



**NISHAT
CHUNIAN
POWER LTD.**

October 08, 2019
Ref: NCPL/6911-12

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

SUBJECT: MATERIAL INFORMATION

Dear Sir,

In accordance with the applicable provisions of the Securities Act, 2015 and PSX Rule Book, we wish to inform you that the article titled **“NCPL posts Rs 5.57 bln in yearly profit”** (‘article’) was published in ‘The News International’ newspaper on page 20 on Tuesday October 8, 2019 (copy of the newspaper attached). The company strongly rejects the facts and figures given in the article as they are false and misleading and do not depicts the true picture of the affairs of the company.

The company has already conveyed its result to the PSX vide the company’s letter No. NCPL/PSX/2019-6898-6899 dated September 30, 2019 (copy enclosed).

Yours Truly
For Nishat Chunian Power Limited



Tasawar Hussain
Syed Tasawar Hussain
Company Secretary

Encls: as above

Copy to: The Head of Department (HOD)
Market Surveillance & Special Initiative Department (MSSID)
Securities & Exchange Commission of Pakistan,
N.I.C Building, Jinnah Avenue,
Islamabad
Fax # (051) 9218592/9204915

■ NEW ATL IN MARCH 2020

Number of return filers up 43pc to 2.63 million in tax year 2018

By Shahnaz Akhter

KARACHI: Number of returns filed for tax year 2018 rose 43 percent year-on-year to 2.63 million, officials shared on Monday, as higher withholding tax on non-filers compelled them to appear in the active taxpayers list (ATL).

The Federal Board of Revenue's (FBR) statistics showed that the annual income tax returns filed for 2018 increased 43 percent when compared with 1.84 million returns received by the FBR for the tax

year 2017. FBR sources said people are filing their income tax returns for the tax year 2018 along with late surcharge to avoid 100 percent withholding tax rates on financial transactions, although the date for the tax year 2019 has already been prescribed.

The current ATL (for tax year 2019) would remain applicable till February 29, 2020 and new ATL on the basis of return filed for tax year 2019 would be issued in March 2020.

The appearance of taxpayers on

ATL guarantees the lower rate of withholding tax on financial transactions.

The government, through Finance Act 2019, introduced tooth schedule into the Income Tax Ordinance 2001 under which individuals not appearing in the ATL would be liable to pay 100 percent withholding tax than one charged on those in the ATL.

The FBR issues ATL on March 1 every year on the basis of return filed by taxpayers by due-date for relevant tax year. The FBR issued

ATL for tax year 2018 on March 1, 2019 on the basis of returns filed then. Since the date for filing of returns was extended up to August 9, 2019, the names of new return filers were added to the updated ATL.

On August 9, 2019, the number of return filers was increased to 2.5 million. However, additional 0.13 million returns had been included in the ATL after they paid late filing surcharge.

The FBR said restriction of including an individual's name in the ATL - if the person has not filed tax

return by the due-date specified by income tax authorities - was introduced through Finance Act, 2018. An individual's name can, however, be part of ATL, even after the due-date specified by Income Tax authorities under the Finance Act 2019, the FBR said in a statement.

The FBR added that there, however, would be a surcharge of Rs1,000 on individuals, Rs10,000 on association of persons and Rs20,000 on companies, to appear in the ATL after the date of filing of tax returns.

BRIEFS

Gold down Rs400/ton

By our correspondent

KARACHI: Gold prices lowered Rs400/ton in the local bullion market on Monday.

An announcement of the All Sindh, Sindh Jewellers Association said gold rates decreased in the local market to Rs87,200/ton. Similarly, 10 grams gold prices dropped Rs43 to Rs74,700.

In the international market, gold rates also witnessed a decline of \$7 to \$1,858/ounce.

Jewellers said gold rates in the local market went down Rs2,000/ton, compared with the prices in the Dubai gold market.

TDAP to outsource tax operations

By our correspondent

KARACHI: The Trade Development Authority of Pakistan (TDAP) has planned to outsource taxation and audit operations to streamline tax withholding issued and audit handling, a statement said on Monday.

The authority has invited requests for proposal (RFP) for appointment of chartered accountant firm.

TDAP needs a tax consultant to advise comprehensively on tax withholding obligations, including, but not limited to income and sales tax matters, to advise on day-to-day changes in tax laws of interest to TDAP and to provide assistance in handling tax audits of sales tax and federal excise duty by the FBR authorities and provincial revenue boards.

The consultant would also prepare the authority's balance sheet, statement of income and expenditures, account, statement of sources and annual reports along with the filing tax returns and representing TDAP before appropriate authorities. As part of audit handling, the consultant would provide assistance to TDAP at the time of audit of sales tax and FED by the FBR authorities, and apprise the management on tax matters through monthly report.

