

The Registrar,
National Electric Power Regulatory Authority (NEPRA),
Islamabad.

Subject:

APPLICATION FOR GRANT OF ELECTRIC POWER SUPPLY LICENSE.

I, Mustageem Talish, being the duly authorized representative of Nishat Chunian Limited by virtue of Board Resolution dated April 28, 2023 hereby apply to the National Electric Power Regulatory Authority for the grant of an Electric Power Supply License to Nishat Chunian Limited pursuant to section 14D (03) read with Section 23E of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Thereby certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, and undertake to abide by the terms and provisions of the above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and no material omission has been made.

A Pay order (B.C. No.: 02981651 dated July 5, 2023) in the sum of Rupees 784, 770 / being license application fee calculated in accordance with Schedule II to the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, is also attached herewith.

Date: July 4, 2023

Mustageem Talish (Chief Financial Officer) Nishat Chunian Limited Mob.: 0335-4054400

Tel: +92-42-35761730 Ext: 210

Prospectus

Introduction:

Nishat Chunian Limited (NCL) is a leading textile company located in Bhai pheru Pakistan, specializing in the manufacturing and marketing of high-quality fabrics, garments, and home textiles. It has its own power generation facility which operates a state-of-the-art Coal fired power plant, having a capacity of 46 MW consisting of 2*110T/H indigenous coal fired boilers and a steam turbine. Power started its commercial operation on 27th Feb, 2017.

Salient Features of Coal Power Plant:

Location	Nishat Chunian Limited, Zone-2 51KM Multan Road Lahore.				
Rated power generation	46 MW				
Fuel	Imported + Local coal from Baluchistan etc. (Upto a Max. of 30 %)				
Source of water	Three wells inside NCL facility.				
Covered area	31 acre				
Generated Voltage	11 KV				
Frequency	50 HZ				
Automatic Generation Control	Yes				

Investment Plan:

Currently we do not have any specific plan regarding this because electricity is being provided through OHTL which is already laid and property where BPCs are operating is very close to our facility.

Social and Environmental Impact

Power plant has been in comply with all national and international emission standards and no adverse impacts have been observed. Advanced emissions control systems, including scrubbers and electrostatic precipitators has been employed to minimize the release of pollutants, including particulate matter, sulfur dioxide, nitrogen oxide, and mercury. Comprehensive ash management systems has been implemented to safely handle and dispose of coal combustion residues.

All the Control, Metering, Instrumentation and protection is in accordance with ISA (The International Society of Automation) standards. The power plant undergoes regular maintenance and upgrades to enhance efficiency, mitigate downtime, and meet the evergrowing electricity demands of the nation. The net available output of power plant is supplied to different Bulk Power Consumers (BPC) and to meet NCL internal demand. There are total Eight BPS, the Interconnection Facilities (IF) / Transmission

Arrangements (TA) for supplying to BPCs from the above mentioned generation facilities is at 11KV. Complete layout of IF is available in the Schedule III.

NCL is committed to giving back to the community and promoting sustainable development. The company actively engages in CSR initiatives, including education and healthcare programs, community welfare projects, and environmental conservation efforts, contributing to the well-being of society.

Schedule III (Regulation 3(4)(a)(D)

- 1. Relevant Feeder maps, Number of Consumer and expected load
- Schematic Diagram for Supply of Electric Power to Bulk Power from the Generation Facility/Thermal Power Plant

Peder Deal Services S

Figure 1: NCL Distribution Network

 Information Regarding Bulk Power Consumers-BPCs being supplied Electric Power from the Generation Facility/Thermal Power Plant of the Licensee-NCL.

(i).	Total Number of BPCs	Eight (8)			
! !		BPC-I	Azam Saritow Mills LTD		
		BPC-II	Popular Food Industries PVT LTD		
!		BPC-III	BBJ Pipe Industr	ies PVT LTD	
,,,,		BPC-IV	Saaz Gold Indus	tries PVT LTD	
! (ii). !	Name of the BPCs	BPC-V	Abubaker Textile	Mills PVT LTD	
!		BPC-VI	Marral Textile Mi	lis LTD	
! [!	BPC-VII	Iqbal Steel		
		BPC-VIII	Metal Master		
(iii).	Location of each of the BPC (distance and/or identity of premises)	BPC-I to BPC-VIII	49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki, District Kasur		
		Identity	Contracted Load	Load Factor	
		BPC-I	4.50 MW	0.85% - 0.90%	
		BPC-II	1.00 MW	0.80% - 0.90%	
	Contracted Capacity	BPC-III	1.10 MW	0.80% - 0.85%	
(iv).	(MW) and Load Factor (L.F.) for	BPC-IV	0.30 MW	0.75% - 0.85%	
	Each of the BPC	BPC-V	1.80 MW	0.80% - 0.85%	
		BPC-VI	2.00 MW	0.80% - 0.85%	
		BPC-VII	1.00 MW	0.75% -0.85%	
	-	BPC-VIII	1.50 MW	0.75% -0.85%	
(v).	Specify Whether		- i -		

		· · · · · · · · · · · · · · · · · · ·	in the Province of Punjab
	(a).	Each BPC is an Associate undertaking of the NCL -If yes, specify percentage ownership of equity;	BPCs are not associated in any way with NCL.
1	(b).	There are common directorships:	No.
:	(c).	Either can exercise influence or control over the other.	No.
	Specify nature of contractual Relationship		
(vi)	(a).	Between NCL and BPCs	Supplying Electric Power on a continuous basis
	(b).	Between BPCs and LESCO.	Details are mentioned in Consumer Class/Category, Sub Category
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority		N/A

 Information Regarding Distribution Network for Supply of Electric Power to Different BPCs By the Licensee (NCL)

(i).	No. of Feeders	05 (Five)	05 (Five)					
(ii)	Length of Each Feeder	Identity	Feeder No.	Feeder Length				
. (ii).	(Meter)	BPC-I	F-I-a)	2.00 KM				

					in the Province of Punjab
			BPC-II	F-I-b)	2.15 KM
	•		BPC-III	F-I-c)	4.60 KM
			BPC-IV	F-I-d)	1.60 KM
1			BPC-V	F-II-a)	0.50 KM
			BPC-VI	F-II-b)	1.00 KM
:	1		BPC-VII	F-III-a)	0.19 KM
	1		BPC-VIII	F-111-b)	0.3 KM
(iii).		th of Each Feeder to Consumer	As Above		
!	In res	spect of all the Feeders, ribe the property	F-1	on the private	Feeder crosses
(iv).	etc.)	ets, farms, Agri land, through, under or over n they pass right up to	F-2	The feeder is located on the private property owned by BPC itself	
		premises of customer, her they cross-over.	F-3	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property	
:	Whether owned by NCL, BPC or LESCO-(deal with each Feeder Separately)				
(v).	l If	If owned by LESCO, please furnish particulars of contractual	F-1	The portion of crossing the portion (i.e. crossing of the handed over	the BPC itself. the feeder ublic property if the Road) will er to LESCO sale or lease as illy by the
	(a).		F-2	Owned by BPC itself	
	arrangement		F-3	The complete Feeder will be constructed by the BPC itself. The portion of the feeder crossing the public property (i.e. crossing of the Road) will be handed over to LESCO either through sale or lease as decided mutually by the parties (i.e. BPC, NCL and LESCO)	

		If owned by LESCO, please furnish	F-1	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property (i.e. Sarayi Road), whose O&M will be done either by BPC, NCL or LESCO on mutually agreed terms and conditions.
	(b).	particulars of contractual	F-2	Owned by BPC itself
		arrangement	F-3	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property, whose O&M will be done either by BPC, NCL or LESCO on mutually agreed terms and conditions.
(vi).	Whether connection with network of LESCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)		1	entioned in Consumer ry, Sub Category
(vii).	inforr for di	other network nation deemed relevant sclosure to or deration of the ority.	N/A	

Interconnection Facilities/Transmission Arrangements for Dispersal of Power from the Generation Facility/Co-Generation Power Plant:

The electric power from the Imported/Indigenous Coal based generation facility/power plant of the Licensee/NCL will be supplied to different Bulk Power Consumers (BPCs).

The Interconnection Facilities (IF)/Transmission Arrangements (TA) for supplying to BPCs from the above-mentioned generation facility shall be at 11 kV level as described in the subsequent details given in this Schedule.

2. Consumer Class/Category, Sub category on the basis of sanctioned load and voltage level:

NCL has Consumer class/category "B" and sub category "3". Following are details of consumer class/category, subcategory on the basis of sanctioned load and voltage level of all the BPC's:

Sr. No	BPC	Name Of BPCs	Consumer Category
1	BPC-I	Azam Saritow Mills LTD	B-3
2	BPC-II	Popular Food Industries PVT LTD	B-2(b)
3	BPC-III	BBJ Pipe Industries PVT LTD	B-2(b)
4	BPC-IV	Saaz Gold Industries PVT LTD	B-2(b)
5	BPC-V	Abubaker Textile Mills PVT LTD	B-3
6	BPC-VI	Marral Textile Mills LTD	B-3
7	BPC-VII	Iqbal Steel	NIL
8	BPC-VIII	Metal Master	NIL

3. Tariff categories of consumer classes to be served:

Tariff category of NCL is "B3 Industrial". Following are details of tariff categories of consumer:

Sr. No	BPC	Name Of BPCs	Lesco Tariff
1	BPC-I	Azam Saritow Mills LTD	B-3
2	BPC-II	Popular Food Industries PVT LTD	B-2(b)
3	BPC-III	BBJ Pipe Industries PVT LTD	B-2(b)
4	BPC-IV	Saaz Gold Industries PVT LTD	B-2(b)
5	BPC-V	Abubaker Textile Mills PVT LTD	B-3
6	BPC-VI	Marral Textile Mills LTD	B-3
7	BPC-VII	Iqbal Steel	NIL
8	BPC-VIII	Metal Master	NIL

4. Demand and consumption pattern on different time period

Following are consumption pattern of BPC-II and BPC-IV in the year 2022.

Bulk Power Consumers	BPC-II	BPC-IV	
Name of Consumer	Popular Food Industries PVT LTD	Saaz Gold Industries PVT LTD	
Jan-22	194,560	157,140	
Feb-22	398,260	118,620	
Mar-22	473,960	158,400	
Apr-22	552,920	131,340	
May-22	450,000	131,970	
Jun-22	660,100	128,208	
Jul-22	650,070	124,446	
Aug-22	552,920	120,684	
Sep-22	398,260	116,922	
Oct-22	460,980	113,160	
Nov-22	473,960	109,398	
Dec-22	195,000	105,636	

5. Procurement Plan for meeting expected loads

We have enough in house generation facility of 46 MW to meet demand of maximum 41.0 MW of the eight BPCs including internal demand. Moreover, we do not have received any load enhancement applications from these BPCs.

6. 12-month Projection on expected loads

Bulk Power Consumers	BPC-I	BPC-II	BPC-III	BPC-IV	BPC-V	BPC-VI	BPC-VII	BPC- VIII
Name of Consumer	Azam Saritow Mills LTD	Popular Food Industries PVT LTD	BBJ Pipe Industries PVT LTD	Saaz Gold Industries PVT LTD	Abubaker Textile Mills PVT LTD	Marral Textile Mills LTD	Iqbal Steel	Metal Master
Jul-23	2,880,000	648,000	655,200	147,600	1,080,000	1,224,000	460,800	864,000
Aug-23	2,880,720	647,280	662,400	168,480	1,087,200	1,108,800	446,400	885,600
Sep-23	2,844,000	633,600	655,200	180,000	1,044,000	1,029,600	453,600	878,400
Oct-23	2,872,800	547,200	653,760	183,600	1,029,600	1,128,240	439,200	910,800
Nov-23	2,822,400	468,000	650,160	168,480	1,072,800	1,049,544	453,600	894,960
Dec-23	2,875,680	403,200	648,144	174,960	1,087,200	1,224,000	496,800	885,600
Jan-24	2,707,200	439,200	664,560	157,680	1,036,800	1,111,320	453,600	912,240
Feb-24	2,586,400	390,200	619,600	157,248	1,031,544	1,183,925	441,360	890,640
Mar-24	2,628,000	396,000	632,160	179,280	1,087,200	1,039,366	442,800	866,880
Apr-24	2,829,600	561,600	647,280	176,616	1,079,280	1,213,560	448,560	867,600
May-24	2,916,000	576,000	648,000	168,710	1,068,430	1,116,000	455,760	863,280
Jun-24	2,901,600	648,000	656,856	183,110	1,031,616	968,832	446,400	896,400

7. 5- Year Investment Plan indicating schemes/models/framework for undertaking supply of electric power (including frameworks for providing non-discriminatory services and acquisition/sale of assets in relevant service territories):

Currently we do not have any specific plan regarding this because electricity is being provided through OHTL which is already laid and property where BPCs are operating is very close to our facility.

8. Training & Development procedure and program

PURPOSE:

The Purpose of this program is to ensure and maintain the Organization workplace w.r.t Occupational Health & Safety aspects and impacts through introducing and providing the Training & Development Programs to its employees, visitors, customers, and others stakeholders involved in any dealings or attached with system chain.

Service of AA

NISHAT CHUNIAN LIMITED bearing in mind the prevailing knowledge of the industry and specific hazards, providing a safe and healthy working environment by taking adequate steps to prevent accidents and injury.

Maintaining harmless working environment for employees while optimizing cost and productivity is the major purpose of this program.

SCOPE:

This procedure is applicable in NISHAT CHUNIAN LIMITED.

RESPONSIBILITY:

Manager HR & Admin Management Representative, Head of Departments (Concerned), HSE MANAGER, and Chief Security Officer.

POLICY:

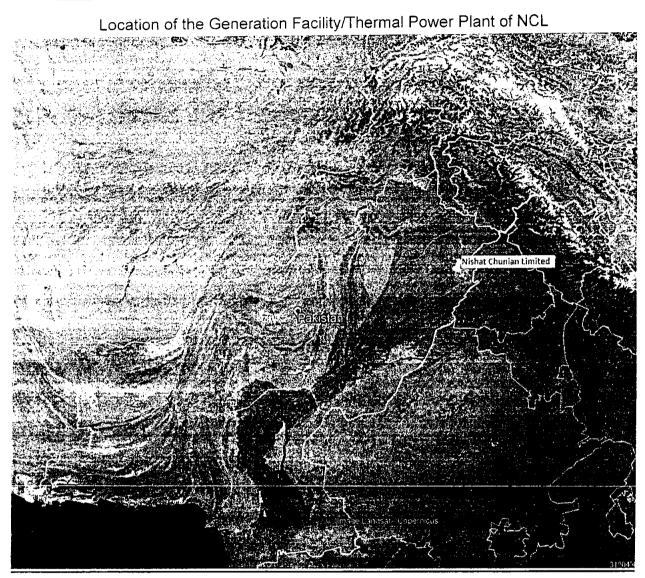
It is company policy to provide knowledge of industry safe and healthy working environment to its employees and to take adequate steps to prevent accident and injury or any other loss of health.

PROCEDURE:

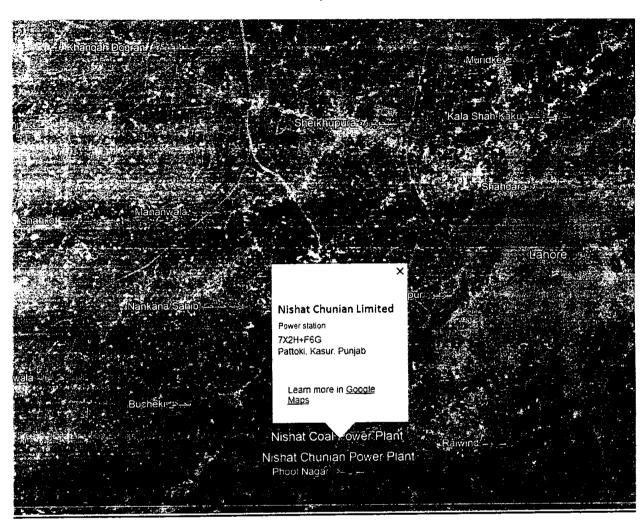
- 4. In NISHAT CHUNIAN, it is ensured that workers have a safe, healthful and hazard free workplace where adequate preventive measures are taken to avoid health and safety hazards and accidents both in the short and long term.
- 5. Workers are able to perform their functions through their adult lifetime without actual or latent occupational health damages.
- 6. Management is responsible for workplace condition and therefore, for ensuring that worker training and the overall occupational health and safety program is effective.

