings obtained	17,276	-	17,276
Repayment of financing / borrowings	(2,054,075)	-	(2,054,075)
Dividend paid	-	(299,614)	(299,614)
Other change - Non-cash movement	(1,719)	-	(1,719)
Balance as at June 30, 2020	1,288,251	18,940	1,307,191

31 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executive Director*		Non-Executive Directors		Executive	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees In Thousand)							
Managerial remuneration	5,600	4,804	-	27,142	-	-	31,908	32,808
Bonus	840	1,360	-	-	-	-	5,787	9,042
Allowances								
Housing rent	1,826	1,922	-	13,571	-	-	12,247	13,004
Medical expenses	560	480	-	-	-	-	3,191	3,400
Leave encashment	187	113	-	-	-	-	1,540	2,651
Meeting fee	100	80	-	80	540	440	-	-
Contribution to provident fund trust	443	377	-	-	-	-	1,749	2,733
	9,556	9,136	-	40,793	540	440	56,422	63,638
Number of persons	1	1	-	1	7	7	14	16

32 TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, associates of the holding company, related parties on the basis of common directorship, key management personnel of the Company and its holding company and post employment benefit plan (Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, except for remuneration to Key management personnel as discussed in note 31, are as follows:

			2021	2020
			(Rupees in thousand)	
i)	**Nature of relationship**	**Nature of transactions**		
	Holding company			
	Nishat (Chunian) Limited	Common facilities cost	19,800	18,900
		Reimbursement of expenses	1,307	5,730
		Disbursement of loans	4,548,222	8,996,618
		Repayment of loans	4,548,222	8,996,618
		Mark up on loans	3,060	23,320
	Associated undertakings			
	Mian Muhammad Yahya Trust	Donations paid	-	445
	Key management personnel			
	Chief Executive Officer and Chief Financial Officer	Repayment of long term loans	674	608
		Mark-up on long term loans	138	241
	Other related party			
	Mr. Shahzad Saleem	Consultancy charges	41,335	-
	Post employment benefit plan	Company's contribution to provident fund trust	7,887	8,484

32.1 The related parties with whom the Company had entered into transactions or had arrangements/agreements in place during the year have been disclosed below along with their basis of relationship:

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year	Percentage of shareholding held by the Company
Nishat (Chunian) Limited	Holding company	Yes	None
Saleem Memorial Trust Hospital	Common directorship	No	None
Mian Muhammad Yahya Trust	Common trusteeship	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	No	None

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year	Percentage of shareholding held by the Company
Nishat Hospitality (Private) Limited	Common directorship	No	None
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	None
Nishat Hotels and Properties Limited	Common directorship	No	None
Nishat Real Estate Development Company (Private) Limited	Common directorship	No	None
Lalpir Power Limited	Common directorship	No	None
Security General Insurance Company Limited	Common directorship	No	None
Nishat Mills Limited (NML)	Director of the Company is key management personnel of NML	No	None
Nishat Paper Products Company Limited	Common directorship	No	None
National Investment Trust Limited	Common directorship	No	None
Nishat Energy Limited	Common directorship	No	None
Lalpir Solar Power (Private) Limited	Common directorship	No	None
Pakgen Power Limited	Common directorship	No	None
Nishat Chunian Power Limited - Employees Provident Fund	Post employment benefit Plan	Yes	None

33 NUMBER OF EMPLOYEES

	2021	2020
Number of employees as on June 30	148	166
Average number of employees during the year	157	172

	2021 MWH	2020 MWH

34 CAPACITY AND PRODUCTION

Installed capacity [based on 8,760 hours (2020: 8,784 hours)]	1,714,525	1,719,222
Actual energy delivered	537,568	351,228

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

35 FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity 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 exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great Britain Pound (GBP) and EURO. As on reporting date, the Company's foreign exchange risk exposure is restricted to payables only. The Company's exposure to currency risk was as follows:

	2021	2020
Trade and other payables		
- USD	(12,387)	(6,520)
- GBP	(14,840)	(7,268)
- EURO	(37,507)	(88,359)
Net exposure - USD	(12,387)	(6,520)
Net exposure - GBP	(14,840)	(7,268)
Net exposure - EURO	(37,507)	(88,359)
The following significant exchange rates were applicable during the year:		
Rupees per US Dollar		
Average rate	160.31	159.30
Reporting date rate	158.30	168.75
Rupees per GBP		
Average rate	216.96	200.38
Reporting date rate	219.28	207.68
Rupees per Euro		
Average rate	191.29	176.35
Reporting date rate	191.89	189.73