The Trade Development Authority of Pakistan is a federal government entity working under the administrative control of the Ministry of Commerce.

ADB team visits Lahore chamber

By our correspondent

LAHORE: The Asian Development Bank (ADB) has been assessing Pakistan's address its various issues, but to move ahead in skills investment in technical and vocational education must be backed by the institutional improvement, a bank official said on Monday.

Herman Sotomayor, head of the delegation from the ADB, who is expert on vocational education and training, said that the bank has a long track record in assisting its developing member countries to achieve the goal of quality education for all.

Training and skills development systems in developing member countries need to be fully equipped to produce human resources with competencies that are aligned to the needs of the labour market, he added.

The meeting was held at Lahore Chamber of Commerce and Industry (LCCI) where ADB representative answered various questions raised by the office-leaders and executive committee members. LCCI President Irfan Iqbal Sheikh appreciated the role of the Asian Development Bank in Economic Development of Pakistan.

SBP allows Foree payment services

News Desk

KARACHI: The State Bank of Pakistan (SBP) has granted permission to Foree to provide payment services in Pakistan, a statement said on Monday.

Foree is a mobile payment platform, enabling users to pay anyone using QR code, mobile number, CNIC number, email address, wallet handle, Facebook or Twitter address (a virtual payment address), it added.

It is a universal, low-cost digital payment platform for businesses, enabling even the smallest merchant to start accepting digital payments in a cost effective manner without the need for any expensive POS machines.

Foree Founder and CEO Saleem Raza said, "Foree is on a mission to make payments easy, interoperable and trusted to power economies by delivering financial inclusion and social economic justice."

"Along with creating new avenues for jobs and formalisation of the economy, through our technology, we are enabling access to financial services with ease and trust. Foree aims at becoming the backbone of Pakistan's digital society," he added.

Pakistan Travel Mart begins today

By our correspondent

KARACHI: Tourism Malaysia will participate in the Pakistan Travel Mart (PTM) 2019 to be held from October 8 to 10, 2019 at the Karachi Expo Centre, a statement said on Monday.

Tourism Malaysia will welcome more tourists from Pakistan by highlighting VM2020 campaign during the event, it added. This year, a total of 18 organisations from Malaysia will participate in Pakistan Travel Mart, including hotels and resorts, travel agencies, product operators and tourism associations.

Tourism Malaysia also takes this opportunity to launch Visit Malaysia campaign 2020 in Pakistan.

The tourist arrival target from Pakistan during the campaign will be 81,000 tourists.

NCPL posts Rs5.57bln in yearly profit

By our correspondent

KARACHI: Nishat Channan Power Limited (NCPL) on Monday announced its annual profit of Rs5.57 billion for the year ended June 30, 2019, mainly on strong sales, a statement said on Monday.

The NCPL said this translates into earnings per share (EPS) of Rs16.26, compared to an EPS of Rs15.84 last year when the company had posted a profit of Rs5.471 billion.

The company declared a final cash dividend of Rs2.50/share, equivalent to 25 percent, for the period under review, in addition to an already announced interim cash dividend of Rs1.50/share, equivalent to 15 percent.

The company recorded net sales of Rs29,838 million in FY19, up by 11 percent year-on-year, mainly due to currency depreciation and subsequently higher final product prices.

Gross margins of the company improved by 41 basis points (bps) year-on-year to 12.42 percent during FY19 compared to 12.01 percent in FY18 mainly due to procurement of cotton at economical rates.

In QFY19, year-on-year, the gross margins plunged by 603bps to 10.77 percent due to pressure on international cotton prices, which resulted in lower yarn margins.

Other income climbed sharply by 117 percent year-on-year to Rs4.54 billion, attributable to dividend received from subsidiary (NCPL) and exchange gain of Rs1.4 billion on account of rupee depreciation by 10 year-on-year.

The statement said the revenue of the company had declined, mainly due to lower demand from NTDC/CPA (G) (Power Purchaser), Capacity Factor for year ended June 30, 2019 was 44.65 percent (2018: 64.14 percent), it added.

According to NCPL, circular debt continues to remain an issue and risk for companies operating in the power sector, while liquidity management remained challenging during the year.

Atf Ibbt Limited in their analysis said, "Finance costs of the company jumped up by 57 percent year-on-year to Rs2,178 million owing to its increase in borrowings to meet the working capital and capex requirement and rise in interest rates."



SCHOENAU: Farmers stand with their cows on a barge during the annual cattle drive from the Saletalm alpine pasture over lake Koenigssee in their wintering barns in southern Germany on Monday. —AFP

COMMENT

By Mansoor Ahmad

LAHORE: Most of developing countries that gradually found a sustainable growth model, did so on their internal strength, consistent policies, research and innovation - all of which are missing in Pakistan's growth model.