10. Information relating to:

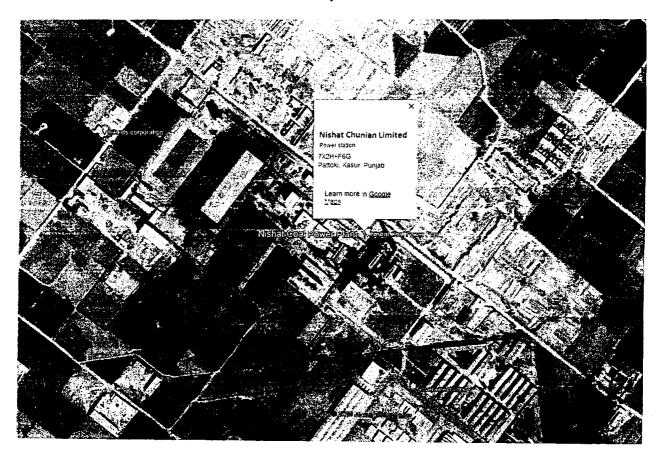
i. Proposed service territory:



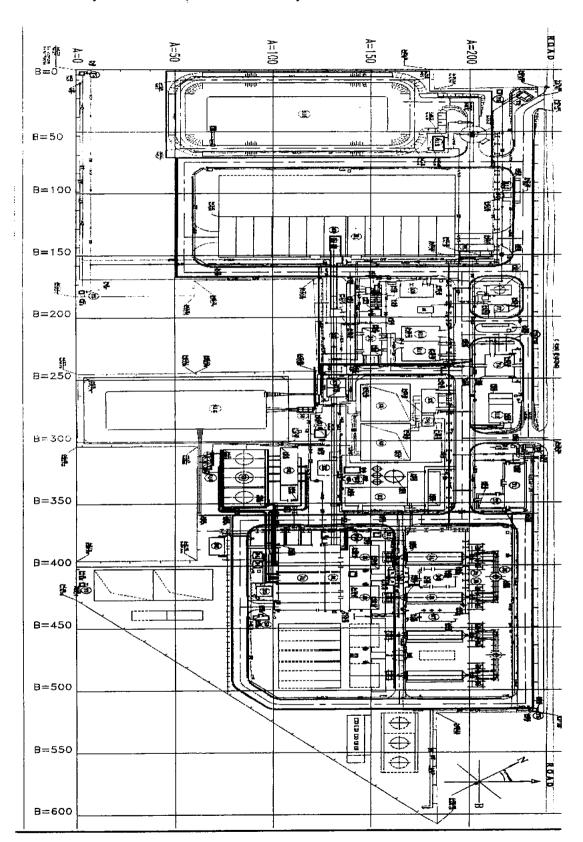
Location of Generation Facility/Thermal Power Plant of NCL



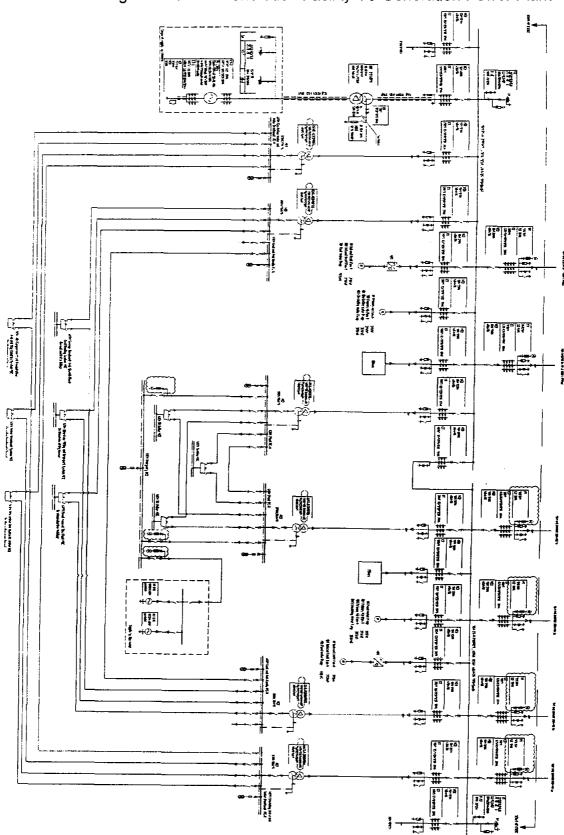
Location of Generation Facility/Thermal Power Plant of NCL



Layout of the Generation Facility/Co-Generation Power Plant



Single line of the Generation Facility/Co-Generation Power Plant



ii. Billing and Collection Procedures:

Remote metering available at Power Plant. At the end of each month consumers are billed on the basis of actual consumption recorded by the meters installed at the Power Plants at the agreed price. Payments received in the name of Nishat Chunian Limited through cross cheque.

iii. Ability to access consumer metering systems and other services/equipment:

Smart meters are installed for the monitoring of consumption and Nishat Chunian Limited has the access to the complete data of smart meter. Moreover, Nishat Chunian Limited has the access to the consumers' premises for monitoring services/equipment if needed.

iv. Emergency provisions and protocols

2.0 Purpose:

Nishat Chunian Limited is hazardous place because of the involvement of combustible / flammable materials and high pressure / temperature processes. Therefore possibility of an emergency occurrence cannot be ruled out. The aim of this Emergency Response Procedure is to provide guidelines to the plant personnel that enable them to effectively control fires or a heavy loss of containment of any toxic material (Chlorine),

2.0 Scope:

This procedure is applicable to all personnel present in the plant.

3.0 Plant Areas:

The complex includes the following main areas and buildings:

- · Boiler L having capacity of 110 Tons/hr. of steam
- Boiler 2 having capacity of 110 Tons/hr. of steam
- Turbine Hall
- Transformer Area
- Coal Bunkers Area
- MV and LV Room
- Electrostatic Precipitators
- Compressor House
- EDG Room
- Cooling Towers
- Water Treatment Area
- Coal Crusher Building
- Limestone Crusher Building
- Diesel Tank Area
- Coal Storage Area
- Mechanical Workshop
- E&I Workshop
- Fire Pump House
- Central Control Room
- Coal Control Room
- ESP Control Room
- WTP Control Room
- Conveyors
- Lab Building
- Safety and Maintenance Building

- Ash Silo
- Bachelors Hostel

4.0 Definitions

4.1 Emergency

A situation which may pose a varying degree of threat in terms of exposure / harm to humans and damage to environment and property. It may be a fire or a toxic release or both.

4.2 Incident Location

The plant area where emergency occurs.

4.3 Emergency Handling Team / Fire Squad

The team which handles the emergency at actual location. The team is led by Shift Engineer / safety Engineer.

5.4 Emergency Response Procedure

5.5 Observing the Emergency

The outbreak of TOXIC GAS RELEASE / FIRE INCIDENT / EXPLOSION if observed by an-area operator / any other plant employee. He will take the following steps immediately.

- 5.5.1 Actuates the nearest fire alarm switch or manual call point.
- 5.1.2 Immediately calls Safety Unit via radio / Mobile / Extension system (8024) or rushes to the Safety Unit and gives the following details:
 - 5.1.2.1. Exact location of the incident.
 - 5.1.2.2. it's magnitude or range.
 - 5.1.2.3 Prevailing wind direction, (if known).
- 5.1.3 Makes first intervention with the available resources (Fire Extinguisher, Fire Hose etc.) but only if he can manage safely. Otherwise wait for the arrival of fire squad members.

Note:

- In case of Fire Emergency (Kitchen Fire, Electrical Fire, and Solid Combustible Fire) in Hostels, the person who observe it shall immediately inform to Fire Station / Shift Engineer through Telephone Extension or Mobile.
- Safety Personnel's on receiving the information will inform shift engineer and rush to the emergency site.

• In case of Huge Fire, Shift Engineer will sound the emergency alarm and sent the ERT Members to assist the safety personnel's in handling emergency and also visit the site on requirement.

5.6 Emergency Declaration:

- 5.2.1. The Safety Engineer / Safety Technician upon intimation of the incident shall inform to Operations Manager / Shift engineer on hotline / Mobile / Walkie-Talkie regarding nature and location of emergency and rush to emergency site.
- 5.2.2. Shift engineer will evaluate the situation and actuate the emergency siren. He will also announce on the public address system / radio (Walkie/talkie) to inform Emergency Response Team about location of the emergency site. Fire Squad members on hearing Emergency Siren and announcement will reach directly the incident location.

Note:

• In Evening and Night Shift, Emergency response team members present in the bachelor's hostel can be called if more support required.

5.7 Emergency Handling at Site:

Safety Engineer / Shift Engineer rushes to the incident site and will be responsible to handle emergency and lead emergency handling team.

Their responsibilities includes:

- 5.3.1. Shift Engineer will ensure to "switch off" the power supply of the respective area before spraying the firewater, if needed.
- 5.3.2 Instructs the Fire or emergency Squad members to start the emergency control activities according to the specific needs.
- 5.3.3 Instructs the Fire Squad whether to use firewater / COz or dry chemical powder according to the nature of emergency.
- 5.3.4 Instructs to rescue injured person, if any, and shifting to the Safety Unit or External Hospital through coordination with Administration Unit.
- 5.3.5 keeps a 2-way communication with the Manager Operations for any assistance / guidance or information.
- 5.3.6 Keeps the Manager Operations informed till the emergency gets under control.
- 5.3.7 Actuate the clearance alarm upon instruction from Manager Operations.

5.4 Role of Different Personnel

5.4.1 Safety Staff

- 5.4.1.1 As soon the Safety staff receives the information of the emergency, they along with fire truck rush to the incident site, keeping the wind direction in view.
- 5.4.1.2 They make necessary arrangements for emergency containment, till the arrival of the other squad members.
- 5.4.1.3 Follow the instructions of Shift Engineer / Safety Engineer to handle the emergency
- 5.4.1.4 Rescue any person trapped and provide first aid if possible otherwise send to external hospital.

5.4.2 ERT members

5.4.2.1, Fire Squad members receive the information about the emergency by listening the Emergency Siren. They rush to the Incident site either directly or through the central control room (CCR) and report to Shift Engineer / Safety Engineer to control the emergency, under his direction.

5.4.3 Safety Engineer

- 5.4.3.1 Reaches incident Site on receiving information about emergency.
- 5.4.3.2 Assist Shift Engineer in Handling Emergency in General Shift.
- 5.4.3.3 Command the Fire Squad members in General Shift in absence of Shift Engineer.

5.4.4 Shift Engineer

- 5.4.4.1 Responsible for Emergency Declaration and sounding of Emergency Alarm.
- 5.4.4.2 Reaches incident Site on receiving information about emergency.
- 5.4.4.3 Leader of Emergency Response Team and primarily responsible to handle emergency.
- 5.4.4.4 To instruct ERT to handle the emergency.
- 5.4.4.5 To utilize the available resources in the best possible way.
- 5.4.4.6 Keep liaison with the Sr. Manager Operations and Control Room Staff during Emergency Handling.
- 5.4.4.7 Take necessary actions to control emergency as informed by Manager Operations.

5.4.5 Sr. Manager Operations

- 5.4.5.1. Evaluates the situation as soon as informed by Shift Engineer / Safety Engineer about the emergency.
- 5.4.5.2. Instructs immediate actions to Shift Engineer to control emergency.
- 5.4.5.3. Can give instructions to Shift Engineer to take necessary steps.
- 5.4.5.4. Maintain a 2 way communication with Shift Engineer during emergency handling.
- 5.4.5.5. Give instructions to sound emergency clearance siren after emergency has been controlled.

5.4.6 Manager Admin

- 5.4.6.1 Ensure security gates will be closed to stop inward / outward movements of all the vehicles during emergency.
- 5.4.6.2 Arrange a vehicle on immediate basis to send injured person to external hospital.

Emergency Provision Sop for Action Plan In Case Of Electrical Power Failure:

2.0 Objective:

To lay down a procedure to describe the Action plan in case of electrical power failure other than normal power change over time.

2.0 Scope:

This standard operating procedure is applicable for procedure involved in the action plan in case of electricity power failure other than normal power changes over time 3-5 minutes, to be followed at formulation plants.

3.0 Responsibility:

- 3.1 Officer / executive Engineering shall be responsible for the execution of this procedure.
- 3.2 Engineering Manager shall be responsible for the implementation of this SOP.
- 3.3 Designee shall be responsible for the compliance of this SOP.

5.0 Cause of Emergency / Protocol:

- 11. Earth Fault occurs at 11 kV cables /panels / Equipment failure.
- 12. Electric short-circuits cause of power failure.
- 13. Sudden malfunction in process.
- 14. Prime mover failure at emergency mode.
- 15. Instrument damaged /out of order.
- 16. Prime mover is acceding /cross parameter high limit cause failure.
- 17. System over loading.
- 18. Birding at overhead line.
- 19. Weather condition effect at the overhead line.
- 20. Fire incident occur at a circuit

7.0 Safety Procedure:

- 10. First of all, obtain PTW on concerned circuit.
- 11. Carry out tail board conference.
- 12. Took up the hand line with the help of pilot rope, maintain the limit of approach, and attach hand line to tower arm or bridge.
- 13. Raise grip all or clamp stick.
- 14. The outer or lowest conductor teased for checking of isolation with the help of grip all.

Note: Isolation of circuit must be verified before proceeding.

- 15. Attach brush with grip all and clean the conductor 450mm. (19inch) from conductor clamp.
- 16. Raise earth lead and install T clamp on tower arm.
- 17. Attach the other end (Duck Bell) with the help of grip all on cleaned portion of conductor.
- 18. Move hand line for access to next conductor and repeat procedure.

Safety Precautions:

- 5. PTW of required circuit must be obtained.
- 6. All the T&P must be checked before using.
- Always approved PPE must be used.
- 8. When apply grounds, first apply at tower arm or bridge (ground end) then at conductor, when Removing the ground first remove from conductor and then from tower arm or bridge (ground end).

v. Basis of common services for commercial and residential consumers and their allocation thereof:

We do not have commercial and residential consumers. We only have industrial consumers.

E-STAMP

PB-LHR-64496895317C9343

Type:

Low Denomination

Amount:

Rs 100/-



Scan for online verification

Description:

CERTIFICATE OR OTHER DOCUMENT- 19

SALMAN [35202-4945193-9]

Applicant:

NISHAT CHUNIAN LIMITED [00000-0000000-0]

Representative From:

Agent :

LAHORE

00

Issue Date:

Address:

14-Jul-2023 3:54:40 PM

Delisted On/Validity: Amount in Words:

21-Jul-2023 One Hundred Rupees Only

Reason:

AFFIDAVIT I/F NEPRA

Vendor Information •

Ghulam Qadir | PB-LHR-1642 | Raja Centre Gulberg

وٹ پید ٹر الزیکٹن تاؤ رخ ایمرا سے سات باوں تک کے لیے قابل استصال ہے۔ای اصلاب کی تصنیق بذریہ ویب سالٹ،کوو اُر کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔

Type "eStamp <16 digit eStamp Number>" send to 8100



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY **AUTHORITY (NEPRA)**

"Application for Grant Electric Power Supply Licence"

ON BEHALF OF

Plishat (Chunian) Limited

AFTIDAVIT

I, Mustageem Teligh, benging CNIC 27/102-27/6042-3, Chief Financial Officer of the Company, hereby solemaly affirm and declare that NEFRA has granted a generation licence, bearing number SGC/HMM to the track applied to build 1.74 China Int. Physicise Company Limited (NCECL).

Furthermore, DEPRA has also granted the Medification-I in Generation Licence No. SGC/115/2016 to 14 Chren.

In across business to the first College of College Compilers, Arrangements and Reconstruction for amplement the sections of the section of the field and MCECL, approved by the halped the good MATECL, on 31 Metch 2020 and sanctioned by the Honourable Lafe to both of aut, Lebest vide its order dated 24 June 2020 and filed with the house of Companience, the by 2000 with effect from 30 June 2020, the entire undertaining the companience of the Floridary about the difference of the same of the filed with all the property, assets, rights, liabilities and edition(loan of every description stand merged/amalgamated into Nishat (Chunian)

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E-STAMP

PB-LHR-C0296486AE6B03D6

Type:

Low Denomination

Amount:

Rs 100/-



Description: Applicant:

CERTIFICATE OR OTHER DOCUMENT- 19

NISHAT CHUNIAN LIMITED [00000-0000000-0]

Representative From : Agent :

SALMAN [35202-4945193-9]

LAHORE

Address: Issue Date :

14-Jul-2023 3:57:17 PM

Delisted On/Validity: Amount in Words:

21-Jul-2023 One Hundred Rupees Only

Reason:

AFFIDAVIT I/F NEPRA

Vendor Information:

Ghulam Qadir | PB-LHR-1642 | Raja Centre Gulberg

TONAL PLECTRIC POWER REGULATORY AUTHORITY

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I. Must 1942 Chief Financial Officer of the Company, herely of any has not been refused grant of licence under Most in Application, Modification, Extension Nation and Ca

DEPONENT

Mustageem Talish Chief Hanneial Officer Mishat (Chapian) Limited 1290° July 14, 2023



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ID: PB-LHR-21920E441EA530F2

Type:

Low Denomination

Amount :

Rs 100/-



Scan for online verification

Description:

CERTIFICATE OR OTHER DOCUMENT- 19

NISHAT CHUNIAN LIMITED [00000-0000000-0]

Applicant : Representative From :

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ent: SA

Address :

SALMAN [35202-4945193-9] LAHORE

Issue Date :

14-Jul-2023 3:54:40 PM

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Reason :

AFFIDAVIT I/F NEPRA

Vendor Information:

Ghulam Qadir | PB-LHR-1642 | Raja Centre Gulberg

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Type "eStamp <16 digit eStamp Number>" send to 8100

BEFORE THE MATIONAL ELECTRIC POWER REGULATORY AUTHORITY

"Taplication for Grant of Electric Power Supplly Licence"

ON BEHALF OF

Mishat. (Chunian) Limited

AFFUDAVIT

I, Mustageon Tollich, Lensing CHIC 35202-3906942-3, Chief Financial Officer of the Company, hereby a state of officer and declare that the contents of the accompanying application for Supplier Licence (the file lenses) in true and course to the best of my knowledge and belief and that nothing material hands a supply of therefore, I also so multiply all future documentation and information to be provided by me in connection with the accompanying application for the supplier licence will also be too a tipe best of my knowledge and belief.