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP and EURO with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.621 million (2020: Rupees 0.969 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(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 securities 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

This 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's interest rate risk arises from bank balances in saving accounts, term deposit receipt, past due trade debts, loan from holding company, long-term financing and short-term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company’s interest bearing financial instruments was as follows:

	2021	2020
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Trade debts - past due	13,317,810	10,928,228
Short term investment	307,260	-
Financial liabilities		
Loan under SBP Refinance Scheme	49,409	17,225
Floating rate instruments		
Financial assets		
Long term loans to employees	2,367	3,177
Bank balances - saving accounts	297,666	1,251
	300,033	4,428
Financial liabilities		
Long term financing	-	(1,272,694)
Short term borrowings	(10,022,747)	(9,705,011)
	(10,022,747)	(10,977,705)
Net exposure	(9,722,714)	(10,973,277)

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 at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 97.227 million higher / lower (2020: Rupees 109.733 million lower / higher), mainly as a result of lower / higher interest expense (2020: higher / lower interest expense) on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

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

	2021	2020
	(Rupees in thousand)	
Loans to employees	2,367	3,177
Long term security deposit	100	100
Trade debts	20,441,944	19,006,151
Advances and other receivables	690,314	502,866
Short term investment	311,931	-
Bank balances	297,833	2,346
	21,744,489	19,514,640

Age analysis of trade debts as at reporting date is given in Note 18.3.

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

	Rating			2021	2020
	Short Term	Long Term	Agency	(Rupees in thousand)	
CPPA-G		Not available		4,921,446	3,832,540
Short term investment					
Habib Bank Limited	A-1+	AAA	JCR-VIS	311,931	-
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	2	18
Askari Bank Limited	A1+	AA+	PACRA	15	576
Bank Alfalah Limited	A1+	AA+	PACRA	-	20
Habib Bank Limited	A-1+	AAA	JCR-VIS	21	6
MCB Bank Limited	A1+	AAA	PACRA	151	905
National Bank of Pakistan	A1+	AAA	PACRA	297,512	180
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	3	3
BankIslami Pakistan Limited	A-1	A+	PACRA	2	-
Faysal Bank Limited	A-1+	AA	JCR-VIS	51	29
Meezan Bank Limited	A-1+	AAA	JCR-VIS	-	9
United Bank Limited	A-1+	AAA	JCR-VIS	76	600
				297,833	2,346
				5,531,210	3,834,886

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As June 30, 2021 the Company had Rupees 3,980.749 million (2020: Rupees 3,633.887 million) available borrowing limits from financial institutions, Rupees 1,000 million (2020: Rupees 1,000 million) available borrowing limit from holding company [Nishat (Chunian) Limited] and Rupees 297.833 million (2020: Rupees 2.346 million) bank balances to meet the short-term funding requirements due to delay in payments by CPPA-G. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including mark-up / profit payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2021:

	Carrying amount	Contractual cash lows	6 months or less	6-12 months	1-2 years	More than 2 years
			(Rupees in thousand)			
Non-derivative financial liabilities:						
Long term financing	49,409	52,618	17,724	17,539	17,355	-
Trade and other payables	615,225	615,225	615,225	-	-	-
Accrued mark-up / profit	242,834	242,834	242,834	-	-	-
Unclaimed dividend	18,276	18,276	18,276	-	-	-
Short term borrowings	10,022,747	10,329,001	7,230,208	3,098,793	-	-
	10,948,491	11,257,954	8,124,267	3,116,332	17,355	-

Contractual maturities of financial liabilities as at June 30, 2020:

	Carrying amount	Contractual cash lows	6 months or less	6-12 months	1-2 years	More than 2 years
			(Rupees in thousand)			
Non-derivative financial liabilities:						
Long term financing	1,288,251	1,407,049	66,031	611,579	725,084	4,355
Trade and other payables	96,843	96,843	96,843	-	-	-
Accrued mark-up / profit	377,662	377,662	377,662	-	-	-
Unclaimed dividend	18,940	18,940	18,940	-	-	-
Short term borrowings	9,705,011	10,194,877	3,787,786	6,407,091	-	-
	11,486,707	12,095,371	4,347,262	7,018,670	725,084	4,355

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at June 30. The rates of mark-up / profit have been disclosed in note 4, note 8 and note 9 to these financial statements.