We have seen countries like Malaysia, rising from the ashes like the mythical phoenix, especially after defying the International Monetary Fund (IMF) edicts, and today it is a robust economy.

In 1997 all its foreign exchange reserves had vanished due to manipulations by the likes of George Soros, a Hungarian-American investor and former currency dealer.

Back in the day, Malaysian Prime Minister Mahatir Mohamad had to console Soros of running Malaysia's economy with "massive currency speculation". Soros was said to have been a buyer of the ringgit during its last, having sold it short in 1997.

India has continued growing despite droughts, various global slowdowns, and changes of government. Their growth model basically remained the same - no matter which party was in power.

The once penniless Bangladesh is now a global role-model in poverty alleviation and its growth strategy re-

Fill in the policy blanks!

maines the same whether it has Khadija Rehan or Hasina Wajid as its Prime Minister. The global recessions we faced in last 30 years were also faced by India and Bangladesh. The droughts that struck Pakistan also hit India equally hard as it is our next door neighbour.

In Pakistan we plan a growth strategy and if it does not work or planners blame the failure on global recession, droughts, or bias of some developed economies. They never accept the failure of their strategy. When experts chalk out a solid strategy for growth they take into account all aspects that might impact the growth. The strategy is based on different scenarios in which steps are suggested to minimise the negative impact of weather, global economy and domestic economy. They incorporate innovative strategies to keep the growth movement going. All governments in Pakistan overglorify their achievement and underscore their shortcomings.

Agriculture is considered our strength but we have failed to upgrade our seeds. Basmati introduced in 1985 is still the same, while India that was way behind Pakistan at that time is now way ahead in both yield and quality.

The wheat seed introduced in 1960s is still the same. No new high-

yielding varieties have been introduced. The average per acre yield of wheat in India is double than that of Pakistan. India has left us far behind in cotton production. While our per hectare cotton production is stagnant at 1900s-level the Indians have more than doubled their yield and tripled the cotton cultivation area. We have better availability of water than in India. Our soils are also more fertile. But we waste water through our primitive irrigation methods and end up providing less water to the soil than India where modern irrigation was largely introduced.

If we had performed at par with India in agriculture yield most of our problems would have been solved at least in rural areas where majority of our population resides.

We have played havoc with our industry by exposing it to unbridled imports. Individually, goods that inhibit the protection provided to their industries cannot be bypassed any way. They are very strict on under-invoicing and smuggling. We consider smugglers and under-invoicing importers as genuine businessmen. They steal government revenue. The economic planners have no clue on who is stealing the revenue. Prime Minister Shahnaz on Finance Abdul Hafeez Sheikh is reportedly said to

have accessed the top industrialists of under-invoicing from China. Reports have quoted Shaikh as saying, that too in the presence of the Chief of Army Staff, that Pakistan's documented imports from China are \$5 billion, while Chinese claim their exports to Pakistan are \$12 billion. It must be noted that manufacturers do not under-invoice as most of the under-invoicing is done on finished goods that could be produced in Pakistan. As Chairman Federal Board of Revenue Shabbir Zaidi has rightly pointed out several times that under-invoicing is undermining the stability of our industries.

Our industry lobby is in shambles. It has not upgraded for a long time. Except for textile exporters that in the past made some good money but did not upgrade, all other industries are not coming much because of dominance of smuggling and under-invoicing. Our planners in their growth strategies do not take into account the negatives that hurt our growth.

These include bad governance, tax evasion (under-invoicing and under-reporting of production), smuggling, high power and energy cost, and above all the inconsistent policies.

No growth strategy would work unless measures are incorporated to eradicate these negatives.

INTERVIEW

By Saleem Qazi

Jahangir Mirza, the CEO of ETS International, a leading German chemical multinational, called on the government to ensure stable policies for foreign investments, while providing foreign investors with one-window facilities during setting up and then spreading out their businesses here for the benefit of all stakeholders.

Mirza, recently led a four-member German business delegation to Pakistan to explore investment opportunities and build business-to-business meetings with local investors to find future partners for joint ventures.

"I know about the country's huge potential. Dr Pantelis Pevtes, Pakistan's acting Honorary Consul in Munich, contacted the ETS last year during the planning stage to lead a business delegation to Pakistan. After many deliberations, the ETS board decided to join the delegation aimed to tour and explore the Pakistani market, Mirza said while talking to The News

market and for this, he had earlier made a similar effort in 2008 but later postponed his plans as he could not find a suitable business partner in Pakistan at that time.

