

NISHAT POWER LIMITED



NPL-Exchanges-2010/213

September 26, 2016

- 1) The General Manager,
Pakistan Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road, KARACHI.

PUCARS / TCS

- 2) The Executive Director,
Monitoring & Enforcement Division
Securities & Exchange Commission of Pakistan
8th Floor, NIC Building, Jinnah Avenue,
Blue Area, ISLAMABAD.

Fax No. (051) 9100454, 9100471 / TCS

SUB: FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2016

Dear Sir,

We have to inform you that the Board of Directors of **Nishat Power Limited** in their meeting held on September 26, 2016 (Monday), at 10:30 a.m. at 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore, recommended the followings:-

i) CASH DIVIDEND

Final cash dividend @ 15% [i.e. Rs.1.50 (Rupee One and Fifty Paisas Only)] per share for the year ended June 30, 2016. This is in addition to interim dividends already paid at Rs.4.50 per share i.e. 45%.

**ii) BONUS SHARES
NIL**

**iii) RIGHT SHARES
NIL**

**iv) ANY OTHER ENTITLEMENT
NIL**

**v) ANY OTHER PRICE-SENSITIVE INFORMATION
NIL**

Contd...P/2

NISHAT POWER LIMITED



(2)

THE FINANCIAL RESULTS OF THE COMPANY IS AS UNDER: -

The profit and loss account of the Company for the year ended June 30, 2016 is as follows: -

| | 2016 | 2015 |
|---|----------------------|---------------------|
| | (Rupees in thousand) | |
| Sales | 13,896,036 | 22,313,634 |
| Cost of sales | <u>(10,008,691)</u> | <u>(17,622,108)</u> |
| Gross profit | 3,887,345 | 4,691,526 |
| Administrative expenses | (201,723) | (177,942) |
| Other expenses | (1,348) | - |
| Other income | 33,755 | 33,920 |
| Finance cost | (866,561) | (1,429,594) |
| Share of loss of associate | <u>(403)</u> | <u>(1,201)</u> |
| Profit before taxation | 2,851,065 | 3,116,709 |
| Taxation | - | - |
| Profit for the year | <u>2,851,065</u> | <u>3,116,709</u> |
| Earnings per share-basic and diluted (in Rupees) | <u>8.052</u> | <u>8.802</u> |

Contd...P/3

NISHAT POWER LIMITED



(3)

The External Auditors emphasize the following in their report: -

We draw attention to Note No. 17.2 to the annexed financial statements, which describes the matter regarding recoverability of certain trade debts. Our opinion is not qualified in respect of this matter."

Note No. 17.2 to the Financial Statements for the year ended June 30, 2016 reproduced as under:-

Included in trade debts is an amount of Rs.816.033 million relating to capacity purchase price not acknowledged by NTDC as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

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

During the current year, the Expert has given his determination whereby the aforesaid amount has been determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company has demanded the payment of the aforesaid amount of Rs 816.033 million from NTDC that has not yet been paid by NTDC. Consequently, under the terms of PPA, the company has filed petition for arbitration in The London Court of International Arbitration ('LCIA'), whereby an arbitrator has been appointed and the matter is pending arbitration. In November 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') has filed a case in the court of Senior Civil Judge, Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication. Furthermore, during the current year, NTDC filed a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings. Subsequent to year end, in response to NTDC's stay application, the Arbitrator through his order dated July 8, 2016, has declared that the arbitration shall proceed and has denied NTDC's request for a stay. Also, the Arbitrator has ordered NTDC to withdraw the abovementioned case filed in the court of Senior Civil Judge, Lahore and has refrained it from taking any further steps therein to disrupt the arbitration proceedings.