35.2 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

35.3 Financial instruments by categories

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

	Financial assets at amortized cost	
	2021	2020
	(Rupees in thousand)	

35.4 Financial instruments by categories

Assets as per statement of financial position

	2021	2020
Loans to employees	2,367	3,177
Long term security deposit	100	100
Trade debts	20,441,944	19,006,151
Advances and other receivables	690,314	502,866
Short term investment	311,931	-
Bank balances	297,833	2,346
	21,744,489	19,514,640

	Financial liabilities at amortized cost	

Liabilities as per statement of financial position

	2021	2020
Long term financing	49,409	1,288,251
Trade and other payables	615,145	96,843
Accrued mark-up / profit	242,834	377,662
Unclaimed dividend	18,276	18,940
Short term borrowings	10,022,747	9,705,011
	10,948,411	11,486,707

Reconciliation to the line items presented in the statement of financial position is as follows:

	2021		
	Financial assets	Non-financial assets	Total as per statement of Financial Position
		(Rupees in thousand)	
Assets			
Loans to employees	2,367	-	2,367
Long term security deposit	100	-	100
Trade debts	20,441,944	-	20,441,944
Loans, advances, deposits, prepayments and other receivables	690,314	180,129	870,443
Short term investment	311,931	-	311,931
Bank balances	297,833	-	297,833
	21,744,489	180,129	21,924,618

	2021		
	Financial liabilities	Non-financial assets	Total as per statement of Financial Position
		(Rupees in thousand)	
Liabilities			
Long term financing	49,409	-	49,409
Trade and other payables	615,145	669,335	1,284,480
Accrued mark-up / profit	242,834	-	242,834
Unclaimed dividend	18,276	-	18,276
Short term borrowings	10,022,747	-	10,022,747
	10,948,411	669,335	11,617,746

	2020		
	Financial assets	Non-financial assets	Total as per statement of Financial Position
		(Rupees in thousand)	
Assets			
Loans to employees	3,177	-	3,177
Long term security deposit	100	-	100
Trade debts	19,006,151	-	19,006,151
Loans, advances, deposits, prepayments and other receivables	502,866	194,456	697,322
Bank balances	2,346	-	2,346
	19,514,640	194,456	19,709,096

	2020		
	Financial liabilities	Non-financial assets	Total as per statement of Financial Position
		(Rupees in thousand)	
Liabilities			
Long term financing	1,288,251	-	1,288,251
Trade and other payables	96,843	496,340	593,183
Accrued mark-up / profit	377,662	-	377,662
Unclaimed dividend	18,940	-	18,940
Short term borrowings	9,705,011	-	9,705,011
	11,486,707	496,340	11,983,047

36 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

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

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

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

37 UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2021	2020	2021	2020
	(Rupees in thousand)		(Rupees in thousand)	
Total facilities	927,260	1,611,032	15,052,905	14,356,123
Utilized at the end of the year	411,472	-	10,072,156	9,722,236
Unutilized at the end of the year	515,788	1,611,032	4,980,749	4,633,887

38 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.

39 SEGMENT INFORMATION

These financial statements have been prepared on the basis of single reportable segment. Revenue from sale of electricity relates to CPPA-G, the Company's sole customer in Pakistan. All non-current assets of the Company as at reporting date are located in Pakistan.

40 IMPACTS OF COVID - 19

The World Health Organization has declared COVID-19 (the virus) a global pandemic. With the growing number of cases in Pakistan, the Government of Pakistan has provided directions to take measures to respond to the virus. While the virus has impacted the global economy, the Company's operations and financial results have not been materially impacted, since all the revenue is receivable from CPPA-G (see note 18.1). The Company does not foresee any adverse impact on its operations and financial results in future.

41 CORRESPONDING FIGURES

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

42 DATE OF AUTHORIZATION FOR ISSUE

These inancial statements were authorized for issue on September 28, 2021 by the Board of Directors of the Company.

43 GENERAL

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2021

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
220	1	100	4,435	0.001%
719	101	500	345,061	0.094%
431	501	1000	423,041	0.115%
873	1001	5000	2,692,931	0.733%
351	5001	10000	2,915,563	0.794%
151	10001	15000	1,956,527	0.533%
118	15001	20000	2,191,207	0.596%
87	20001	25000	2,087,018	0.568%
56	25001	30000	1,616,177	0.440%
36	30001	35000	1,204,200	0.328%
30	35001	40000	1,149,753	0.313%
19	40001	45000	830,215	0.226%
65	45001	50000	3,218,000	0.876%
18	50001	55000	944,056	0.257%
6	55001	60000	357,000	0.097%
10	60001	65000	632,030	0.172%
13	65001	70000	881,500	0.240%
11	70001	75000	814,071	0.222%
7	75001	80000	534,065	0.145%
4	80001	85000	330,720	0.090%
6	85001	90000	530,050	0.144%
8	90001	95000	737,840	0.201%
24	95001	100000	2,391,500	0.651%
7	100001	105000	724,095	0.197%
1	105001	110000	106,500	0.029%
2	110001	115000	224,500	0.061%
4	115001	120000	474,000	0.129%
3	120001	125000	375,000	0.102%
2	125001	130000	259,500	0.071%
6	130001	135000	801,031	0.218%
3	135001	140000	409,011	0.111%
3	140001	145000	432,000	0.118%
5	145001	150000	741,500	0.202%
3	150001	155000	455,500	0.124%
2	155001	160000	314,000	0.085%
2	160001	165000	322,501	0.088%
3	165001	170000	510,000	0.139%
1	170001	175000	175,000	0.048%