DEPONENT

Mustageem Talish Chief Financial Officer Nishai (Chamian) Limited Date: July 14, 2023



(COMPANY LIMITED BY SHARES)

Memorandum & Articles of Association

of

NISHAT (CHUNIAN) LIMITED

NISHAT (CHUNIAN) LIMITED

MEMORANDUM OF ASSOCIATION

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THE COMPANIES ORDINANCE, 1984

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF NISHAT (CHUNIAN) LIMITED

I. The name of the Company is "NISHAT (CHUNIAN) LIMITED".

Name of Company

II. The Registered Office of the Company shall be situated in the Province of Punjab (Pakistan).

Registered Office

III. The objects for which the Company is established are all or any of the following:

Objects

- To carry on the business of establishing, managing and running cotton textile mills, including cotton spinning, weaving, manufacture of cloth and textile fabrics of all kinds and jute flax and hemp, cotton and wool merchants, wool combers, worsted spinners, woollen spinner, yarn merchants, worsted stuff merchants, bleachers, dyers and manufactures of bleaching and dyeing materials in Pakistan and all over the world, and to install setup and operate power generation projects for own consumption and for sale and distribution of electricity.
- To carry on the business of manufacturers, buyers, sellers, spinners, weavers, ginners, pressers, packers, balers, processors and dealers in all kinds of yarn, fabrics, fibrous substance and material, whether natural or synthetic, threads, polyester synthetic, silk, rayon, nylon and worsted yarns and fabrics of every kind and every type and textiles of any varieties.
- To carry on the business of spinners, weavers, manufacturers, balers and pressers of jute, jute cuttings, jute rejections, hemp, cotton, flax and any other fibrous materials and the cultivation thereof, and the business of buyers, sellers, exporters and importers, dealers in jute, jute cutting, jute rejections, hemp, cotton, flax and any other fibrous materials and of goods and merchandise made thereof, and to transact all manufacturing or curing and preparing, processing and other business that may be necessary or expedient and to purchase and vend the raw material and manufactured articles.

4. To carry on all or any of the business of cloth manufacturers, furriers haberdashers, hosiers manufacturer, importers, and wholesale and retail dealers of textile labres of all kinds, milliners, dress makers, tailors, hatters, outfitters, feather dressers lace manufacturers and importers, and wholesale and retail dealers of textile product, materials: provisions and produce in Pakistan and anywhere else in the world.

- 5. Throughout Pakistan and throughout the world, to weave and otherwise manufacture, buy and sell and deal in all kinds of yam, cloth and other goods and fabrics, weather textile, netted, felted or looped.
- To carry on the business of wool in all its respective branches as spinners, weavers, sharers, pickers, sorters, staplers, winders, graders, carders balers, pressers, combers, bleachers and dyers.
- 7. To purchase, comb, prepare, spin, dye and deal in cotton, polyester, wool, rayon, silk, jute, flax, hemp and any other fibrous substances within and outside Pakistan.
- 8. To carry on the business of manufacturers, importers and exporters of textile, leather and other garments of all kinds and to import raw materials used in the manufacture of garments.
- 9. To carry on the business of woolen hosiery products, in all its various aspects including its production and trading.
- 10. To carry on the business of making, weaving, producing all and every type of knitwear and to buy, sell, import, export and deal in knitwear.
- 11. To carry on the business of duree, carpets, bed linen manufacture and dyeing, bleaching, printing, combing, preparing, spinning, weaving, manufacturing, selling, buying and otherwise dealing in yarn, linen, cloth, duree, carpets and other goods and fabrics made through and by cotton, polyester, silk, jute, wool and other materials.
- 12. To carry on the business of manufacturers, importers, exporters, buyers, sellers and dealers in waterproof materials and fabrics, and tarpaulins.
- 13. To supply yarn, materials to loom weavers, to assist, employ and hire their services and to buy sell and deal in their produces and to market such products.
- 14. To erect, maintain, alter, extend and purchase plant and machinery for the purpose of ginning, preparing, combing, spinning, weaving, manufacturing, bleaching, dyeing, mercerizing, printing, or otherwise working any of the fabrics and materials and to erect, maintain, alter, extend, purchase and sell mills, plant and machines, factories, warehouses, engine houses, dwelling houses for employee, tanks and other buildings on any land purchased, leased or otherwise acquired by, to or for the Company or for any of the purpose connected with the business of Company.
- To carry on the business of ginning and pressing cotton and for that purpose buying ready and or forward cotton-pods (phutty) and ginned cotton and generally to carry on ready and or forward cotton business in all its branches including advancing money on the crop of cotton-pods (phutty), giving advance for purchase of cotton, cotton-pods (phutty) or cotton seed buying, selling, making and preparing for market cotton in any form loose or in bales and buying and selling all products of cotton as cotton-seeds, linters etc., In any manners as may seem to the Company convenient and profitable and doing all allied business directly indirectly connected with the said line of business.

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- 16. To resell, exchange and repurchase, mortgage, let out for hire, cultivate or otherwise deal in lands, buildings, machinery engines, plants and materials and other things necessary or useful for the purpose of the Company and also to purchase, sell or contract for the purchase of sale for immediate or future delivery and either for cash or on credit of cotton, polyester, wool, silk, hemp, flax, jute, yarn, waste and cloths of various fibers and other fibrous articles. Iron and other metals and all stores and materials, chemicals and things necessary or useful for ginning, preparing, combing, spinning, weaving, manufacturing, dyeing, mercerizing, printing and bleaching purposes, also metals, stores and other articles and things for the use of any licence or invention or for the exercise of any methods of process useful for the Company's business and all other products of the company.
- 17. To acquire and take over the ownership and all assets and liabilities of any business, firm or corporation in line with a view thereto to enter into an arrangement and carry into effect the same with or without modification.
- 18. To carry on all kinds of contracts of Private Sector, Government, Local Bodies and other authorities.
- 19. To adopt such means of making known the products and business of the Company as may seem expedient and in particular by advertisement and publicity in the press or otherwise exhibitions, publication of books and periodicals and by granting prizes, rewards and donations.
- 20. To purchase or acquire, protect, prolong and renew, whether in Pakistan or elsewhere any patent rights, brevetted, invention, licenses, protections, concessions, and the like, which may appear likely to be advantageous or useful to the Company and to use, turn to account and / or manufacture under or grant license or privileges, in respect of the same and to spend money in experimenting upon and testing in or improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- 21. To employ experts, to investigate and examine the condition, prospects, value, character, and circumstances, of any business concerns and undertakings and generally of any assets, property or rights in which the company may be interested.
- 22. To invest in acquire and hold shares, stocks, debenture stock, bonds, obligations securities, issued or guaranteed by any Government, state, sovereigns, commissioners, Public body or authority, Supreme, Local or otherwise but not to act as investment or banking Company.
- 23. To borrow, raise or secure the payments of money by the issue of debentures, debenturestock, bonds, obligations and securities of all kinds, or on personal security or without security and to frame, constitute, and secure the same as may seem expedient, with full power to make the same transferable by delivery or by instruments of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise on the undertaking of the Company or upon any specific property and rights, present and future of the Company.
- 24. To pay for any property or rights acquired by the Company, either in cash of villy baid, shares or by the issue of securities, or partly in one mode and partly in another and generally on such terms as may be determined.

To draw, make, accept, endorse, discount, execute and issue cheques, promissory note, bills of exchange, bills of lading, warrants, debeniures, and other negotiable or transferable instruments but not to act as banking company.

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- 26. To support and subscribe to any charitable or public object including donations to charitable and benevolent foundations and any institution, society or club or for any purpose which may be for the benefit of the Company or its employees, or may be connected with or for the benefit and welfare of any town or place where the company carries on business, to give pensions, gratuities or charitable aid to any persons who may have been directors of or may have served the Company, or the wives, children, or other relatives or dependents of such persons, to make payments towards insurance, and to form and contribute to Provident and benevolent funds for the benefit of any such persons, or of their wives, children, or other relatives, or dependents.
- 27. To invest and deal with the surplus moneys of the Company not immediately required in such lawful form as may be thought expedient.
- 28. To acquire and carry on all or any part of the business or property and to undertake any liabilities of any person, firm, association, or company.
- 29. To open an account or accounts with any Bank or Banks and to pay into and to withdraw moneys from such account or accounts.
- 30. To promote and form and to be interested in and to take, hold and dispose of shares and securities in any other company having objects altogether or in part similar to those of this Company, or carrying on any allied business capable of being conducted so as directly or indirectly to benefit this Company and to transfer to any such company all or any of the property, rights and liabilities of this Company and to subscribe or otherwise assist any such company.
- 31. To undertake and execute any trust, the undertaking whereof may seem desirable and either gratuitously or otherwise.
- 32. To procure the Company to be registered or recognized in any foreign country or any place for the promotion of any business of the Company.
- 33. To enter into partnership or arrangement in the nature of partnership, co-operation or union of interest, with any person or persons, company or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which the Company is authorized to carry on or conduct of from which the Company would or might derive any benefit.
- To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such considerations as the company may think fit and in particular for shares, debentures, debenture stock or securities of any other Company whether promoted by this Company for the purpose or not, and to improve, manage, develop, exchange, lease, and to improve, manage, develop, exchange, lease, and to improve any part of the property and rights the Company.

35. To pay all the preliminary expenses of any kind and incidental to the formation and incorporation of the Company out of the funds of the Company.

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- 36. To distribute any of the Company's property among the members in specie or in any manner whatsoever.
- 37. To take part in the formation, management, subsidizing, supervision or control of the business or operations of any Company or undertaking and for the purpose to act as trustees, administrators, accountants, secretaries, or in any other capacity and to appoint and remunerate any such administrators, secretaries or accountants or other experts or agents but not to act as Managing Agents.
- 38. To advance money to staff members, customer and others having dealings with the company with or without security upon such terms as may deem expedient.
- 39. To guarantee to performance of a contract and obligations of the company in relation to the payment of any loan, debenture, stock bonds, obligations or securities issued by or in favour of the company and to guarantee the payment or return on such investments or of dividend on any share of the company.
- 39 A To provide/issue corporate guarantee(s) to the Banks/financial institutions on behalf of subsidiaries and associated companies / undertaking and to provide securities to any of the corporate or non-corporate bodies including but not limited to the financial institutions / banks on behalf of subsidiaries and associated companies / undertakings for obtaining loans, and other financial facilities, subject to the restrictions and conditions of Section 195 of the Companies Ordinance, 1984
- 40. To underwrite, acquire or hold any shares, stocks, debentures, debenture stocks, bonds or securities by original subscriptions, participation in syndicate, tender, purchase, exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
- 41. To create any reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, insuring, improving, extending or maintaining any of the property of the Company or for any other purpose conducive in the interests of the company.
- 42. To issue any shares of the Company at par or at premium or at a discount subject to any permission required by law.
- 43. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of or underwriting or any of the shares in the Company's capital or any debentures, debenture-stocks or other securities of the Company, or in or about the formation and promotion of the Company or the conduct of this business.
- To enter into any arrangement with any Government or authority, supreme, muricipal local or otherwise that may seem conductive to the Company's objects or any of their and to obtain from any such Government or authority, all rights, concessions and

- privileges which the Company may think fit desirable to obtain and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions.
- 45. To do all or any of the above things in any part of the world and either as principals, agents, trustees, or otherwise, and either alone or in conjunction with others and by or through agents, subcontractors, trustees or otherwise.
- 46. And generally to do all such other thing as are incidental or conducive to the attainment of the above objects or any of them.
- 47. It is declared that notwithstanding any thing contained in the foregoing object clauses of the Memorandum of Association noting contained therein shall be construed as empowering the Company to undertake or indulge in the business of a banking company, investment or insurance business directly or indirectly as restricted under the law or any other unlawful business operations.
- IV. The liability of the Members is limited.

equilations of the Company.

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Liability of Members

V. The authorized share capital of the Company is Rupees 3,500,000,000 (Rupees Three Billion and Five Hundred Million Only) divided into 350,000,000 (Three Hundred and Fifty Million) ordinary shares of Rupees 10/- each and 20,000,000 (Twenty Million) preference shares of Rupees 10/- each (Ten Only) with the power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984 and any rules made there under, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association or the Regulations of the Company for the time being, and manner as may for the time being be provided by the Articles of Association or

Share Capital We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the capital of the Company set opposite to our respective names.

Name and Surname (Present & Former) in Full (in block Letters)	Father's/ Husband's Name (in Full)	Nationality With any Former Nationality	Occupation	Residential Address (in Full)	Number of Shares taken by each Subscriber	Signature
Mian Muhammad Mansha	Mian Muhammad Yahya	Pakistani	Business	28-Main Gulberg. Lahore	5,715	Sd/-
Mrs. Naz Mansha	w/o Mian Muhammad Mansha	Pakistani	Business	28-Main Gulberg.	5,714	Sd/-
Mr. Shahzad Saleem	Mian Muhammad Saleem	Pakistani	Business	207-Tufail Road, Lahore	5,714	Sd/-
Mian Tariq Saced Saigol	Mian Saced Saigol	Pakistani	Business	42-Lawrance Road, Labore	5,714	Sd/-
Mian Jahangir Elahi	Mian Ehsan Elahi	Pakistani	Business	House No. 3, Rajawala, Faisalabad	5.714 5.714	Regisis
Mian Iqbal Saigol	Mian Muhammad Bashir Saigol	Pakistani	Business	45-F.C.C., Gulberg IV, Lahore	Sanoany	Registration ahoreset
Mr. Niaz Zafar	Haji Muhammad Ismail	Pakistani	Engineer	23-C, F.C.C., Gulberg IV, Lahore	3,715	sd- of
	·			Total Shares Taken	30,000	

Dated this 17th day of August, 22

Nationality

Witness to the above Signature:

Occupation

Full Name

Father's Name:

JOINT REGISTRAR OF COMPANIES OI PANY, REGISTRATION OFFICE, LAHOR

Signature

'This Cartified True Copy is not valid for purpose of bank account opening. The Banks may verify company's record through bank partet tounches by the SECP.

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NISHAT (CHUNIAN) LIMITED

ARTICLES OF ASSOCIATION

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THE COMPANIES ORDINANCE, 1984

ARTICLES OF ASSOCIATION

OF

NISHAT (CHUNIAN) LIMITED

COMPANY LIMITED BY SHARES

I. PRELIMINARY

1. TABLE "A" Not to Apply

The regulations in Table 'A' in the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except so far as the same are repeated or contained in these articles.

DEFINITIONS

Unless the context otherwise requires, the terms used in these articles shall have the meanings set out below:

- (a) "Articles" mean these articles of association of the company as originally framed or as from time to time altered by in accordance with the law.
- (b) "Board" means the group of directors in a meeting duly called and constituted or, as the case may be, the directors assembled at a board.
- (c) "Book and paper", "book or paper" or "books of account" mean accounts, deeds, vouchers, writings and documents, maintained on paper or computer network, floppy, diskette, magnetic cartridge tape, CD-Rom or any other computer readable media.
- (d) "Buy-back of shares rules" mean the Companies (Buy-Back of Shares) Rules, 1999 or any modification or re-enactment thereof.
- (e) "Company" means NISHAT (CHUNIAN) LIMITED.
- (f) "Central depository" means a central depository as defined in clause (ca) of section 2 of the Securities and Exchange Ordinance, 1969 (XVII of 1969) and registered with the Securities and Exchange Commission of Pakistan under section 32 A of the said ordinance.
- (g) "Central depositories act" means the Central Depository Act, 1997 or any modification or re-enactment thereof.

- (h) "Central depository regulations" mean the central depository company of Pakistan limited regulations made pursuant to section 35(1) of the Central Depository Act, 1997 or any modification or re-enactment thereof.
- (i) "Central depository register" means a computerised electronic register maintained by a central depository in respect of book-entry securities.
- (j) "Code" means the code of corporate governance.
- (k) "Commission" means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.
- (I) "Directors" mean the directors for the time being of the company including alternate directors and, subsequently elected pursuant to Companies Ordinance, 1984 or as the case may be, the directors assembled at a board.
- (m) "Dividend" includes cash dividend, dividend in species and bonus shares.
- (n) "Electronic" includes electrical, digital, magnetic, optical, bio-metric, electro-chemical, wireless or electromagnetic technology.
- (o) "Electronic transactions ordinance" means the Electronic Transactions Ordinance, 2002 or any modification or re-enactment thereof.
- (p) "In Person" includes attendance and/or voting at a meeting, personally or by video or telephone-conference or other facility whereby all the participants of the meeting can hear and / or see each other unless expressly stated otherwise by the directors.
- (q) "Instrument of transfer" includes transfer deeds and any record of transfer of bookentry securities in the central depository register, provided by the central depositories Act and the Central Depository regulations.
- (r) "Issue of capital rules" mean Companies (issue of capital) Rules, 1996 or any modification or re-enactment thereof.
- (s) "Listing requirements" mean the listing regulations of the stock exchanges.
- (t) "Member" means a person whose name is for the time being entered in the register of members by virtue of his being a subscriber to the memorandum of association of the company or of his holding by allotment or otherwise any share, scrip or other security which gives him a voting right in the company including but not limited to the account holders of a central depository.
- (u) "Memorandum" means the memorandum of association of the company as originally framed or as from time to time altered in accordance with law.

