

NISHAT POWER LIMITED



NPL-Exchanges-2010/190

September 21, 2017

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

PUCARS / TCS

SUB: FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2017

Dear Sir,

We have to inform you that the Board of Directors of **Nishat Power Limited** in their meeting held on September 21, 2017 (Thursday), at 11:00 a.m. at 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore, recommended the followings:-

i) CASH DIVIDEND

Final cash dividend @ 20% [i.e. Rs. 2/- (Rupees Two Only)] per share for the year ended June 30, 2017. This is in addition to interim dividends of Rs. 2 per share i.e. 20%, already paid.

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



NISHAT GROUP

(2)

THE FINANCIAL RESULTS OF THE COMPANY IS AS UNDER: -

The profit and loss account of the Company for the year ended June 30, 2017 is as follows: -

	2017	2016
	(Rupees in thousand)	
Sales	15,041,692	13,896,036
Cost of sales	(11,175,473)	(10,008,691)
Gross profit	3,866,219	3,887,345
Administrative expenses	(253,805)	(201,723)
Other expenses	(2,628)	(1,348)
Other income	23,034	33,755
Finance cost	(749,052)	(866,561)
Share of loss of associate	(53)	(403)
Profit before taxation	2,883,715	2,851,065
Taxation	2,714	-
Profit for the year	2,886,429	2,851,065
Earnings per share-basic and diluted (in Rupees)	8.152	8.052

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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, 2017 reproduced here 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 financial year 2016, the Expert gave his determination whereby the aforesaid amount was determined to be payable to the company by NTDC. Pursuant to the Expert's determination, the company demanded the payment of the aforesaid amount of Rs 816.033 million from NTDC that has not yet been paid by NTDC. Consequently, under the terms of PPA, the company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed. In November 2015, the Government of Pakistan ('GOP') through Private Power & Infrastructure Board ('PPIB') filed a case in the court of Senior Civil Judge, ("Civil Case 2015"), Lahore, against the aforementioned decision of the Expert, praying it to be illegal, which is pending adjudication. Furthermore, NTDC also filed a stay application in the LCIA before the Arbitrator to stay the arbitration proceedings. During the year, in response to NTDC's stay application in the LCIA, 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.

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NISHAT POWER LIMITED



NISHAT GROUP

(4)

Consequently, notices of arbitration were issued to the relevant parties. PPIB filed separate Civil Suit before the Civil Judge, Lahore, seeking inter alia that the parties should be restrained from participating in the arbitration proceedings in the LCIA ("Civil Case 2016"). The company filed applications in the Civil Court where the company prayed that the Civil Court, Lahore lacks the jurisdiction in respect of the cases filed by PPIB. In respect of the aforementioned applications, through its orders dated April 18, 2017, the Civil Court, Lahore rejected company's pray and granted the pray of PPIB whereby, the court accepted PPIB's applications for interim relief in 2015 and 2016 civil suits. Being aggrieved, the company challenged before the Additional District Judge, Lahore against the aforementioned orders of the Civil Court and continued to take part in the arbitration proceedings. Furthermore, in response to the company's continued participation in the arbitration proceedings, PPIB filed contempt petition before Lahore High Court (LHC) in respect of the decision of the Civil Court, Lahore and the LHC passed an order in those proceedings favouring NTDC. The Company challenged the LHC's order before the Division Bench of LHC, which decided the matter in favour of the company through its order dated May 31, 2017 whereby, the aforementioned order of the LHC was suspended. As a consequence of the aforementioned order of Division Bench of LHC, the Arbitrator on June 8, 2017, declared his final partial decision on the aforementioned matter and decided the matter principally in company's favour and declared that the above mentioned Expert's determination is final and binding on all parties ("Final Partial Award"). However, the matter of determining the appropriate quantum and form of the company's claim has been deferred by the Arbitrator for consideration at a further urgent hearing which is still pending. Aggrieved by the Final Partial Award, the NTDC challenged the Arbitrator's decision in Lahore Civil Court ("Civil Case 2017"), which suspended the Final Partial Award on 10th July 2017. In response to this decision of Civil Court, the Company filed an appeal in District Court and the District Court while granting interim relief to the company, suspended the Civil Court's order on 12th August 2017. Alongwith challenging the Final Partial Award in Lahore Civil Court, the NTDC also challenged the same, on 6th July 2017, in Commercial Court of England, which is pending adjudication. As per advice of foreign counsel, the Company has also filed a case in Commercial Court of England against NTDC on 14th August 2017. The court has issued an interim favourable decision, thereby preventing NTDC from pursuing case in Pakistan Civil Courts against Partial Final Award and taking any steps outside England to set aside Partial Final Award. This case is also pending adjudication.

Furthermore, subsequent to the year end, the District Judge, Lahore through its order dated July 8, 2017 has set-aside the aforementioned orders of the Civil Judge, Lahore dated April 18, 2017 and accepted company's appeals but dismissed the company's revision petitions concerning the issue of jurisdiction. Aggrieved by this decision, the Company filed writ petitions before the LHC, which announced a favourable decision and suspended the proceedings of Civil Case 2015 & 2016 till the final decision of LHC, which is pending adjudication.

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NISHAT POWER LIMITED



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Based on the advice of the company's legal counsel, Expert's determination and Arbitration Award, management strongly feels that under the terms of the PPA and Implementation Agreement 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.

BOOK CLOSURE NOTICE FOR ENTITLEMENT OF FINAL CASH DIVIDEND @ 20% AND ATTENDING OF ANNUAL GENERAL MEETING (AGM):-

The Share Transfer Books of the Company shall remain closed for entitlement of Final Cash Dividend @ Rs. 2/- (Rupees Two Only) per share i.e. 20% and attending of AGM from 20-10-2017 to 27-10-2017 (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 19-10-2017 will be considered in time for the entitlement of said 20% Final Cash Dividend and attending of AGM.

SPECIAL BUSINESS :-

Transmission of Annual Audited Accounts of the Company through CD/DVD/USB to the members of the Company.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of the Company will be held on October 27, 2017 (Friday) 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 will be send in due course of time.

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, 2017 for distribution amongst the TRE certificate holders of the Exchange in due course of time.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
(COMPANY SECRETARY)

NISHAT POWER LIMITED



NISHAT GROUP

DISCLOSURE FORM

IN TERMS OF SECTION 96 OF THE SECURITIES ACT, 2015

Name of the Company : Nishat Power Limited

Date of Report (Date of earliest event reported if applicable) : September 21, 2017

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 96 of the Securities Act 2015.

The Board of Directors of Nishat Power Limited in their meeting held on Thursday, the 21st of September 2017, at 11:00 a.m. at 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore, recommended the followings: -

CASH DIVIDEND : -

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SPECIAL BUSINESS : -

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HEAD OFFICE

: 1.B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: 92-42-35717239 Email: nishat@nishatpower.com, Website: www.nishatpower.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

POWER PLANT

: 66 Km, Lahore - Multan Road, On BS Link Canal Near Jambar Kalan, Tehsil Pattoki, District Kasur. Tel: 92-42-35260118-9, 049-4388271-80

NISHAT POWER LIMITED



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Signatures

In case of company, pursuant to the requirements of the Section 96 of the Securities Act 2015, the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized

September 21, 2017


Khalid Mahmood Chohan
Company Secretary