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	180001	185000	182,500	0.050%
2	185001	190000	377,500	0.103%
4	190001	195000	775,401	0.211%
6	195001	200000	1,200,000	0.327%
1	205001	210000	208,000	0.057%
1	210001	215000	215,000	0.059%
1	215001	220000	219,500	0.060%
3	220001	225000	669,000	0.182%
1	225001	230000	226,000	0.062%
3	230001	235000	696,406	0.190%
1	240001	245000	242,000	0.066%
3	245001	250000	750,000	0.204%
2	255001	260000	514,085	0.140%
3	270001	275000	822,000	0.224%
1	290001	295000	294,000	0.080%
5	295001	300000	1,496,500	0.407%
2	300001	305000	602,039	0.164%
1	315001	320000	316,500	0.086%
1	345001	350000	350,000	0.095%
1	370001	375000	374,000	0.102%
3	375001	380000	1,139,000	0.310%
1	380001	385000	385,000	0.105%
1	385001	390000	390,000	0.106%
8	395001	400000	3,197,500	0.870%
2	400001	405000	807,000	0.220%
1	425001	430000	428,000	0.117%
2	450001	455000	902,500	0.246%
1	470001	475000	471,000	0.128%
1	480001	485000	483,000	0.131%
1	485001	490000	488,500	0.133%
1	490001	495000	493,000	0.134%
4	495001	500000	2,000,000	0.544%
1	500001	505000	500,500	0.136%
1	520001	525000	524,000	0.143%
1	535001	540000	535,500	0.146%
1	575001	580000	580,000	0.158%
1	600001	605000	600,500	0.163%
1	625001	630000	630,000	0.171%
1	690001	695000	694,500	0.189%
1	755001	760000	760,000	0.207%
1	795001	800000	800,000	0.218%
1	805001	810000	810,000	0.220%

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
1	815001	820000	817,500	0.223%
1	945001	950000	947,000	0.258%
1	990001	995000	992,000	0.270%
3	995001	1000000	3,000,000	0.817%
1	1000001	1005000	1,001,000	0.272%
1	1095001	1100000	1,100,000	0.299%
1	1100001	1105000	1,104,000	0.301%
1	1185001	1190000	1,190,000	0.324%
1	1245001	1250000	1,250,000	0.340%
1	1365001	1370000	1,367,000	0.372%
1	1395001	1400000	1,400,000	0.381%
1	1460001	1465000	1,464,000	0.399%
1	1960001	1965000	1,961,000	0.534%
1	2160001	2165000	2,162,193	0.589%
1	2285001	2290000	2,288,000	0.623%
1	2695001	2700000	2,696,500	0.734%
1	3095001	3100000	3,100,000	0.844%
1	3150001	3155000	3,155,000	0.859%
1	3345001	3350000	3,350,000	0.912%
1	3435001	3440000	3,437,500	0.936%
1	4020001	4025000	4,020,501	1.094%
1	5095001	5100000	5,100,000	1.388%
1	5990001	5995000	5,990,500	1.631%
1	6695001	6700000	6,700,000	1.824%
1	6860001	6865000	6,862,000	1.868%
1	7845001	7850000	7,846,000	2.136%
1	13065001	13070000	13,069,802	3.558%
1	29355001	29360000	29,359,500	7.992%
1	187350001	187355000	187,354,914	51.002%
3,420			**367,346,939**	**100%**