"Month" means calendar month according to the English calendar.

Office! means the registered office for the time being of the company.

- "Ordinance" means the Companies Ordinance, 1984 or any modification or reenactment thereof for the time being in force.
- (y) "Preference shares" not being ordinary shares mean preference shares whether redeemable or irredeemable, cumulative or otherwise with the rights, privileges and conditions attaching thereto as are provided by the articles.
- (Z) "Preference shareholders" not being ordinary shareholders mean, in relation to the Company, every person to whom the company has allotted, or who becomes the holder of such shares and whose name is entered in the register of members.
- (aa) "Proxy" includes an attorney duly constituted under a power of attorney.
- (ab) "Record" includes, in addition to a written or printed form, any disc, tape, sound-track, film or other device in which sounds and / or other data is embodied so as to be capable (with or without the aid of some other instrument or machine) of being reproduced therefrom in audible, legible or visual form.
- (ac) "Register" means, unless the context otherwise requires, the register of members and include the register of debenture-holders or holders of other securities maintained on paper or computer network, floppy, diskette, magnetic cartridge tape, CD-Rom or any other computer readable media; to be kept pursuant to section 147 of the ordinance and / or central depository register under the central depositories act and the central depository regulations.
- (ad) "Registrar" means a registrar, defined in section 2 (1) (31), performing the duty of registration of companies under the ordinance.
- (ae) "Regulations" mean the rules of governance of the company made by the board from time to time.
- (af) "Seal" means the common or official seal of the company.
- (ag) "Section" means section of the ordinance.
- (ah) "Share Capital Rules" mean the companies' Share Capital (Variation in Rights and Privileges) Rules, 2000.
- (ai) "Sign" and "Signature" unless otherwise provided in these articles, include respectively lithography, printing facsimile, "advanced electronic signature" which is capable of establishing the authenticity and integrity of an electronic document, as defined by section 2(e) of the electronic transactions ordinance, and names impressed with a rubber or other kind of stamp.
- (aj) "Special Resolution" means the special resolution of the company as defined in section 2(1) (36) of the ordinance.
- (ak) "Stock Exchanges" mean the Islamabad, Lahore and Karachi stock exchanges and such other stock exchanges as may be established in Pakistan.

Interpretation

In these articles, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa and words denoting any gender shall include all genders;
- (b) references to any act, ordinance, legislation, the code, the listing requirements, rules or regulations or any provision of the same shall be a reference to that act, ordinance, legislation, the code, the listing requirements, rules or regulations or provisions, as amended, re-promulgated or superseded from time to time;
- (c) the terms "include" or "Including" shall mean include or including without limitation;
- expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form, including but not limited to, electronic transmission such as facsimile, and electronic mail or any other electronic process, as prescribed by section 3 of the electronic transactions ordinance.
- (e) words importing persons shall include bodies corporate; and
- (f) words and expressions contained in these articles shall bear the same meaning as in the ordinance.

REGISTERED OFFICE

4. The registered office of the company shall be in the Province of Punjab as the directors shall from time to time appoint.

PUBLIC LIMITED COMPANY

5. The company is a public limited company within the meanings of section 2(1), Clause (30) of the Companies Ordinance, 1984.

BUSINESS

6. All branches or kind of business which the company is either expressly or by implication authorised to undertake may be undertaken by the directors at such time or times as they shall think fit, and further may be allowed by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the directors may deem it expedient not to commence or proceed with such branch or kind of business.

II. CAPITAL

SHARES

7. Subject to section 90 of the ordinance and any rules in that regard made under the ordinance, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with different rights, restrictions and privileges, including but not limited to the following as may be approved by the company by special resolution.

different voting rights; voting rights disproportionate to the paid-up value of share held; voting rights for specific purposes only; or no voting rights at all;

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- different rights for entitlement of dividend, right shares or bonus shares or entitlement to receive the notices and to attend the general meetings;
- rights and privileges for indefinite period, for a limited specified period or for such periods as may from time to time be determined by the company; and
- (4) different manner and mode of redemption, including redemption in accordance with the provisions of these articles, subject to sections 85 and 95 (4) of the ordinance, including but not limited to, by way of conversion into shares with such rights and privileges as determined by the company in the manner and mode provided in these articles;
- (5) different rights and privileges for listing or non-listing of any class of shares
- 8. Subject to section 95(4)(a) of the ordinance and any rules in that regard made under the ordinance, the company may issue shares which are to be redeemed or any other redeemable security, on such terms and in such manner as may be provided in the said section and rules.
- 9. Subject to provisions of the ordinance and these articles and subject to any special rights or privileges for the time being attached to any issued shares, the shares in the capital of the company for the time being, including any new shares resulting from an increase in the authorized capital, shall be under the control of the directors who may allot or otherwise dispose of the same or any of them to such persons (subject to article 43), on such terms and conditions, and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, as the directors shall determine and at such times and in such manner as the directors think fit, either at par or at a premium or subject to section 84 of the ordinance at a discount, with power to the directors to give any person the right to call for and be allotted shares of any class of the company at par or at a premium or, subject as aforesaid, at a discount, such option being exercisable at such time, and for such consideration as the directors think fit. Provided that the shares in the capital of the company shall always be issued as fully paid shares and no shares shall be issued as partly paid shares. The directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections 67 to 73, the central depositories act, the central depository regulations, the issue of capital rules and the share capital rules, as may be applicable to the company.
- 10. The directors may allot and issue shares in the capital of the company as payment or part payment for any property sold or transferred, or for services rendered, to the company in the ordinary course of its business, and shares so allotted shall be issued as and shall be deemed to be fully paid shares.
- 11. The board shall, as regards any allotment of shares, duly comply with such provisions of sections 67 to 73 of the ordinance as may be applicable.
- 12. The company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock in the company or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares, debentures or debenture stock in the company; Provided, that, if the commission in respect of shares shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with, and the amount or rate of commission shall not exceed such percentage on the shares, debentures or debenture stock in each case subscribed or to be subscribed, as may be determined by the board subject to any limits required by law. The commission may be paid or satisfied either wholly or partly, in cash or in shares, debentures or debenture stock. The company may also preserve any issue of shares pay such brokerage fees as may be lawful; Provided that such brokerage fees

shall not exceed such percentage of the shares, debentures or debenture stock paid-up as may be determined by the board, subject to any limits required by law.

- 13. Subject to section 95A of the ordinance and any rules in that regard made under the ordinance, the company may purchase its own shares on such terms and in such manner as may be provided in the said section and rules.
- 14. Except as permitted in the ordinance and any rules in that regard made under the ordinance, no part of the funds of the company shall be employed in the purchase of its own shares or in giving, whether directly or indirectly and whether by means of a loan, guarantee, security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of or any shares in the company.
- 15. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) any other rights in respect of any share except any absolute right to the entirely thereof in the registered an absolute right to the entirely thereof in the registered holder.
- 16. Save as herein otherwise provided, the company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognise (even when having notice thereof) any benami, equitable, contingent, future, partial or other claim or right to or interest in such share on the part of any other person.
- 17. Shares may be registered in the name of persons, any limited company or other corporate body. Not more than four persons shall be registered as joint-holders of any share
- 18. If any share or shares stand in the name of two or more persons, the person first named in the register shall, as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the company except voting at the meeting and the transfer of shares, be deemed the sole holder.

RIGHTS PRIVILEGES AND CONDITIONS ATTACHED TO SHARES

- 19. As regards income, the profits which the company may determine to distribute in respect of any financial year or other period for which the accounts shall be made up, shall be applied in the following order of priority;
 - (1) In paying the holders of the preferences shares, the right to a cumulative preferential dividend as determined by the board on the capital paid up thereon payable as regards each financial year out of the profits of the company resolved to be distributed in respect of that year, but shall not be entitled to any further participation in profits; and

2) streSubject to the rights of any class of shares for the time being issued, in distributing the balance amongst the holders of the ordinary shares according to the amounts paid up on the ordinary shares held by them respectively.

- 20. As regards conversion, the company may partly or wholly convert the preference shares at the option of the holders of the preference shares in accordance, respectively, with the terms and conditions of their issue.
- 21. As regards redemption, subject to section 85 of the ordinance, the company may, upon giving the holders of the shares to be redeemed notice in writing, redeem the whole or any parts of the preference shares in accordance, respectively, with the terms and conditions of their issue.
- 22. As regards capital, on a return of capital in a winding up or otherwise (except upon the redemption of shares of any class of preference shares or the purchase by the company of its own shares), the surplus assets of the company remaining after payment of its liabilities shall be applied in the following order of priority:
 - in paying to the holders of the preference shares, the capital paid up on the same without any further right to participate in profits or assets; and
 - subject to the rights of any other class of shares for the time being issued, in distributing the balance amongst the holders of the ordinary shares according to the amounts paid up on the ordinary shares held by them respectively.
- 23. As regards entitlement to bonus or right shares, the holders of preference shares shall not be entitled to bonus or right shares in the event that the company increases its capital by the issue of further shares or otherwise.
- 24. As regards voting rights, the holders of the preference shares shall not be entitled to receive notice of, attend, or vote at, any general meeting of the company, except as otherwise provided by the ordinance, whereby the holders of such shares would be entitled to vote separately as a class, that is, with respect to voting entitlement of the preference shareholders on matters affecting, respectively, their substantive rights and liabilities. Without prejudices to the foregoing, the holders of preference shares may attend the general meeting of the company as observers with prior permission of the chairman.

CERTIFICATES

- 25. The Certificates of title to shares and duplicate thereof shall be issued under the seal of the company and signed by two of the directors or by one such director and the secretary provided that such signatures may if necessary be printed lithographed or stamped subject to the approval of the directors.
- 26. Every member shall be entitled to one certificate for all the shares registered in his name, or, if the directors so approve, to several certificates each for one or more of such shares, but in respect of each certificate for less than one hundred shares, the directors shall be entitled to charge a fee of Rupees 10 or such lesser sum as they may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued.
- 27. The company shall within ninety days after the allotment of any shares, debentures or debenture stock and within forty-five days (or where the transferee is a central depository, within five (5) days) after receipt by the company of the application for transfer of any such shares, debentures or debenture stock complete and have ready for delivery the certificate (such expression shall hereinafter be deemed to include book-entry security as defined in the central depositories act, and the certificate of all debenture stock allotted or transferred, and unless sent by post or delivered to the person entitled thereto within the period.

aforesaid the company shall immediately thereafter give notice to that person in the manner prescribed in these articles for the giving of notices to members that the certificate is ready for delivery.

- 28. If a certificate of shares, debenture or debenture stock is proved to the satisfaction of the company to have been lost or destroyed or, being defaced or mutilated or torn, is surrendered to the company, and the company is requested to issue a new certificate in replacement thereof, the company shall, after making such enquiry as it may deem fit, advise the applicant within thirty days from the date of application the terms and conditions (as to indemnity and otherwise and as to payment of the actual expenses incurred on such enquiry and of a fee not exceeding ten rupees) on which the company is prepared to issue a new certificate and a time for compliance therewith or of the reasons why the company is unable to issue a new certificate, as the case may be, and in the former case if the applicant shall within the time allowed comply with the terms and conditions specified, the company shall issue a new certificate to the applicant within forty five days from the date of application.
- 29. The company shall not be bound to issue more than one certificate in respect of a share or shares held jointly by two or more persons and delivery of a certificate for a share to any one of joint holders shall be sufficient delivery to all.

TRANSFER AND TRANSMISSION

- 30. (1) The directors shall not refuse to register the transfer of fully paid shares unless the instrument of transfer is defective or invalid or is not accompanied by the certificate of the share(s) to which it relates. The directors may also decline to recognise any instrument of transfer unless it is accompanied, in addition to the certificate of the shares to which it relates, by such other evidence as the directors may reasonably required to show the right of the transferor to make the transfer. The directors may waive the production of any certificate upon evidence satisfactory on them of its loss or destruction.
 - (2) If the directors refuse to register a transfer of any shares they shall, within thirty (30) days (or where the transferee is a central depository, within five (5) days) after the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal indicating the reason for such refusal; provided that if the directors refuse to register a transfer of shares on account of a defect in or the invalidity of the instrument of transfer, the transferee shall be entitled, after removal of such defect or invalidity, to re-lodge the instrument of transfer with the company.
- 31. Shares in the company shall be transferred in accordance with the central depositories act and the central depository regulations. If the shares of the company are not registered in the central depository, the same may be transferred through the instrument of transfer. The instrument of transfer of any share shall be in writing in the usual common form, or in the following form, or as near thereto as circumstances will admit:

"I/We, son/daughter/wife	of being a
national(s) of in consideration of the sum of Rupees	only (Rs.
paid to me/us by C.D., of son/daughter/wil	fe of being a
inational(s) of (hereinafter called the 'said transferee(s)') do hereby transfer	to the said
transferee(s) share(s) numbered standing in my/our name(s) in the books (CHUNIAN) LIMITED, to hold unto the said transferee(s) his/her/their	of NISHAT
administrators and as signs, subject to the several conditions on which I/we hold	the same at

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the time of execution hereof, and i/we the said transferee(s) do hereby agree to take the said share(s) subject to the conditions aforesaid.

As witness our hands the day of	thousand and"
Signed by the said transferor in the presence of	Transferor's signature Transferor's occupation
Witness 1 Occupation Address	Witness 2 Occupation Address
Signed by the said transferee in the presence of	Transferee's signature Transferee's occupation
Witness 1 Occupation Address	Witness 2 Occupation Address

- 32. No transfer shall be made to a minor or person of unsound mind.
- 33. All registered instruments of transfer shall be retained by the company, but any instrument of transfer which the directors may decline to register shall be returned to the person depositing the same.
- 34. The instrument of transfer of any share in the company shall be duly stamped and executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register in respect thereof.
- 35. On giving seven days previous notice in the manner provided in the ordinance and articles, the transfer books and register may be closed during such time as the directors think fit, not exceeding in the whole forty-five days in each year, but not exceeding thirty days at a time.
- 36. Any member may make and deposit with the Company a nomination in writing specifying one or more eligible persons who or each of whom, in the event of the death of the Member, may be entered in the Register as the holder of such number of shares specified in the nomination for such nominee or each such nominee of which the member remains the registered holder, at the date of his death. A person shall be eligible for nomination for the purposes of this Article only if he is a spouse, parent, brother, sister or child of the member nominating him and the applicable relationship all should be specified in the nomination in respect of each nominee. A member may at any time by notice in writing cancel, or by making and depositing with the company another nomination before his death vary any nomination already made by him pursuant to this Article. In the event of the death of a member any person nominated by him in accordance with this Article may, on written application accompanied by the relative share certificates and evidence establishing the death of the member, request the company to register himself in place of the deceased member as the holder of the number of shares for which the nomination in his favour had been made and deposited with the company, and if it shall appear to the Directors that it is proper so to do, the Directors may register the nominee as the holder of those shares in place of the deceased member.
 - in the case of the death of a member who was a joint-holder of shares the survivor or abore survivors shall be the only persons recognized by the company as having any title to his interest in the shares. If the deceased member was a sole holder of shares, the nominee or nominees of the deceased where a nomination under Article 37 is

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- effective, and the legal personal representatives, executors or administrators, of the deceased where no such nomination has been made and deposited with the company, shall be the only persons recognized by the company as having any title to his interest in the shares.
- (b) Before recognizing any legal representative or executor or administrator, the Directors may require him to obtain a grant of succession certificate or probate or letters of administration or other legal representation, as the case may be, from some competent Court in Pakistan having effect in Lahore; provided nevertheless that in any case where the Directors in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of succession certificates or probates or letters of administration or such other legal representation, upon such terms as to indemnity or otherwise as the Directors, in their absolute discretion, may consider necessary.
- 37. The executors or administrators or the nominee appointed under section 80 of the ordinance of a deceased member (not being one of several joint-holders) shall be the only person recognised by the company as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of all registered shares (such expression shall hereinafter be deemed to include registration as a sub-account holder of a central depository under the central depositories act and the central depositories regulations), the survivors shall be the only persons, recognised by the company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any executor or administrator, the directors may require him to obtain a grant of probate or nomination as mentioned above or letters of administration or other legal representation, as the case may be, from some competent court in Pakistan having effect in Lahore. Provided nevertheless that in any case where the board in their absolute discretion think fit, it shall be lawful for the directors to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnify or otherwise as the directors, in their absolute discretion, may consider necessary.
- 38. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as the holder of the share or instead of being registered himself, to make such transfer of the share or insolvent person could have made but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or insolvency as the case may be.
- 39. Any committee or guardian of a lunatic or minor member or any person becoming entitled to a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the characters in respect of which he proposes to act under this article, or of his title, as the directors think sufficient, shall have the right to be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share.
- Neither the company nor the directors nor any other officer of the company shall incur any fiability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the company or the directors or any other officer of the company, as aforesaid, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the

transferor and transferee, be liable to be set aside, and, notwithstanding that the company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the company is concerned, be deemed to have transferred his whole title hereto.