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

NISHAT POWER LIMITED



(4)

BOOK CLOSURE NOTICE FOR ENTITLEMENT OF FINAL CASH DIVIDEND @ 15% AND ATTENDING OF ANNUAL GENERAL MEETING (AGM):-

The Share Transfer Books of the Company shall remain closed for entitlement of Final Cash Dividend @ Rs.1.50 (Rupee One and Fifty Paisas Only) per share i.e. 15% and attending of AGM from 22-10-2016 to 29-10-2016 (both days inclusive). Physical transfers/CDS transactions/IDs, received in order at Share Registrar, Hameed Majeed Associates (Pvt) Ltd. HM House, 7-Bank Square, Lahore upto 1:00 p.m. on 21-10-2016 will be considered in time for the entitlement of said 15% Final Cash Dividend and attending of AGM.

SPECIAL BUSINESS :-

To amend Articles of Association of the Company to facilitate E-voting in general meetings of the Company in compliance with the requirements of The Companies (E-voting) Regulations, 2016.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of the Company will be held on October 29, 2016 (Saturday) at 11:00 A.M. at Nishat Hotel, 9-A, Gulberg III, Mian Mahmood Ali Kasuri Road, Lahore.

Notice of AGM of the members of the Company is attached herewith for circulation.

Disclosure form in terms of Section 69 of the Securities Act 2015, is attached for information and circulation amongst the TRE certificate holders of the Exchange.

We will send you requisite copies of printed accounts of the Company for the year ended June 30, 2016 for distribution amongst the TRE certificate holders of the Exchange in due course of time.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOHAN
(COMPANY SECRETARY)

NISHAT POWER LIMITED



DISCLOSURE FORM

IN TERMS OF SECTION 69 OF THE SECURITIES ACT 2015

Name of the Company : Nishat Power Limited

Date of Report (Date of earliest event reported if applicable) : N/A

Address of Registered Office : Nishat House, 53-A, Lawrence Road, Lahore

Contact Information : Company Secretary, Nishat House, 53-A, Lawrence Road, Lahore

Disclosure of inside information by listed company in terms of Section 15D(1).

The Board of Directors of Nishat Power Limited in their meeting held on Monday, the 26th of September 2016, at 10:30 a.m. at 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore, recommended the followings: -

CASH DIVIDEND : -

Final cash dividend @ 15% [i.e. Rs.1.50 (Rupee One and Fifty Paisas Only)] per share for the year ended June 30, 2016. This is in addition to interim dividends already paid at Rs.4.50 per share i.e. 45%.

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NISHAT POWER LIMITED



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During the current year, the Expert has given his determination whereby the aforesaid amount has been determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company has demanded the payment of the aforesaid amount of Rs 816.033 million from NTDC that has not yet been paid by NTDC. Consequently, under the terms of PPA, the company has filed petition for arbitration in The London Court of International Arbitration ('LCIA'), whereby an arbitrator has been appointed and the matter is pending arbitration. In November 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') has filed a case in the court of Senior Civil Judge, Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication. Furthermore, during the current year, NTDC filed a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings. Subsequent to year end, in response to NTDC's stay application, the Arbitrator through his order dated July 8, 2016, has declared that the arbitration shall proceed and has denied NTDC's request for a stay. Also, the Arbitrator has ordered NTDC to withdraw the abovementioned case filed in the court of Senior Civil Judge, Lahore and has refrained it from taking any further steps therein to disrupt the arbitration proceedings.

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NISHAT POWER LIMITED



(4)

[] Intimation of decision of the listed company to delay disclosure of inside information in terms of Section 15D(2).

N/A

[] Disclosure of inside information by listed company where the listed company or person acting on its behalf disclosed inside information to third party in terms of Section 15D(3).

N/A

[] Disclosure of transaction conducted by person discharging managerial responsibilities within a listed company or person closely associated with them in terms of Section 15D(5).