CATEGORIES OF SHAREHOLDERS

AS ON JUNE 30, 2021

	Categories of Shareholders	No. of Shareholder	Shares Held	Percentage
1	**Directors, Chief Executive Officer and their spouse and minor children**			
	Farhat Saleem	1	137,511	0.04%
	Ayesha Shahzad	1	50,000	0.01%
	Farrukh Ifzal (CEO)	-	-	0.00%
	Aftab Ahmad Khan	1	1	0.00%
	Muhammad Azam	1	500	0.00%
	Babar Ali Khan	1	500	0.00%
	Muhammad Ashraf	1	1	0.00%
	Rehmat Naveed Elahi	1	1,196	0.00%
		7	189,709	0.05%
2	**Associated Companies, Undertaking and Related Parties**			
	Nishat (Chunian) Limited	1	187,585,820	51.07%
	Trustee-Nishat (Chunian) Ltd-Employees Provident Fund Trust	1	200,000	0.05%
	Trustees Nishat Chunian Power Ltd. Emp. Provident Fund Trust	1	50,000	0.01%
		3	187,835,820	51.13%
3	**NIT & ICP**	Nil	Nil	Nil
4	**Banks, Development Financial Institutions, Non Banking Financial Institutions**	13	79,242,119	21.57%
5	**Insurance Companies**	6	2,312,500	0.63%
6	**Modarabas & Mutual Funds**	13	4,034,368	1.10%
7	**General Public**			
	Local	3,307	78,632,909	21.41%
	Foreign	4	1,538,000	0.42%
		3,311	80,170,909	21.82%
8	**Others**	67	13,561,514	3.69%
	Total	**3,420**	**367,346,939**	**100%**

Please note that only Nishat (Chunian) Limited holds 10% or more shares in the Company.

Shareholding 5% or more votings rights

Name of Shareholder	Shares Held	Percentage
Nishat (Chunian) Limited	187,585,820	51.07%
Allied Bank Limited	29,359,500	7.99%

PROXY FORM

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

I/We

____ of ____________________
being a members(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 October 28, 2021 (Thursday) at 10.00 a.m. at the Registered Office of the Company (31-Q, Gulberg II, Lahore) and at any adjournment thereof.

As witness my hand this ____________ day of ____________________ 2021 signed by the said
______________________ in presence of ________________________________

Affix Rs. 5/- Revenue Stamp

Witness
Signature ______________________ Signature ______________________

Notes:

1. Proxies, in order to be effective, must be received at the company's Registered Office / Head office not less than 48 hours before the meeting duly stamped, singed and witnessed.

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

پراکسی فارم (مختارنامہ)

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

میں/ہم ____________________
ساکن ____________________
بحثیت رکن نشاط چونیاں پاورلمیٹڈ،اور مالک ____________ عام حصص بمطابق فولیونمبر ____________ (بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ
ہولڈاکاؤنٹ نمبر ____________ پارٹیسپنٹ آئی ڈی نمبر ____________ بذریعہ ہذامحترم/محترمہ ____________
ساکن ____________ کمپنی کا دیگررکن بمطابق شیئررجسٹرفولیونمبر ____________
یااسکی غیرموجودگی میں ____________ ۔
جو مذکورہ کمپنی کاحصص دار مورخہ 28 اکتوبر 2021ء بروز جمعرات ،صبح 10 بجے

کواپنے/ہمارے ایماء پر: ____________
رجسٹرڈ دفتر: 31-Q گلبرگ II،لاہور میں

منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے ،تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔
آج بروز ____________ بتاریخ ____________ 2021ء کو میرے/ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

پانچ روپے کی ریونیوسٹمپ چسپاں کریں

گواہان دستخط: ____________ دستخط: ____________

اہم نوٹ:

1۔ پراکسیاں تا آنکہ موثر ہوسکیں، بباقاعدہ مہر، دستخط اور گواہی شدہ کمپنی کے رجسٹرڈ دفتر/صدر دفتر میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً وصول ہوجانی چاہیئں۔
2۔ دستخط لازماً کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہیئں۔

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 shareholdres the authorized signatory must sign)

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: ____

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, 2021 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 GHUNIAN POWER LIMITED
31-Q, Gulber II, Lahore
Email: tasawar@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.

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 divident 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 the occur through revised E-Dividend Form.

Title of Bank Account	
Bank Account Number	
IBAN Numbe	
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 adresses of the Company Secretary or Independent Share Registrar of the Company:

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

Chief Executive,
M/S HAMMED MAJEED AOSSCIATE (PVT) LIMITED
H.M. House, 7-Bank square,
The Mail, Lahore.

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 28th October, 2021.

Date: ____________________

Member's Signature

Note:

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

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

Chief Executive,
M/S HAMMED MAJEED AOSSCIATE (PVT) LIMITED
H.M. House, 7-Bank square,
The Mail, Lahore.

NISHAT CHUNIAN
POWER LTD.

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