ALTERATION OF CAPITAL

- 41. The company may by ordinary resolution and subject to compliance with the requirements of section 92 of the ordinance increase the authorized share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
- 42. Subject to the provisions of section 92 (1) (d), 92(3) and 93 and section 13 of the central depositories act, the company may, by ordinary resolution;
 - (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
 - (b) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- The directors may from time to time increase the issued share capital by such sum as they think fit. Except as otherwise permitted by section 86 of the ordinance, rule 5 of share capital rules, the listing requirements and section 14 of the central depositories act, as are applicable to the company and subject to any special rights or privileges for the time being attached to any issued shares, all shares intended to be issued by the directors shall, before issue, be offered to the members strictly in proportion to the amount of the issued shares held by each member (Irrespective of class); provided that fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled members as may have accepted such offer. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think fit. In respect of each such offer of shares the directors shall comply with the provisions of section 86 of the ordinance and in particular with the provisions of sub-sections (3), (4) and (5) thereof. Any difficulty in the apportionment of shares amongst the members, such difficulty shall, in the absence of any directions given by the company in general meeting, be determined by the directors.
- 44. Except so far as otherwise provided by the conditions of issue or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to transfer and transmission and otherwise.
- 45. Subject to the provisions of sub-section (2) of section 86 of the ordinance, if, owing to any inequality in the number of new shares to be issued and the number of shares held by a member entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the company in general meeting, be determined by the directors.

- 46. The company may, by special resolution, reduce its share capital in any manner, with and subject to, any incident authorized and consent required by law.
- 47. The share premium account maintained pursuant to section 83(1) of the ordinance may, be applied by the company:
 - (a) in writing off the preliminary expenses of the company;
 - (b) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
 - (c) in providing for the premium payable on the redemption to any redeemable preference shares or debentures of the company; or
 - (d) in paying up un-issued shares of the company to be issued as fully paid bonus shares.
- 48. Subject to the provisions of section 96 to 105 inclusive of the ordinance, the directors may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

VARIATION OF SHAREHOLDERS' RIGHTS

Whenever the capital is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of section 108 of the ordinance, be modified, commuted, affected, abrogated or dealt with by agreement between the company and any person purporting to contract on behalf of that class provided such agreement is (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or (b) confirmed by a special resolution passed at an extraordinary general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting. This article shall not by implication curtail the power of modification which the company would have if this article were omitted.



III. MEETINGS

CONVENING OF GENERAL MEETINGS

- 50. Except as may be allowed under section 158(1) of the ordinance and listing requirements, the company shall hold a general meeting once at least in every calendar year within a period of four months following the close of its financial year in the town in which the office is situate and at such time and place as may be determined by the directors, provided that no greater interval than fifteen months shall be allowed to elapse between two such general meetings. The company may, for any special reason and with permission of the commission, extend the time within which any annual general meeting, not being the first such meeting, shall be held.
- 51. The company shall hold its annual general meeting in the town in which the registered office is situate; provided that, it may, for any special reason and with permission of the commission, hold the said meeting at any other place. Save as aforesaid, the company may hold its general meeting at two (2) or more venues using any technology that gives the members as a whole a reasonable opportunity to participate in the meetings.
- 52. All general meetings of the company, other than the statutory meeting or any annual general meeting, shall be called extraordinary general meetings, and shall be subject to listing requirements.
- 53. The directors may, whenever they think fit, and they shall, on the requisition of the holders of not less than one-tenth of the issued capital of the company, forthwith proceed to convene an extraordinary general meeting of the company. If at any time there are not within Pakistan sufficient directors capable of acting to form a quorum, any director of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors, and in the case of such requisition the following provisions shall have effect:
 - (1) The requisition must state the objects of the meeting and must be signed by the requisitioners and deposited at the office and may consist of several documents in like form each signed by one or more requisitioners.
 - (2) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitioners or a majority of them in value may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.
 - (3) Any meeting convened under this article by the requisitioners shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the directors but shall be held at the office.
 - (4) A requisition by joint-holders of shares must be signed by all such holders.
- Notice of a general meeting shall be sent in the manner hereinafter mentioned at least twenty one (21) days before the date on which the meeting is to be convened to all such persons as are under these articles or the ordinance entitled to receive such notices from the company and shall specify the place and the day and hour of the meeting and the nature of the business to be transacted thereat.
 - (2) In the case of an emergency affecting the business of the company, an extraordinary general meeting may be convened by such shorter notice than that specified in article 54(1) as the registrar may authorise.

- Where any special business, that is to say, business other than consideration of the accounts, balance sheet and the reports of the directors and auditors, the declaration of dividend, the appointment and fixation of the remuneration of auditors and, where the notice convening the meeting provides for the election of directors, the election of directors (all such matters being herein referred to as ordinary business) is to be transacted at a general meeting, there shall be annexed to the notice of such meeting a statement setting out all such facts as may be material for the consideration of such business including the nature and extent of the interest (whether direct or indirect) of any director, and where the item of business involves approval of any document, the time and place appointed for inspection thereof, and to the extent applicable such a statement shall be annexed to the notice also in the case of ordinary business to be transacted at the meeting.
- Where a resolution is intended to be proposed for consideration at a general meeting in some special or particular form, a copy thereof shall be annexed to the notice convening such meeting.
- (5) If a special resolution is intended to be passed at a general meeting, the notice convening that meeting shall specify the intention to propose the resolution as a special resolution.
- (6) A notice for a general meeting at which an election of directors is to take place shall state the number of directors to be elected at that meeting and the names of the retiring directors.
- (7) The notice of every general meeting shall prominently specify that a proxy may be appointed who shall have the right to attend, demand or join in demanding a poll and vote on a poll and speak at the meeting in the place of the member appointing him and shall be accompanied by a form of proxy acceptable to the company.
- (8) The company shall comply with the provisions of section 160(1) and section 50 of the ordinance with regard to giving notices of general meetings.
- 55. The accidental omission to give any such notice to, or the non-receipt of notice by, any of the members shall not invalidate the proceedings at any such meeting

PROCEEDINGS AT GENERAL MEETINGS

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- 56. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise, provided ten (10) members present in person or by proxy representing twenty five percent (25%) of the total voting power shall be a quorum.
- 57. The chairman of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he shall not be present in person within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the chief executive shall preside as chairman of the meeting, or if the chief executive is absent or unwilling to act, any one of the directors present in person may be elected to be chairman of the meeting, or if no director be present in person, or if all the directors present in person decline to take the chair, the members present in person shall choose one of their member to be chairman of the meeting.
- 58 If within half-an-hour from the time appointed for the meeting, a quorum is not present, the meeting if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned

meeting a quorum is not present within half an hour from the time appointed for it, the meeting shall be dissolved.

- 59. The chairman may adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for more than seven days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 60. In the case of an equality of votes the chairman shall, both on a show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as member.
- At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with paragraph (2) of this article, and unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book or electronic record of the proceeding of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, the resolution.
 - (2) Any of the following persons may demand a poll:
 - (a) The chairman of the meeting; or
 - (b) Ten members having the right to vote on the resolution and present in person or by proxy; or
 - (c) Any member or members present in person or by proxy having not less than one-tenth of the total voting power in respect of the resolution.
- 62. If a poll is demanded, as aforesaid, it shall be taken (subject to section 168 of the ordinance) in such manner and at such time and place as the chairman of the meeting directs, and either at once or after an interval or adjournment of not more than fourteen days from the day on which the poll is demanded, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was held. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. In case of any dispute as to the admission or rejection of a vote, the chairman of the meeting shall determine the same, and such determination made in good faith shall be final and conclusive.
- 63. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time, not being more than 14 days from the day on which the poll is demanded as the chairman of the meeting directs.
- 64. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

Subject to section 160 and any rights or restrictions for the time being attached to any class of classes of shares, every member present in person (where all the participants of a general meeting can)

see each other) shall have, whether on a show of hands or on a poll, votes proportionate to the paid up value of the shares or other securities carrying voting rights held by him according to the entitlement of the class of such shares or securities, as the case may be provided that, the provisions of section 178 shall apply in the case of the election of directors.

- 66. Without prejudice to articles 69 and 79, on a show of hands, every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote in respect of each share held by him. Provided always that in the case of an election or removal of a director, the provisions of articles 91 and 94 respectively shall apply.
- 67. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 68. Any company or other corporation which is a member of the company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company or of any class of members of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company or corporation which he represents as that company or corporation could exercise if it were an individual member of the company, present in person. The production before or at the meeting of a copy of such resolution purporting to be signed by a director or the secretary of such company or corporation and certified by him as being a true copy of the resolution shall be accepted by the company as sufficient evidence of the validity of the appointment of such representative.
- 69. Any person entitled under article 39 to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the directors of his right to such shares, or the directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote, whether by a show of hands or at a poll, by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.
- 70. Where there are jointly registered holders of any share, any one of such persons may vote at any meeting either in person or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting, either in person or by proxy, that one of the said persons so present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this article be deemed joint holders thereof.
- 71. On a poll votes may be given either in person (including without limitation a representative of a company duly authorised under article 68) or by proxy. In case of e-voting, voters may appoint either members or non-members, as proxy and the company shall comply with the requirements of the Companies (E-voting) Regulation, 2016 prescribed under the Companies Ordinance, 1984.
- No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 73. The instrument appointing a proxy shall be in writing under the hand of the appointer (such expression shall exclude any reference to the electronic transactions ordinance in accordance with section 31 (1) of the electronic transactions ordinance) or of his attorney duly authorised in writing (such expression shall exclude electronic transmission as prescribed by section 3 of the electronic

transactions ordinance) or if such appointer is a corporation under its common seal or signed by an officer or an attorney duly authorised by it (such expression shall exclude any reference to the electronic transactions ordinance in accordance with section 31 (1) of the electronic transactions ordinance). Save as provided by article 80, no person shall be appointed a proxy who is not a member of the company and qualified to vote.

- 74. Subject to article 73 hereof, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority duly notarized, shall be deposited (such expression shall hereinafter include, where permitted by law, receipt in accordance with section 15 of the electronic transactions ordinance) at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- 75. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting. Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
- 76. Every instrument appointing a proxy shall, as nearly as circumstances permit, be in the form or to the effect following and shall be retained by the Company. The instrument appointing a proxy of evoting under option 2 mentioned below shall be deposited in advance in writing at least ten days before holding of general meeting, through regular mail or electronic mail at the registered / email address of the Company, to be provided in the notice of the meeting:

Оþ	otion 1:	
Ap	pointing other person as Proxy	HUNIAN) LIMITED
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LIN	MITED, holder of Ordinary Sha	ires as per Register Folio No hereby appoint
_	or failing him of	(or failing him of my proxy in my absence to attend and vote for ordinary, as the case may be) general meeting of the and at any adjournment thereof.
me	and on my behalf at the (Annual or Extra	ordinary, as the case may be) general meeting of the
CO.	mpany to be neld on theday of	and at any adjournment thereof.
As	witness my hand this day of	
Sig	gned by the said	
ln i	the presence of	a proxy may be in the form set out in regulation 39 of
tat	ble A of the first schedule to the ordinance.	a proxy may be in the form set out in regulation 35 of
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⊏-	voting as per the Companies (E-voting) Regu NISHAT (C	ulations, 2016. HUNIAN) LIMITED HUNIAN, being a member of NISHAT (CHUNIAN) es(s) as per Register Folio No hereby opt for e- consent the appointment of execution officer e-voting as per the Companies (e-voting Regulations,
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Subject to the provisions of these articles and the ordinance, all directors shall be elected by

the members in general meeting.

78. The company shall have at least seven directors. Subject to the said minimum, the directors themselves shall determine from time to time in the manner provided in this article the number of directors that the company shall have. At least thirty-five (35) days before the date of every general meeting at which directors are intended to be elected, the directors shall fix the number of elected directors that the company shall have from the effective date of the election and the number of such directors who shall be elected at the meeting. The number of elected directors so fixed by the directors shall not be changed except with the prior approval of the company in general meeting.

ALTERNATE DIRECTORS

- When any director intends to be, or is living outside Pakistan, he may with the approval of the 79. directors appoint any person to be his alternate director, and such alternate director during the absence of the appointer from Pakistan, shall be entitled to receive notice of and to attend and vote at meeting of directors and shall be subject to and entitled to the provisions contained in these articles with reference to directors and may exercise and perform all such powers, directions and duties as his appointer could have exercised or performed including the power of appointing another alternate director. An alternate director so appointed shall not be required to hold any qualification. Such appointment shall be recorded in the director minute book. A director may at any time by notice in writing to the company remove an alternate director appointed by him. The alternate director shall cease to be such provided that if any director retires but is re-elected at the meeting at which such retirement took effect any appointment made by him pursuant to this article which was in force immediately prior to this retirement and re-election and which has not otherwise ceased to be effectively shall continue to operate after his re-election as if he had not so retired. An alternate director shall not be deemed to be the agent of the director appointing him but shall be reckoned as one with his appointer. All appointments and removals of alternate directors shall be effected by writing under the hand of the director making or revoking such appointment and left at the office. For the purpose of assessing a quorum in accordance with the provisions of article 99 hereof an alternate director shall be deemed to be director. Any director may act an alternate director for any one or more directors, as well as being able to act as a director in his own right. An alternate director may resign as such upon giving thirty (30) days prior notice to the board to this effect. An alternate director need not be a member of the Company.
- 80. Notwithstanding article 164, an alternate director, even if not a member, shall, in the absence of a direction to the contrary in the instrument appointing him, be entitled to notice of general meetings of the company and (subject to the provisions of article 73) to vote at such meetings on behalf of his appointer, if his appointer is a member of the company, and generally to represent his appointer.
- 81. Directors shall have power at any time and from time to time to appoint any person as Technical/Executive Director and such Technical/Executive Director may be appointed only for a fixed period in such special remuneration as may be determined by the Board. The number of such directors appointed shall not be counted within minimum or maximum fixed for number of directors in these articles. Such Technical/Executive Directors would be the senior executives of the company and will not have any representation on the Board of the company unless specially invited by the members to assist them in the proceedings of the meeting of the Board of Directors of the company.

CHIEF EXECUTIVE AND OTHER PRINCIPAL OFFICERS OF THE COMPANY

The company shall have an office of chief executive which shall be filled from time to time by the directors who may appoint a director or (subject to section 201 of the ordinance) any other person to be the chief executive of the company for a period not exceeding three years and on such terms and conditions as the directors may think fit, and such appointment shall be made within fourteen days from the date on which the office of chief executive falls vacant. If the chief executive at any time is not already a director he shall be deemed to be a director of the company notwithstanding that the number

of directors shall thereby be increased and he shall be entitled to all the rights and privileges and shall be subject to all liabilities of the office of director. Upon the expiry of his period of office, a chief executive shall be eligible for re-appointment. The chief executive may be removed from office in accordance with the provisions of section 202 of the ordinance notwithstanding anything contained in these articles or in any agreement between the company and the chief executive.

- 83. No person who is ineligible to become a director of the company shall be appointed or continue as the Chief Executive except as permitted by Section 187.
- 84. The Chief Executive retiring under Article 82 continue to perform his functions until his successor is appointed unless non-appointment of his successor is due to any fault on his part or his office is expressly terminated.
- 85. The directors may appoint other principal officers of the company including chief operating officer, chief financial officer, head of internal audit and the company secretary (who is to be a full time employee of the company as required by section 204 A), and give such officer such designations and with such terms and conditions as the directors may determine from time to time.
- 86. A chief executive of the company shall receive such remuneration as the directors may determine and it may be made a term of his appointment that he be paid a pension and/or gratuity and/or other benefits on retirement from his office.
- 87. The directors may from time to time entrust to and confer upon the chief executive for the time being such of the powers exercisable under these articles by the directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

QUALIFICATION AND REMUNERATION OF DIRECTORS

- 88. Any director who serves on any committee or who devotes special attention to the business of the company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration as the directors may determine from time to time. The remuneration of a director for attending meetings of the board shall from time to time be determined by the directors.
- 89. Each director of the company may, in addition to any remuneration receivable by him, be reimbursed his reasonable travelling and hotel expenses incurred in attending meetings of the directors or of the company or otherwise whilst employed on the business of the company.
- 90. The qualification of an elected director, in addition to his being a member, where required, shall be his holding shares of the nominal value of Rs. 5,000 at least in his own name, but a director representing the interests of a member or members holding shares of the nominal value of Rs. 5,000 at least shall require no such share qualification. A director shall not be qualified as representing the interests of a member or members holding shares of the requisite value unless he is appointed as such representative by the member or members concerned by notice in writing addressed to the company specifying the shares of the requisite value appropriated for qualifying such director. Shares thus appropriated for qualifying a director shall not, while he continues to be such representative, be

appropriated for qualifying any other director. A director shall acquire his share qualification within two (2) months from the effective date of his appointment as director.