A research-based company, ETS manufactures some 445 chemical-based international standard products that are based on a hi-tech wire formula and are capable of safely cleaning sensitive manufacturing units, like the food, oil, etc. and the rest of the giant and small industry areas. Merant for surface cleaning of the large-sized manufacturing facilities, in particular, these chemicals, which are water and organic based, offer a maximum level of rust protection and films are ideal for production and processing units where quality cleanliness is vital. On the other hand, similar chemicals produced by other manufacturers are used for rust protection and films are ideal for a range of harmful and hazardous solid substances, such as solvent acids, caustic, paraffin, etc. "In contrast, our chemicals are safe, reliable and environ-



the locally available ones.

Giving more details about the ETS, he said that the ETS was headquartered in Germany, while its manufacturing units are based in Belgium and the Netherlands. "Our products are used by such international companies as The Boeing Company, Airbus SE, Douglas and McDonalds and many other throughout the world," he said.

Speaking about his company's marketing strategy and local partners in Pakistan, Mirza said, "We are well-equipped they had received a positive

feedback from the local market. The leadership of Qazi Yasir, are visiting hotels, hospitals, and large manufacturing facilities and they hope they would be able to capture the market share very soon.

According to both Yasir and Mirza, such chemicals are heavily used in cleaning and rust removal, particularly in military organizations, namely the army, the air force and the naval forces, as they tend to use chemicals for a range of objectives, e.g. arms, aircraft, and ship cleaning.

Mirza, however, emphasised that the present government of Prime Minister Imran Khan should ensure ease of doing business, especially to the foreign investors. Mirza also elaborated that all hortichecks and bureaucratic antiquities should be removed by the concerned agencies to encourage foreign investments to flourish.

Yasir stressed upon the fact that the government of import duties by the generally very hospitable and friendly and with a broad range of trading and investment potential," he said.

He was also pleasantly surprised to note that the people here were generally very hospitable and friendly and with a broad range of trading and investment potential," he said.

"The government must review this so that more and more foreign investment is encouraged generally, and in the chemical sector, particularly," Yasir said.

Mr Peter, Director Sales, ETS, said, "A country of 220 million people Pakistan happens to be one of the world's largest business and trading markets and is an ideal country with maximum potential for investment and business growth."

"Our marketing and sales team is also approaching the country's defense institutions in this regard," he had misconceptions about Pakistan before he visited here, mainly owing to the country's spotted poor law and order situation.

"However, my meetings soon proved wrong and I realised that Pakistan boasts a robust industrial infrastructure almost in all business sectors with a broad range of trading and investment potential," he said.

He was also pleasantly surprised to note that the people here were generally very hospitable and friendly and with a broad range of trading and investment potential," he said.



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NCPL/PSX/2019-6898-6899

September 30, 2019

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

PUCAR/ Courier

CC: The Executive Director
Monitoring & enforcement Division
Securities & Exchange Commission of Pakistan,
N.I.C Building, Jinnah Avenue,
Islamabad
Fax # (051) 9218592/9204915

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2019

Dear Sir,

We have to inform you that the Board of Directors of Nishat Chunian Power Limited in their meeting held on September 30, 2019 at 03:00 PM at Registered Office, 31-Q, Gulberg II, Lahore, has recommended the following for the year ended June 30, 2019:

CASH DIVIDEND:

Nil

BONUS:

Nil

RIGHT:

Nil

ANY OTHER ENTITLEMENT / CORPORATE ACTION:

Nil

ANY OTHER PRICE SENSITIVE INFORMATION:

Nil

The financial results of the Company are attached.



**NISHAT
CHUNIAN
POWER LTD.**

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	(Rupees in thousand)	
Sales	15,021,084	16,594,018
Cost of sales	(9,945,451)	(11,954,459)
Gross profit	5,075,633	4,639,559
Administrative expenses	(201,314)	(207,083)
Other expenses	(228,258)	(15,788)
Other income	112,565	35,964
Finance cost	(1,342,068)	(1,046,267)
Profit before taxation	3,416,558	3,406,385
Taxation	-	-
Profit for the year	3,416,558	3,406,385
Earnings per share - basic and diluted (in Rupees)	9.30	9.27

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of the Company will be held on October 28, 2019 (Monday) at 10:00 AM at 31-Q Gulberg II, Lahore.

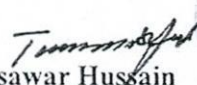
BOOK CLOSURE NOTICE FOR ATTENDING OF ANNUAL GENERAL MEETING (AGM):-

The Share Transfer Books of the Company shall remain closed for attending of AGM from October 21, 2019 to October 28, 2019 (both days inclusive). Physical Transfers/CDS transactions/IDs, received in order at Share Registrar, Hameed Majeed Associates (Private) Ltd, HM House, 7-Bank Square, Lahore at the close of business will be considered in time for attending of AGM.

The Annual Report of the Company will be transmitted through PUCARS atleast 21 days before holding of Annual General Meeting.

Thanking you,
Yours truly,

For Nishat Chunian Power Limited


Syed Tasawar Hussain
Company Secretary