N/A

Signatures

In case of company, pursuant to the requirements of the Securities & Exchange Ordinance of 1969 (XVII of 1969), the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized

September 26, 2016


Khalid Mahmood Chohan
Company Secretary



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Shareholders of Nishat Power Limited (the "Company") will be held on October 29, 2016 (Saturday) at 11:00 A.M. at Nishat Hotel, 9-A, Gulberg III, Mian Mahmood Ali Kasuri Road, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' reports thereon.
2. To approve Final Cash Dividend @ 15% [i.e. Rs.1.50 (Rupee One and Fifty Paisas Only) Per Ordinary Share] as recommended by the Board of Directors, in addition to the 45% interim dividends already paid.
3. To appoint statutory Auditors for the year ending June 30, 2017 and fix their remuneration.

4. Special Business:-

To consider and if deemed fit, to pass the following resolutions as special resolution, with or without modification, addition(s) or deletion(s) for alteration in the Articles of Association of the Company:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Articles 76A and 76B immediately after the existing Article 76 to read as under;

76-A. A member may opt for E-voting in a general meeting of the Company under the provisions of the Companies (E-Voting) Regulations, 2016, as amended from time to time. In the case of E-voting, both members and non-members can be appointed as proxy. The instruction to appoint execution officer and option to e-vote through intermediary shall be required to be deposited with the Company, at least ten (10) days before holding of the general meeting, at the Company's registered office address or through email. The Company will arrange E-voting if the Company receives demand for poll from at least five (5) members or by any member or members having not less than one tenth (1/10) of the voting power.

76-B. An instrument of proxy in relation to E-voting shall be in the following form:

I/We, _____ of _____ being a member of the _____, holder of _____ share(s) as per register Folio No./CDC Account No. _____ hereby opt for E-voting through Intermediary and hereby consent the

NISHAT POWER LIMITED



appointment of Execution Officer _____ as proxy and will exercise E-voting as per The Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions.

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

Signature of Member
CNIC No. _____

Signed in the presence of;

Signature of Witness
CNIC No. _____

Signature of Witness
CNIC No. _____

Further Resolved that the Chief Executive Officer or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution.

By order of the Board

Lahore
September 26, 2016

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

NOTES:

BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from **22-10-2016 to 29-10-2016 (both days inclusive)** for entitlement of **15% Final Cash Dividend [i.e. Rs.1.50 (Rupee One and Fifty Paisas Only) Per Ordinary Share]** and attending and voting at Annual General Meeting. Physical transfers/ CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 21-10-2016 at Share Registrar, Hameed Majeed Associates (Pvt) Ltd, 7-Bank Square, Lahore, will be considered in time for entitlement of 15% Final Cash Dividend and attending of meeting.

A member eligible to attend and vote at this meeting may appoint another member his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the

Page 2 of 6

NISHAT POWER LIMITED



Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting.

Shareholders are requested to immediately notify the change in address, if any.

Deduction of Withholding Tax

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificates is made available to Hameed Majeed Associates (Pvt) Limited, 7-Bank Square, Lahore, by the first day of Book Closure.

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 its Share Registrar, if not already provided. For shareholders other than individuals, the checking will be done by matching the NTN Number, therefore the Corporate shareholders having CDC accounts are requested in their own interest to provide a copy of NTN Certificate to check their names in ATL, before the book closure date to their respective participants/CDC, whereas corporate shareholders holding physical share certificates should send a copy of their NTN certificate to the Company or its Share Registrar. The Shareholders while sending CNIC or NTN certificates, as the case may be must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and would be constrained under SECP's Order dated June 08, 2016 under Section 251(2) of the Companies Ordinance, 1984 to withhold the dispatch of dividend warrants to such shareholders.

ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in CDC-Sub Account or CDC Investor Account) or to our Share Registrar, M/s. Hameed Majeed Associates (Pvt) Limited, 7-Bank Square, Lahore. The Shareholders while sending the Zakat Declarations, as the case may be must quote company name and their respective folio numbers.