- 91. The continuing directors may act notwithstanding any vacancy in their body so long as their number is not reduced below the number fixed by or pursuant to these articles as the necessary quorum of directors.
- 92. The office of a director shall ipso facto be vacated if:
 - (a) he ceased to hold the share qualification, if any, necessary for his appointment; or
 - (b) he is found to be an unsound mind by a court of competent jurisdiction; or
 - (c) he is adjudged an insolvent; or has applied to be adjudicated as an insolvent and his application is pending or is an undischarged insolvent; or
 - (d) he has been convicted by a court of law for an offence involving moral turpitude;
 - (e) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a chief executive or legal or technical adviser or a banker in contravention of the provisions of section 188 (i) (c) of the ordinance;
 - (f) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is the longer, without leave of absence from the board of directors; or
 - (g) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 195 of the ordinance; or
 - (h) he acts in contravention of section 214 of the ordinance; or
 - (i) by notice in writing to the company he resigns his office; or
 - (j) he is removed from office by resolution of the company in general meeting in accordance with section 181 of the ordinance; or
 - (k) his appointment is withdrawn by the authority nominating him as director; or
 - (i) he has betrayed tack of fiduciary behaviour and a declaration to the effect has been made by the court under section 217 of the ordinance at any time during the preceding five years.
- 93. Subject to authorisation being given by the directors in accordance with section 196(2)(g) of the ordinance, a director shall not be disqualified from contracting with the company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the company with any company or partnership of or in which any director of the company shall be a member or otherwise interested, be avoided, nor shall any such director so contracting or being such member or so, interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship so established. A director who, or whose spouse or minor child, is in any way, whether directly or andirectly concerned or interested in any contract or arrangement or proposed contract or arrangement

with the company shall disclose the nature of such concern or interest in accordance with section 214 of the ordinance that is to say:

- (a) in the case of a contract or arrangement to be entered into, at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the director was not, on the date of that meeting, concerned or interested in the contract or arrangement, at the first meeting of the directors held after he becomes so concerned or interested; and
- (b) in the case of any other contract or arrangement, at the first meeting of the directors held after the director becomes concerned or interested in the contract or arrangement.

A general notice that any director of the company is a director or a member of any other named company or is a member of any named firm and is to be regarded as interested in any subsequent transaction with such company or firm shall, as regards any such transaction, be sufficient disclosure under this article. Provided, however, that any such general notice shall expire at the end of the financial year in which it was given and may be renewed for a further period of one financial year at a time by giving fresh notice in the last month of the financial year in which it would otherwise expire.

- 94. Except as provided in Section 216 of the Ordinance, a Director shall not vote in respect of any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote and if he does so vote, his vote shall not be counted.
- 95. Whereby any contract or resolution of the directors an appointment or a variation in the terms of an existing appointment is made (whether effective immediately or in the future) of a chief executive, whole time director or secretary of the company, in which appointment of any director of the company is, or after the contract or resolution becomes, in any way, whether directly or indirectly, concerned or interested, or whereby any contract or resolution of the directors, an appointment or a variation in the terms of appointment is made (whether effective immediately or in the future) of a chief executive, the company shall inform the members of such appointment or variation in the manner required by section 218 of the ordinance and shall comply with the requirements of that section in regard to the maintaining of such contracts and resolutions open for inspection by members at the office, the provision of certified copies thereof and extracts therefrom and otherwise.
- 96. In accordance with section 219, the company shall maintain at its office a register or electronic record, in which shall be entered separately particulars of all contracts, arrangements or appointments in which the directors are interested. Such register or electronic record shall be open to inspection to the members during business hours, subject to any reasonable restriction that may be imposed by the company in general meeting.
- 97. A director of the company may be or become a director of any other company promoted by the company or in which the company may be interested as a vendor, shareholder or otherwise, and no such director shall be accountable for any benefits received as a director or member of such other company.

ELECTION OF DIRECTORS

98. The number of directors determined by the directors under articles 78 shall be elected to office by the members in general meeting in the following manner, namely:

(a) a member present in person or by proxy shall have such number of votes as is equal to the product of voting shares held by him and the number of directors to be elected.

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- (b) a member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose, and
- (c) the candidate who gets the highest number of votes shall be declared elected as director and then the candidate who gets the next highest number of votes shall be so declared, and so on until the total number of directors to be elected has been so elected.

If the number of persons who offer them to be elected as directors is not more than the number of vacancies for which elections are being held, such persons being otherwise eligible shall be deemed to have been elected as directors from the date on which the election was proposed to be effective.

- 99. A director elected under article 98 shall hold office for a period of three years unless he earlier resigns or becomes disqualified from being a director, or otherwise ceases to hold office.
- 100. A retiring director of the company shall be eligible for re-election.
- 101. The company in general meeting may remove a director from office by a resolution passed with the requisite number of votes determined in accordance with the provisions of section 181 of the ordinance.
- 102. Any casual vacancy occurring among the directors may be filled up by the directors within a time period prescribed by the code, and the person so appointed shall hold office for the remaining period of the director in whose place he is appointed. Provided that the directors may not fill a casual vacancy by appointing any person who has been removed from the office of a director of the company under article 101.
- 103. No person including a retiring director of the company shall be eligible for election to the office of director of the company at any general meeting unless he has, not less than fourteen days before the date of the meeting, left at the office, a notice in writing, and duly signed, signifying his candidature for the office.
- 104. The company shall keep at the office a register of the directors and officers, containing the particulars required by section 205 of the ordinance and the company shall otherwise comply with the provisions of that section as regards furnishing returns to the registrar and giving inspection of the register.

PROCEEDINGS OF DIRECTORS

105. The directors shall meet together at least once in each quarter of a year for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they may think fit in accordance with the ordinance, the code and the listing requirements. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the chairman shall have a second or easting vote.

106: La Thé quorunt recessary for the transaction of the business of the directors shall be one-third of the number of directors or four directors, whichever is greater, present in person. An alternate director whose and the directors except one are discussive in a full the directors except one are discussive in a full the directors except one are discussive in a full the directors.

- 107. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Such meetings may be held using any technology consented to by all the directors, including but not limited to telephone and video conferencing. The consent may be a standing one, withdrawable by a director only within a reasonable period of time before the meeting. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from Pakistan.
- 108. The board of directors of the company shall from time to time elect one of the directors as chairman of the board of directors of the company and determine the period for which he is to hold office and his remuneration. The chairman or in his absence the chief executive shall preside over all meetings of the board of directors, but if at any meeting neither the chairman nor the chief executive is present in person within half an hour of the time appointed for holding the same, the directors present in person may choose one of their number to be chairman of the meeting.
- 109. A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under these articles for the time being vested in or exercisable by the directors generally.
- 110. The directors may from time to time delegate of their powers to committees consisting of such two members or more members of their body as they think fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the directors.
- 111. The meeting and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the directors under article 110.
- 112. All acts done by any meeting of the directors or by a committee of the directors or by any person acting as a director of the company shall, notwithstanding that is shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such directors or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director and had been entitled to be a director. Provided that nothing in this article shall be deemed to give validity to acts done by any such director after the appointment of such director has been shown to be invalid.
- A resolution, other than resolution in respect of any matter specified in section 196(2) of the ordinance circulated through fax or email or any form of electronic transmission to all the directors for the time being entitled to receive notice of a meeting of the directors, passed without any meeting of the directors or of a committee of directors and signed or affirmed through fax or email or any form of electronic transmission, by a majority of all directors in writing under the hands of all directors (or in their absence their alternate directors) for the time being in Pakistan, being not less than the quorum required for meetings of the directors, or as the case may be of the members of the committee valid and effectual as if it had been passed at the meeting of the directors, or as the case may be of several copies of a document signed by one or more director(s) and takes effect at the date and the on which the last director, necessary for the resolution to be passed, signs a copy of the resolution of the directors.

record of several signed electronic messages each indicating the identity of the sender, the text of the resolution and the sender's agreement or disagreement to the resolution, as the case may be and such a resolution takes effect on the date on which the last director's message, necessary for the resolution to be passed, is received.

114. If any director of the company, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his place of business for the time being for any of the purposes of the company or in giving special attention to the business of the company as a member of a committee of the directors, the company may remunerate such director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the directors, and such remuneration may be either in addition to or in substitution for his or their share in the remuneration above provided for the directors.

MINUTES

- 115. The directors shall cause minutes to be duly entered in books provided for the purpose of or as an electronic record, of:
 - (a) all appointments of officers;
 - the names of the directors present in person at each meeting of the directors and of any committee of the directors;
 - (c) all orders made by the directors and committees of the directors;
 - (d) all resolutions and proceedings of general meeting and of meetings of the directors and of the committees of the directors:

and any such minutes of any meeting of the directors or of any such committee or of the company, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be prima facie evidence of the matter stated in such minutes.

POWERS AND DUTIES OF DIRECTORS

- 116. The directors shall duly comply with the provisions of the ordinance, the listing requirements and the code. In particular and without prejudice to the generality of the foregoing, the company shall comply with the provisions of the ordinance in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein. All such information may be stored as an electronic record and transmitted accordingly, where possible.
- 117. The control of the company shall be vested in the directors, and the business of the company shall be managed by the directors who may exercise all such powers of the company and do all such acts and things as may be exercised or done by the company as by the ordinance or by these articles or by a special resolution expressly directed or required to be exercised or done by the company in general meeting subject nevertheless to any regulations of these articles, to the provisions of the ordinance and to act regulations being not inconsistent with the aforesaid regulations or provisions, as may be resulted by the company in general meeting; but no regulation made by the company in

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general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

- 118. Without prejudice to the general powers conferred by article 117 and to any other powers or authorities conferred by these articles on the directors, it is hereby expressly declared that the directors shall have the following powers, that is to say, power:
 - (1) To purchase or otherwise acquire for the company any property, rights or privileges which the company is authorised to acquire at such price and generally on such terms and conditions as they think fit, and to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the company upon such terms and conditions, and for such consideration, as they may think fit.
 - (2) At their discretion to pay for any property, rights, privileges acquired by or services rendered to the company either wholly or partially in cash or in shares (subject to the provisions of section 86 of the ordinance) bonds, debentures or other securities of the company. Any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the company or not so charged.
 - (3) To open account with any bank or financial institution and deposit into and withdraw money from such accounts from time to time.
 - (4) To make, draw, endorse, sign, accept, negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange, and other promissory notes and negotiable instruments required in the business of the company.
 - (5) To secure the fulfilment of any contracts, agreements or engagements entered into by the company by mortgage or charge of all or any of the property of the company for the time being or in such other manner as they may think fit.
 - (6) Subject to the provisions of the ordinance, to appoint and at their discretion remove or suspend such agents (other than Managing Agents), managers, secretaries, officers, employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.
 - (7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
 - (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
 - (9) To refer claims or demands by or against the company to arbitration and observe and perform the awards.
 - (10) To make and give receipts, releases and other discharges for money payable to the company and for the claims and demands of the Company.
 - (11) To act on behalf of the company in all matters relating to bankrupts and insolvents coany
 - (12) To determine who shall be entitled to sign on the company's behalf bills, notes receipts, acceptances, endorsements, cheques, releases, contracts and documents.
 - (13) From time to time to provide for the management of the affairs of the company either different parts of Pakistan or elsewhere in such manner as they think the particular to establish branch offices and to appoint any persons to be the attorneys of

agents of the company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.

(14) To invest and deal with any of the moneys of the company not immediately required for the purposes thereof upon such securities and in such manner as they may think fit, and from time to time to vary or realise such investments.

- (15) To execute in the name and on behalf of the company in favour of any director of the company or other person who may incur or be about to incur any personal liability for the benefit of the company, such mortgages of the company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.
- (16) To give to any person employed by the company, a commission on the profits of any particular business or transaction or a share in the general profits of the company, and such commission or share of profits shall be treated as part of the working expenses of the company.
- (17) From time to time to make, vary and repeal bye-laws for the regulation of the business of the company, its employees.
- (18) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.
- (19) To establish, maintain, support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the company or its employees, or may be connected with any town or place where the company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who have served the company or to the wives, children, or dependants of such person or persons, that may appear to the directors just or proper, whether any such person, his widow, children or dependants, have or have not a legal claim upon the company.
- (20) Subject to the provisions of section 227 of the ordinance, before recommending any dividends, to set aside portions of the profits of the company to form a fund to provide for such pensions, gratuities, or compensation; or to create any provident or benefit fund in such or any other manner as to the directors may seem fit.
- (21) Subject to the provision of the ordinance to accept from any member on such terms and conditions as shall be agreed a surrender of his shares or any part thereof.
- (22) To make advances and loans without security or on such security as they may deem proper and as permissible under the law.
- (23) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the company respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof, and otherwise in relation to the working and management of the said fund as the directors shall from time to time think fit.

To delegate all or any of the powers hereby conferred upon them to such person or spersons as they may from time to time think fit.

Subject to section 213 of the ordinance to authorise the having of an official seal of the company for use abroad.

DIRECTORS SHAREHOLDINGS

119. In accordance with section 220, the company shall maintain at its office a register or electronic record of the directors, chief executive officer, chief financial officer (chief accountant), company secretary or head of internal audit who is or has been the beneficial owner of listed securities and every

person who is directly or indirectly the beneficial owner of not less than ten percent (10%) of the beneficial interest in the company. This register or electronic record shall be open to inspection during business hours subject to sub-sections (5), (6) and (7) of section 220.

POWER OF ATTORNEY

120. The directors may from time to time and at any time by power of attorney appoint any company, firm or person (including any director or officer of the company) or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to delegate all or any of the powers, authorities and discretions vested in him; and without prejudice to the generality of the foregoing any such power of attorney may authorise the attorney to institute, conduct, defend, compound or abandon any legal proceedings by or against the company, whether generally or in any particular case.

AUDIT COMMITTEE

121. The Directors shall establish an Audit Committee which shall comprise not less then three members, including the chairman. Majority of the members of the Committee shall be from amorphise Registration non-executive directors of the company and the chairman of the Audit Committee shall preferably be a non-executive director. The names of member of the Audit Committee shall be disclosed in each annual report of the company.

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MANAGEMENT COMMITTEE

122. The Directors shall establish management committees to comply with the requirements of the code of the corporate governance and their own requirements for effective management and control. The Directors shall nominate members for each committee which may be from the board of directors or outside the board.

BORROWING POWERS

- 123. (1) The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures, debenture stocks, and other securities, whether outright or as collateral security for any debt, liability or obligation of the company or of any third party.
 - In exercising the powers of the company aforesaid the directors may, from time to time and on such terms and conditions as they think fit, raise money from banks and financial institutions and from other persons under any permitted system of financing, whether providing for payment of interest or some other form of return, and in particular the directors may raise money on the basis of the mark up on price, musharika, modaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing the directors may exercise all or any of the powers of the company arising under section 19(2) of the ordinance.
 - In regard to the issue of securities the directors may exercise all or any of the powers of the company arising under sections 19(2), 87 and 120 of the ordinance and in particular the directors may issue any security as defined in section 2(1)(34) of the ordinance or may issue any instrument or certificate representing redeemable capital as defined in section 2(1)(30A) of the ordinance or participatory redeemable capital as defined in section 2(1)(25) of the ordinance.
- 124. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.
- 125. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at general meetings of the company, appointment of directors of the company or otherwise.
- 126. The directors shall cause a proper register to be kept in accordance with the provisions of section 135 of the ordinance, of all mortgages and charges specifically affecting the property of the company, and shall duly comply with the provisions of the sections of the ordinance namely, sections 121 and 122 (Registration of mortgages and charges), section 128 (Endorsement of certificates), section 129 (Filing of prescribed particulars), section 130 (Keeping of a copy of every instrument creating any mortgage or charge by the company at the office) and section 132 (Giving of intimation of the payment or satisfaction of any charge or mortgage created by the company).
- 127. Every register of holders of debentures of the company may be closed for any periods not exceeding in the whole forty five days in any year and not exceeding thirty days at a time. Subject as aforesaid, every such register shall be open to the inspection of members or debenture holders. But the company may in general meeting impose any reasonable restrictions, so that at least two hours, in each day when such register is open, for inspection.

- 128. Subject to the provisions of section 76 of the ordinance, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the company together with the certificate or certificates of the debentures.
- 129. If the directors refuse to register the transfer of any debentures, they shall, within thirty days from the date on which the instrument of transfer was lodged with the company, send or cause to be sent to the transferee and transferor notice of the refusal.
- 130. The company shall comply with the provisions of section 136 of the ordinance as to allowing inspection of copies kept at the office in pursuance of section 130 of the ordinance, and as to allowing inspection of the register of mortgages to be kept at the office in pursuance of section 135 of the ordinance.
- 131. The company shall comply with the provisions of sections 113 and 150 of the ordinance as to supplying copies of any register of holders of debentures or of any trust deed for securing any issue of debentures.

LOCAL MANAGEMENT

- 132. Subject to the provisions of sections 206 and 207 of the ordinance, directors may from time to time provide for the management of the affairs of the company outside Pakistan or in any special locality in Pakistan in such manner as they shall think fit and the following provisions shall operate without prejudice to the general powers hereby conferred.
 - (1) The directors may from time to time and at any time establish any local boards or agencies for managing any of the affairs of the company outside Pakistan or in any specified locality in Pakistan and may appoint any persons to be members of such local board or any managers or agents and may fix their remuneration.
 - The directors may from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the directors and may authorise the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit; and the directors may at any time remove any person so appointed and may annul or vary any such delegation.
 - The directors may at any time and from time to time, by power of attorney under the seal of the company, appoint any person to be the attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as the directors may from time to time think fit; and any such appointment may, if the directors think fit, be made in favour of all or any of the members of any local board established as aforesaid, or in favour of any company or of the members directors, nominees or managers of any company or firm and any such such power of attorney may contain such provisions for the protection or convenience hore to persons dealing with such attorneys as the directors think fit.
 - (4) Any such delegates or attorneys as aforesaid may be authorised by the direction sub-delegate all or any of the powers, authorities and discretions for the vested in them.