Shareholders are therefore requested to promptly send a valid copy their CNICs, NTN and Zakat declarations as per above requirements. Shareholders should also notify our Share Registrar. Ms/

NISHAT POWER LIMITED



Hameed Majeed Associates (Pvt) Limited regarding any change in their addresses. This will ensure that the Dividend Warrants are dispatched to shareholders at their correct addresses.

Dividend Mandate (Optional):

Under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desires, direct the Company to pay dividend through his/ her/its bank account. In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular Number 18 of 2012 dated June 05, 2012, kindly authorize the company for direct credit of your cash dividend in your bank account (please note that giving bank mandate for dividend payments is optional, in case you do not wish to avail this facility please ignore this notice, dividend will be paid to you through dividend warrant at your registered address). If you want to avail the facility of direct credit of dividend amount in your bank account, please provide following information to Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Limited.

| Bank Account Details of Shareholder | |
|--|--|
| Title of Bank Account | |
| Bank Account Number | |
| Bank's name | |
| Branch name and address | |
| Cell number of shareholder | |
| Landline number of shareholder, if any | |
| It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate to the company and the concerned share registrar. | |
| Name, signature, folio # and CNIC number of shareholder | |
| Notes: | |
| (1) Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant / CDC Investor Account Services Department. | |
| (2) If dividend mandate information has already been provided by you, ignore this request. | |

Transmission of Annual Financial Statements Through Email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard

NISHAT POWER LIMITED



NISHAT GROUP

request form which is available at the Company's website i.e. www.nishatpower.com and send the said form duly signed by the shareholder along with copy of his/her CNIC to the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Limited. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice, Financial Statements will be sent to the registered address of the shareholders.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 29, 2016.

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 75A and 75B therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. A member may opt for E-voting in a general meeting of the Company under the provisions of the Companies (E-Voting) Regulations, 2016, as amended from time to time. In the case of E-voting, both members and non-members can be appointed as proxy. The instruction to appoint execution officer and option to e-vote through intermediary shall be required to be deposited with the Company, at least ten (10) days before holding of the general meeting, at the Company's registered office address or through email. The Company will arrange E-voting if the Company receives demand for poll from at least five (5) members or by any member or members having not less than one tenth (1/10) of the voting power.

Accordingly, it has been proposed to pass the resolution as a Special Resolution as provided in the notice of meeting for alteration in the Articles of Association of the Company.

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

NISHAT POWER LIMITED



Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

| | | |
|---|--|---|
| Name of Investee Company | : Nishat Energy Limited | Lalpir Solar Power (Pvt.) Ltd |
| Total Investment Approved | : Equity investment of Rs4,875,000,000 (Rupees Four Billion Eight Hundred Seventy Five Million Only) was approved by members in EOGM held on August 22, 2014 for the period of three (3) years. | Equity Investment of Rs. 278,460,000 (Rupees Two Hundred Seventy Eight Million Four Hundred Sixty Thousand Only) was approved by members in AGM held October 30, 2015 for the period of three (3) years. |
| Amount of Investment Made to date | : PKR 2,500,000/- | PKR 500,000/- |
| Reason for not having made complete Investment so far where resolution Required to be implemented in Specified time. | : The NPL investment in Nishat Energy is based on certain milestones which have not yet been accomplished. The first such milestone was conducting Feasibility Study. Feasibility of the project has been approved by Punjab Power Development Board (PPDB). While Grid Interconnection Study is under final stage of review with National Transmission & Despatch Company (NTDC). | NPL investment in Lalpir Solar Power is based on certain milestones which have not yet been accomplished. The first such milestone was to conduct Grid Interconnection Study, which has been approved by Multan Electric Power Company (MEPCO). |
| Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company. | : Nishat Energy Limited has issued paid-up share capital of 1,000,000 shares of Rs 10 each amounting to Rs 10,000,000 (Rupees ten million only). | Lalpir Solar Power (Pvt.) Limited has issued paid-up share capital of 50,000 shares of Rs 10 each amounting to Rs. 500,000 (Rupees five hundred thousand only). |