V. ACCOUNTS AND DIVIDENDS

BOOKS OF ACCOUNT

(3)

(References to books of account, balance sheet, profit and loss accounts and auditors' report shall hereinafter mutatis mutandis include all electronic forms of record or storage of the company.)

- 133. The directors shall cause to be kept proper books of account with respect to the matters set out in section 230 of the ordinance.
- 134. The books of account shall be kept at the office or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours. If the directors decide to keep the books of account at a place other than the office they shall comply with the directions contained in the proviso to section 230(1) of the ordinance.
- 135. The company shall preserve in good order the books of account of the company in respect of any financial year for a period of ten years following the close of that year or otherwise as provided in the section 230(6) of the ordinance.
- 136. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of the members, and no member (not being a director of the company) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.
- 137. (1) The directors shall arrange to place before the annual general meeting of the company in every year a duly audited balance sheet and profit and loss account, conforming to the requirements of section 234, 237 and 238 of the ordinance and made up to a date not more than four months before the date of such meeting and having the auditor's report attached thereto, and a report of the directors conforming to the requirements of section 236 of the ordinance.
 - As required by section 241 of the ordinance the balance sheet and profit and loss account shall first be approved by the directors and when so approved shall be signed by the chief executive and at least one director but if on account of his absence from Pakistan or other reason the signature of the chief executive cannot be obtained, the balance sheet and profit and loss account shall be signed by at least two directors for the time being in Pakistan, and in every such case a statement signed by those two directors shall be subjoined to the balance sheet and profit and loss account stating the reason why the signature of the chief executive was not obtained.

The directors may authorize the chairman or the chief executive to sign the report of the directors which may then be signed accordingly, but in the absence of any such authority the report of the directors shall be signed as required by section 236(3) of the directors in the same manner as the balance sheet and profit and loss account.

A copy of the balance sheet, profit and loss account and the reports of the directors and additions shall be sent not less than twenty one (21) days before the date of the applical general meeting to the members and other persons entitled to receive notices

of general meetings in the manner in which notices are to be given hereunder and a copy thereof shall be kept for a period of at least fourteen (14) days before the meeting at the office for inspection by members. The company shall send, each stock exchange listing the shares of the company three hundred copies (or such number as may be prescribed from time to time), and to the registrar of companies and to the commission, five copies (or such number as may be prescribed from time to time), each of the balance sheet, profit and loss account and the reports of the directors and auditors at the same as they are dispatched to the members and other persons in accordance with this article.

- After the balance sheet, profit and loss account and the reports of the directors and auditors have been laid before the annual general meeting of the company, three copies thereof (or, such larger number as may be prescribed under section 242(1) of the ordinance) signed by the signatories thereto shall be filed with the registrar within thirty days from the date of the meeting and the company shall also comply with the provisions of section 242(2) of the ordinance where applicable.
- Subject to provisions of sections 245 and the listing requirements, the company shall, within one month from the close of the first and third quarters and two month from the close of the second quarter, of the year of account of the company, prepare and transmit to the members one copy and to stock exchange listing the shares of the company three hundred copies (or such number as may be prescribed from time to time), each of the profit and loss account for that quarter and of the balance sheet as at the end of that quarter. Such quarterly profit and loss accounts and balance sheets need not to be audited but must be signed in the same manner as the annual profit and loss accounts and balance sheets are required to be signed. The directors shall also send, to the commission and to the registrar three copies (or such number as may be prescribed for the time being under section 245(1) (b) of the ordinance), each of such quarterly profit and loss accounts and balance sheets at the same time as they are sent to the members in accordance with this article.
- 4. The company may with the consent of shareholders and consultation of respective stock exchange(s), transmit quarterly accounts through web site of the company subject to the approval of the commission.

139. The directors shall in all respects comply with the provisions of sections 230 to 247 of the ordinance, or any statutory modification thereof for the time being in force.

ANNUAL RETURNS

140. The company shall make the requisite annual returns in accordance with the provisions section 156 of the ordinance.

DIVIDENDS

- 141. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors, provided that the company in general meeting may declare a smaller dividend.
- 142. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits, and in the determination of the profits available for dividends the directors shall have regard to the provisions of the ordinance and in particular to the provisions of sections 83, 235 and 248 of the ordinance.
- 143. The declaration of the directors as to the amount of the net profits of the company shall be conclusive.
- 144. The directors may from time to time pay to the members such interim dividends as in their judgement the position of the company justifies.
- 145. All dividends shall be declared and paid according to the amounts paid on the shares. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 146. All dividends declared shall be paid within the periods specified in section 251 of the ordinance.
- 147. No dividend payable in respect of a share shall bear interest against the company. (Old-97)
- 148. The directors may retain any dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 149. Any general meeting declaring a dividend may resolve that such dividend be paid and satisfied wholly or in part in cash or by the distribution of specific assets, and in particular by the distribution of paid-up shares, debentures, debenture-stock or other security of the company, or paid-up shares, debenture-stock or other security of any other company, or in any one or more of such ways.
- 150. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the company standing to the credit of the reserve fund referred to in article 157 or in the hands of the company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such fund be applied on behalf of such members in paying up in full any un-issued shares, debentures, debenture-stock or other security of the company, which shall be distributed accordingly, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum.
- 151. For the purpose of giving effect to any resolution under article 149 or article 150, the directors may settle any difficulty which may arise in regard to the distribution as they think expedient and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest process or specific assets in trustees upon such trusts for the persons entitled to the directors. Where requisite a proper contract

shall be filed in accordance with the provisions of section 73 of the ordinance, and the directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

- 152. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
- 153. The directors may retain the dividends payable upon shares in respect of which any person is under article 38 entitled to become a member or which any person under that article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
- 154. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividend and payments on account of dividends in respect of such share.
- 155. The dividend in respect of any share shall be paid to the registered holder of such share or to his banker or to a financial institution (as defined in section 2(1) (15A) of the ordinance) nominated by him for the purpose. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled thereto, or, in the case of jointholders, to the registered address of that one whose name stands first on the register in respect of the joint-holding, or to such financial institution or bank as the member or person entitled thereto or such joint-holders, as the case may be, direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, or to the order of the institution or bank, directed as aforesaid.
- 156. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the company, but the directors may annul the forfeiture wherever they may think proper.

RESERVE AND DEPRECIATION FUNDS

- 157. The directors may from time to time before recommending any dividend set apart any and such portion of the profits of the company as they think fit as a reserve fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company, for equalization of dividends or for repairing, improving, and maintaining any of the property of the company, and for such other purposes of the company as the directors in their absolute discretion think conducive to the interests of the company; and may invest the several sums so set aside upon such investments (other than shares of the company) as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the company, and may divide the reserve fund into such special funds as they think fit, with full power to employ the reserve funds or any part thereof in the business of the company, and that without being bound to keep the same separate from the other assets.
- 158. The directors may, from time to time before recommending any dividend, set apart any and such portion of the profits of the company, as they think fit, as a depreciation fund applicable at the discretion of the directors, for providing against any depreciation in the investment of the company of repulliding, restoring, replacing or for altering any part of the buildings, work, plant, machinery, or other property of the company destroyed or damaged by fire, flood, storm, tempest, earthquake accident, riot, wear and tear, or any other means whatsoever, and for repairing, altering and keeping good condition the property of the company, or for extending and enlarging the buildings, machinery and property of the company with full power to employ the assets constituting such depreciation fund in

the business of the company, and that without being bound to keep the same separate from the other assets.

- 159. All moneys carried to the reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the company applicable, subject to due provision being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the company not immediately required for the purposes of the company may be invested by the directors in or upon such investment or securities as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the directors may from time to time think proper.
- 160. The directors may also carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

VI. AUDIT

161. Auditors shall be appointed and their duties regulated in accordance with sections 252 to 255 of the ordinance or any statutory modification thereof for the time being in force.

VII. SEAL

- 162. The directors shall provide a common seal of the company which shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorised in that behalf by the directors, and two (2) directors, or one (1) director and the secretary of the company, shall sign every instrument to which the common seal is affixed.
- 163. The directors may provide for the use in any territory, district or place not situated in Pakistan, of an official seal which shall be a facsimile of the common seal of the Company, with the addition on its face of the name of every territory, district or place where it is to be used. The official seal shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorised in that behalf by the directors, and two (2) directors, or one (1) director and the secretary of the company, or such other person as the directors may appoint for the purpose, shall sign every instrument to which the official seal is affixed. The provisions of section 213 shall apply to the use of the official seal.

VIII. NOTICES

- 164. (1) A notice may be given by the company to any member either personally or by sending it by post to him at his registered address or (if he has no registered address in Pakistan) to the address, if any, within Pakistan supplied by him to the company for the giving of notices to him or in electronic form as prescribed by section 3 of the electronic transactions ordinance.
 - Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.

In accordance with section 15 of the electronic transactions ordinance, a notice dispatched by transmission shall be deemed to be received by the addressee at his place of business or conditionally resides when it reaches the designated information system of the addressee. If no

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information system has been so designated, receipt will occur when the electronic notice reaches an information system of the addressee.

- 166. If a member has no registered address in Pakistan, and has not supplied to the company an address within Pakistan or an electronic address, for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper, circulating in the Province in which the office is situated and in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language circulating in the province in which the stock exchange on which the company is listed is situate, shall be deemed to be duly given to him on the day on which the advertisement appears.
- 167. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.
- 168. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled or addressing it in a similar manner and dispatching it to a designed electronic address or until any such address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- 169. Notice of every general meeting shall be given in same manner hereinbefore authorised to (a) every member of the company except those members who (having no registered address within Pakistan) have not supplied to the company either a postal address within Pakistan or electronic address for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting. Subject to the provisions of articles 80 and section 255(6), no other person shall be entitled to receive notices of general meetings.
- 170. Any notice required to be given by the company to the members or any of them and not expressly provided for by these articles shall be sufficiently given, if given by advertisement.
- 171. Any notice required to be or which may be given by advertisement shall be advertised once in a newspaper circulating in the province in which the office is situate and in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language circulating in the province in which the stock exchange on which the company is listed is situate.
- 172. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
- 173. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such shares.
- 174. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these articles shall, notwithstanding that such member may be then deceased and whether or not the company shall have received notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of these articles be deemed a sufficient service of such notice or such services.

document on his heirs, executors, or administrators, and all persons, if any, jointly interested with them in any such share.

- 175. The signature to any notice to be given by the company may be written or printed.
- In the event of a winding up of the company, every member of the company who is not for the 176. time being normally resident in the town in which the office is situate shall be bound, within eight weeks after the passing of an effective resolution to wind up the company voluntarily or the making of an order for the winding up of the company, to serve notice in writing on the company appointing some householder residing in that town upon whom all summonses, notices, process, orders and judgements in relation to or under the winding up of the company may be served, and in default of such nomination the liquidator of the company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall with all convenient speed give notice thereof to such member by advertisement in some newspaper circulating in the province in which the office is situated and in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language circulating in the province in which the stock exchange on which the company is listed is situated or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day on which the advertisement shall first appear or on the day following that on which the letter is posted, as the case may be. The provisions of this article shall not prejudice the right of the liquidator to serve any notice or other document in any other manner prescribed by the regulations of the company.

PUBLICATION OF NOTICES IN NEWSPAPERS

- 177. Subject to such provisions of the listing requirements as may apply specifically to the manner in which certain notices are to be published in the newspaper(s):
 - 1. Every prospectus issued by or on behalf of the company or by or on behalf of any person who has been engaged or interested in the formation of the company shall, in its full text or in such abridged form as may be prescribed, be published by the company in at least one (1) Urdu and one (1) English daily newspaper, in accordance with the provisions of sections 53, 57 and 64 not less than seven (7) days or more than thirty (30) days before the subscription list, as specified in the prospectus, is due to open. Provided that the company may, for special reasons and with permission of the commission, publish the advertisements of a prospectus more than thirty (30) days before the subscription list is due to open.

The company may, on giving not less than seven (7) days notices by advertisement in a newspaper having circulation in the Province, or part of Pakistan not forming part of a province, in which the office of company is situated and, in addition, in a newspaper having circulation in the Province, or other part as aforesaid, in which the stock exchange(s) on which the company is listed is / are situated, close the register of manufacture holders, as the case may be, for any time or times not exceeding in the whole forty-five (45) days in a year and not exceeding thirty (30) days all a time, in accordance with section 151.

The notice of a general meeting of the company, whether annual or extraordinary general meeting, shall be published in at least one (1) issue each of daily newspaper in English language and a daily newspaper in Urdu language having circulation in the

province in which the stock exchange(s) on which the company is listed is / are situated, in accordance with section 158(3) and 159(7).

- 4. All notices received by the company in pursuance of section 178 (3) for election as a director, shall be transmitted to the members not later than seven (7) days before the date of the general meeting at which the directors are to be elected, by publication in at least one (1) issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the Province in which the stock exchange(s) on which the Company's securities are listed is / are situated, in accordance with section 178 (4).
- 5. If a resolution is to be passed at the company's annual general meeting appointing as auditors a person other than a retiring auditors, the company shall, not less seven (7) days before the date fixed for the annual general meeting, publish in at least one (1) issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the province in which the stock exchange(s) on which the company is listed is / are situated, in accordance with section 253 (2).
- 6. Notice of any resolution for winding up a company voluntarily under section 358, shall be given by the company within ten (10) days of the passing of the same by advertisement in the official Gazette of Pakistan, and also in a newspaper circulating in the province where the office of the company is situated and, in addition, shall also published in at least one (1) issue of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the province in which the stock exchange(s) on which the company is listed is / are situated, in accordance with section 361 (1).

IX. AMALGAMATION, DIVISION AND RECONSTRUCTION

Subject to and in accordance with the provisions of section 287, the company may reconstruct. amalgamate into another company or divide into two (2) or more companies in the process of which the whole or any part of the undertaking, property or liabilities of the company or any other company, may be transferred to any other company or the company, respectively, as the case may be. Provided that any sale of the undertaking of the company, the directors, or the liquidator on a winding up, may, if authorised by a special resolution, accept fully paid shares, debentures or securities of any other company, whether incorporated in Pakistan or not, either then existing or to be formed, for the purchase in whole or in part of the property of the company, and the directors (if the profits of the company permit) or the liquidator (in a winding up) may distribute such shares, or securities, or any other property of the company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the company, and for valuation of any such securities or property at such price in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the company is proposed to be or is in the course of being wound up, such statutors as

(if any) under section 367 of the ordinance as are incapable of being varied or excluded by

X. SECRECY

articles.

- 179. Every director, manager, adviser, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the company shall, if so required by the directors before entering upon his duties, sign a declaration piedging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any meeting or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these articles contained.
- 180. No member or other person (not being a director) shall be entitled to enter upon the property of the company or to inspect or examine the company's premises or properties of the company without the permission of the directors for the time being or, subject to the provisions of article 119, to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the directors it will be inexpedient in the interest of the members of the company to communicate.

XI. ARBITRATION

- 181. Whenever a difference arises between the company on the one hand and any of the members, their executors, administrators, or assignees on the other hand touching the true intent or construction or the incident or consequences of these presents, or of the status of enactment's of the legislature, or touching anything then or thereafter done, executed, omitted or suffered in pursuance of these presents or of the status of enactment's touching any breach or alleged breach or otherwise relating to the premises or to these presents, or to the status or to any of the affairs or officers of the company, the company by written agreement refer to arbitration in accordance with the Arbitration Act 1940 (X of 1940) and every such difference shall be referred to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one appointed by such party, or in the event of disagreement of the arbitrators, to that of an umpire appointed by arbitrators themselves. The provisions of Arbitration Act 1940 (X of 1940) shall apply to all arbitrations between the company and persons having such difference.
- 182. The costs of, or incidental to any such reference and award shall be in the discretion of the arbitrator/arbitrators or umpire as the case may be who may determine the amount thereof and may award by whom, and to whom, and in what manner the same shall be borne and paid.

XII. WINDING UP

- 183. If the company shall be wound up and the assets available for distribution among the members, subject to the rights attached to any preference share capital, as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up on the shares held by them respectively. But this article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
- 184. If the company shall be wound, whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution divide among the members in specie or kind any part of the assets of

the company, and may with the like sanction vest any part of the assets of the company in trustees upon such trusts for the benefit of the members or any of them as the liquidator with the like sanction shall think fit.

XIII. INDEMNITY

Softween bull that fareau special with

Every director or officer of the company and every person employed by the company as auditor shall be indemnified out of the funds of the company against all liability incurred by him against all liability him against all liability him against all liability him against all liability him against al

We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of Shares in the capital of the Company set opposite to our respective names.

Name and Surname (Present & Former) in Full (in block Letters)	Father's/ Husband's Name (in Full)	Nationality With any Former Nationality	Occupation	Residential Address (in Full)	Number of Shares taken by each Subscriber	Signature
Mian Muhammad Mansha	Mian Muhammad Yahya	Pakistani	Business	28-Main Gulberg. Lahore	5,715	Sd/-
Mrs. Naz Mansha	w/o Mian Muhammad Mansha	Pakistani	Business	28-Main Gulberg, Lahore	5,714	Sd/-
Mr. Shahzad Saleem	Mian Muhammad Saleem	Pakistani	Business	207-Tufail Road, Lanore	5,714	Sd/-
Mian Tariq Saced Saigol	Mian Saced Saigol	Pakistani	Business	42-Lawrance Road, Lahore	5.714	Sd/-
Mian Jahangir Elahi	Mian Ehsan Elahi	Pakistani	Business	House No. 3, Rajawala, Faisalabad	5,714	Sd/-
Mian Iqhal Saigol	Mian Muhammad Bashir Saigot	Pakistani	Business '	45-F.C.C Gulberg IV, Lahore	5,714	Sd/-
Mr. Niaz Zafar	Haji Muhammad Ismail	Pakistani	Engineer	23-C. F.C.C., Gulberg IV. Luhore	5,715	Sd/-
	r +			Total Shares Taken	40,000	

Dated this 17th day of August, 2022

Nationality

Witness to the above Signature:

Occupation

Full Name

Full Address

JOINT REGISTRAN OF COMPANIES COMPANY, REGISTRATION OFFICE, LAHORE

CERTIFIED TO

"This Certified True Copy to not valid for purpose of bank accompt opening. The Babke may verify company's record

through bank portel lanached by the SECP.

COVERNMENT OF PAKETAN



Certificate of Incorporation

[Chiefe Section 22 of the Companies Ordinance, 1984 (XIIII) of 1984)]

ompany Registration No. 1, 32254

I hereby cartify that "Mary" (course)

the Companies Ordinance Company that 1984) 1984 (XLVII of limited by

Given under my hand at

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No. 181.



NISHAT (CHUNIAN) LIMITED AND ITS **SUBSIDIARY COMPANIES**

CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

30 June 2022



Riaz Ahmad & Company

Chartered Accountants

10-B, Saint Mary Park Main Boulevard, Gulberg-Ili Lahore 54660, Pakistan

T: +92 (42) 3571 81 37-9

racolhr@racopk.com www.racopk.com



INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited

Qualified Opinion

We have audited the annexed consolidated financial statements of Nishat (Chunian) Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion

The financial statements of Nishat Chunian USA Inc. - Subsidiary Company and Sweave Inc. - Sub-Subsidiary Company for the year ended 30 June 2022 were un-audited. Hence, total assets of Rupees 71,517,360 as at 30 June 2022 and total turnover and net profit of Rupees 862,229,356 and Rupees 12,984,677 respectively for the year ended 30 June 2022 pertaining to the aforesaid Companies have been incorporated in these consolidated financial statements by the management using un-audited financial statements. Reference to Note 1.1(a)(iv), in these consolidated financial statements, Nishat Chunian Power Limited - Subsidiary Company has not been classified as a disposal group held for distribution to owners and discontinued operation as per International Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" as it has no financial impact on total equity and profit after taxation.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the 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 qualified opinion.

Emphasis of Matter

We draw attention to note 14.1.36 to the accompanying consolidated financial statements which describes that the matter will be resolved through arbitration under the 'Arbitration Submission Agreement' between Nishat Chunian Power Limited - Subsidiary company and Government of Pakistan (GoP). Our opinion is not modified in respect of this matter.





Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	Inventory existence and valuation	
	Inventory of the textile business of the Group represented a material position in the consolidated statement of financial position.	Our procedures over existence and valuation of inventory included, but were not limited to:
	Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size and the judgment involved in valuation. For further information on inventory, refer to the following:	To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.
	 Summary of significant accounting policies, Inventories note 2.15 to the consolidated financial statements. Stores, spare parts and loose 	 For a sample of inventory items, re- performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.
	tools note 19 and stock-in-trade note 20 to the consolidated financial statements.	 We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.
		 On a sample pasis, we tested the net realizable value of inventory items to recent selling prices and re-

No.	Key audit matters	How the matters were addressed in our audit
		performed the calculation of the inventory write down, if any. In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
2.	Revenue recognition	
	business of the Group as a key audit matter because revenue is one of the key	 We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices,



	Key audit matters	How the matters were addressed in our
No.	key dudit matters	audit
1101		We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'.
		We also considered the appropriateness of disclosures in the consolidated financial statements.
3.	Contingencies	
	As disclosed in Note 14 to the accompanying consolidated financial statements, the Group has contingent liabilities in respect of various matters, which are pending adjudication	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:
	before respective authorities and courts of law. Contingencies require management to make	 Obtained and reviewed detail of the pending matters and discussed the same with the Group's management.
	judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.	 Reviewed the correspondence of the Group with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.
	Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.	Obtained and reviewed confirmations from the Group's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies.
	For further information on contingencies, refer to the following:	 Involved internal tax professionals to assess reasonability of management's
	- Summary of significant accounting policies, Contingent liabilities note 2.34 and note 2.1(c) to the consolidated financial statements.	 conclusions on such pending matters. Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of
	- Contingencies note 14 to the consolidated financial statements.	the financial reporting standards as applicable in Pakistan.

No.	Key audit matters	How the matters were addressed in our audit
4.	Capital expenditures	
	The textile business of the Group is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Group's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Group and there is significant management judgment required that has significant impact on the reporting of the financial position for the Group. Therefore, considered as one of the key audit matters. For further information, refer to the following:	 Our procedures included, but were not limited to: We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature. We evaluated the appropriateness of capitalization policies and depreciation rates. We performed tests of details on costs capitalized. We verified the accuracy of management's calculation used for the impairment testing.
	 Summary of significant accounting policies, Fixed assets - property, plant, equipment and deprecation note 2.5 to the consolidated financial statements. 	
j	- Fixed assets note 15 to the consolidated financial statements.	

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 consolidated financial statements and our auditor's report thereon.

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

probased 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. As described in the *Basis for Qualified Opinion* section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

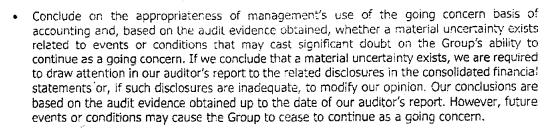
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 pasis of these consolidated 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Riaz Ahmad & Company

artered Accountants



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities
 or business activities within the Group to express an opinion on the consolidated financial
 statements. We are responsible for the direction, supervision and performance of the group
 audit. We remain solely responsible for our audit opinion.

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 stagement 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters impur 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.

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

RIAZ AHMAD & COMPANY Chartered Accountants

LAHORE

Date: 29 September 2022

UDIN: AR202210132BvarACpsf

NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 Rupeos	2021 Rupees		Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES	ب تحقق	·	,	ASSETS		•	·
SHARE CAPITAL AND RESERVES	753			NON-CURRENT ASSETS			
Authorized share capital	3.	3,700,000,000	4,200,000,000	Fixed assets	15	32,445,127,666	27,148,148,365
	مرابع در آنا			Right-of-use assets	15	74,651,170	107,398,163
		Pri Age		Intangib le assets	17	635,708	882,170
Issued, subscribed and paid-up share capital	4	**2,401,190, 2 30	2,401,190,290	Long term loans to employees	18	22,597,477	20,446.927
Reserves	5	32,657,334,565	25,950,193,923	Long term security deposits		30.834,231	30,567,609
Equity attributable to equity holders of the Holding Comp	ралу	35,056,574 858	28,351,384,213			32,573,846,252	27,307,443,234
Non-controlling interest		11,738,807,602	10,513,606,578				
Total equity		46,797,382,460	38,864,990,791				
LIABILITIES		a July	: 0%				
NON-CURRENT LIABILITIES			7 6 	CURRENT ASSETS			
Long term financing	. 6	13,440,603,387	£419,912,708	Stores, spare parts and loose tools	19	2,441,786,960	2,350,924,103
Lease liábilities	7	56,004,358	74,518,895	Stock-in-trade	20	23,477,068,261	19,491,127,966
Deferred liabilities	δ	832,796,931	181,593,367	Trade debts	21	21,415,577,350	26,987,823,812
		14,329,406,674	6,686,024,970	Loans and advances	22	2,263,625,569	3,329,960,437
			***	Short term deposits and prepayments	23	40,008,963	57,652,439
			•	Other receivables	24	2,609,647,618	2,549,893,788
CURRENT LIABILITIES				Advance income tax - net	25	-	331,750,017 469,425,433
-		5,579,186,819	5,405,962,409	Short term investments	26 27	8,568,130,472 248,790,227	573,774,165
Trade and other payables	9 10	715,241,848	5,405,052,409	Cash and bank balances	21	61,154,635,420	56.142.342.160
Ascrued mark-up / profit	11	23,795,725,897	29,084,279,595	•		01,104,000,720	30,142,042,100
Short term borrowings Current portion of non-current liabilities	12	2,355,338,885	2,826,678,629				
Provision for taxation - net	13	85,914,198	2,020,010,023				
Unclaimed dividend	, ,	80,295,091	68,194,087				
Olympic med plants in		32,611,692,538	37 898 769,633				
Total liabilities		46,941,099,212	44,584,794,603				
CONTINGENCIES AND COMMITMENTS	14	•				•	
TOTAL EQUITY AND LIABILITIES	•	93,738,481,672	83,449,785,394	TOTAL ASSETS		93,738,481,672	83,449,785,394
The annexed notes form an integral pen of these conso	onenii berabil	ial statements.					100

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE



NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupces
REVENUE	28	88,025,787,239	61,475,820,517
COST OF SALES GROSS PROFIT	29	(71,252,893,149) 16,772,894,090	(48,538,492,906) 12,937,327,611
DISTRIBUTION COST ADMINISTRATIVE EXPENSES OTHER EXPENSES	30 31 32	(1,899,290,875) (707,742,205) (1,097,423,578) (3,704,456,658) 13,068,437,432	(1,317,274,173) (483,447,150) (516,487,711) (2,317,209,034) 10,620,118,577
OTHER INCOME PROFIT FROM OPERATIONS	33	859,204,261 13,927,641,693	899,891,899 11,520,010,476
FINANCE COST PROFIT BEFORE TAXATION	34	(3,194,762,048)	(2,758,781,509) 8,761,228,967
TAXATION	33	(881,527,308)	(674,617,934)
PROFIT AFTER TAXATION		9,851,352,337	8,086,611,033
PROFIT ATTRIBUTABLE TO:	i K Jan	r Till for	
EQUITY HOLDERS OF THE HOLDING COMPANY NON-CONTROLLING INTEREST		8,526,151,313 1,226,201,024 9,651,352,337	6,857,193,442 1,229,417,591 8,386,611,333
EARNINGS PER SHARE - BASIC AND DILUTED	36	35.92	28.56

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

CHIEF EXECUTIVE

DIRACTOR



NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	2022 Rupees	2021 Rupees
PROFIT AFTER TAXATION	9,851,352,337	8,086,611,033
OTHER COMPREHENSIVE INCOME		
ltems that will not be reclassified to profit or loss		-
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	1,991,564	35,702,639
Other comprehensive income for the year	1,991,564	35,702,839
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,853.343,901	8,122.313,872
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO		
EQUITY HOLDERS OF THE HOLDING COMPANY	8,828,142,877	6,892,896,281
NON-CONTROLLING INTEREST	1,225,201,024	1,229,417,591
	9,853,343,901	8,122,313,872

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

CHIEF EXECUTIVE

DIRECTOR

Balance as at 30 June 2020 Transaction with owners:

Rupee 1 per share Profit for the year

Rupres 5 per share

Profit for the year

Final dividend for the year ended 30 June 2020 @

Final dividend for the year ended 30 June 2021-@

Interior dividend for the year ended 30 June 2022 @ Russes 3 per share

Other comprehensive income for the year Total comprehensive income for the year

Salance as at 30 June 2022

Other comprehensive income for the year Total comprehensive income for the year Balance as at 30 June 2021 Transactions with owners:

NISHAT (CHUMIAN) LIPHTED AND ITS SUBSIDIARY COMPANIES CONSCILIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

ATTRIBUTABLE TO FOUTY HOLDERS OF THE HOLDING COMPANY

4	CAPITALI	RESERVES	1	REVENUE RESERVE	S	I		NON-	
SHARE CAPITAL	TRANSPILITOR PROPERTY OF	Share premium	Genaral reserve	Unappropriated profit	Totai	TOTAL RESERVES	SHAREHOLDERS' EDUITY	CONTROLLING INTEREST	TOTAL EQUITY
****	or of the second	*********			Rupers		************	ī	••
2,401,190,290	(14.255.45%)	600,553,890	1,672,221,278	17,081,896,969	16,711,118,247	15,297,416,571	21,698,606,961	9,284,185,98?	30,982,795,948
	à	and a							
		- C		(248,119,029)	(240, 119,029)	(240, 119,029)	(240,119,029)		(240,119,029)
		4.7	•	5,857,193,442	6,857,193,442	6,857,193,442	6,857,193,442	1,229,617,591	8,086.611.033
LJ	35702,539	2,5	<u> </u>	! <u></u> !		25,702,839	35,702,839	لييني	35.702,839
-	35,702,839	- `	1940	5,857,193,447	6.857,193,442	6,892,896,281	8.892,896,291	1,229,417,591	8,122,313.872
2,401,197,29£	21,447,373	600,533,896	1 N 4 27 276	23,693,971,387	25,328,192,550	25,950,193,923	28,351,384,213	10,513,606,578	38,864,990,791
	,	,,					, <u>,</u>		
			, Á-	(1,700,596,145)	(1,200,595,145)	(1,200,596,145)	(1,200,595,145)		[1,200,595,145)
	ji N			(720,357,087)	(720,357,087)	[/20.351.087]	(720,357,087)		(720.357.087)
	-	-		(1,920,952,232)	(1,920,952,232)	(1,930,952,232)	(1,920,952,332)		(1,920,952,232)
-		\ <u> </u>	-	F 626 151,313	8,626,151,313	8,626,151,313	8,626,151,313	1,225 201,024	9,851,352,337
	1.991,564	li .	-			1 99: 564	1,991,564	ļ	1,991,564
	1.991.554	•		££26,351313	8,626 151,313	8,628,142,877	8,526,142,877	1,225,201,024	9,853,343,901
2,401,190,290	23 438 537	600,553,590	_1.675.201.27E	30,404,170,453	32 033 391 741	32 E57 384 568	35,058 574 853	11,735,807,607	46,797,382,468
							.,		

The annexed notes form an integral part of these consolidated lineacial statements

CHIEF EXECUTIVE

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NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	18,955,697,758	8,458,152,457
Net (increase) / decrease in long term security deposits Finance cost paid Income tax paid Workers' profit participation fund paid Net increase in long term loans to employees		(266,622) (2.829,427,990) (463,853,093) (328,974,428) (3,950,842)	1,222,151 (3,015,911,621) (330,908,431) (31,100,107) (11,475,766)
Net cash generated from operating activities		15,329,224,783	5,069,978,683
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment Proceeds from disposal of operating fixed assets Capital expenditure on intangible assets Short term investments made Short term investment disposed of Interest received Net cash used in investing activities		(7,477,912,115) 80,521,546 (591,164) (17,529,973,872) 9,305,713,000 54,517,058 (15,567,725,547)	(1,932,869,998) 74,010,714 (300,251) (427,260,000) - 10,172,275 (2,276,247,260)
CASH FLOWS FROM FINANCING ACTIVITIES	· //.		
Proceeds from long term financing Repayment of long term financing Repayment of lease liabilities Short term borrowings - net Dividend paid		9,798,969,235 (2,644,543,271) (45,505,776) (5,288,543,698) (1,908,851,228)	4,360,573,735 (3,197,570,663) (40,426,714) (3,191,424,118) (241,579,306)
Net cash used in financing activities	٠.	(88,474,738)	(2,310,427,066)
Net (decrease) / increase in cash and cash equivalents		(326,975,502)	483,304,357
Impact of exchange translation		1,991,564	35,702,839
Cash and cash equivalents at the beginning of the year		573,774,185	54,766,969
Cash and cash equivalents at the end of the year	=	248,790,227	573,774 165

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

CHIEF EXECUTIVE

DIRECTOR

NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company

Nishat (Chunian) Limited

Subsidiary Companies

- Nishat Churran Power Limited
- Nishat Chunian Properties (Private) Limited
- Nishat Chunian USA Inc.
- Sweave inc.
- T L C Middle East Trading L.i. C

(a) Nishat (Chunian) Limited

- (i) Nishat (Chunian) Limited (the Hotcing Company) is a public limited company incorporated in Pakistan under the repeated Companies Ordination, 1984 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Holding Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yam, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.
- (ii) The Board of Directors of the Holding Company in its inecting held on 21 February 2022 has approved a Scheme of Compromises, Attangement and Reconstruction ('the Scheme') [Under Sections 279 to 283 and 285 of the Companies Act, 2017] amongst the Holding Company and its members and Nishat Chunian Properties (Private) Limited Subsidiary Company and its members. Pursuant to the order of Honourable Lancre High Court, Lahore dated 01 March 2022. Extraordinary General Meetings of shareholders of the Holding Company and Nishat Chunian Properties (Private) Limited Subsidiary Company were held on 11 April 2022 and the aforesaid Scheme was unanimously approved by shareholders of the Holding Company and Nishat Chunian Properties (Private) Limited Subsidiary Company. On 29 June 2022, the Honourable Lahore High Court, Lahore has approved the aforesaid Scheme. The principal object of the Scheme is to provide for and give effect to:
 - the separation of 08 Kanais = 07 Marias = 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lancre from the Holding Company and the amalgamation and transfer io, and vesting in Nishat Chunian Properties (Private) Limited Subsidiary Company of the same against the issuance of 49,920,500 ordinary shares of Nishat Chunian Properties (Private) Limited Subsidiary Company to the Holding Company at par;
 - making the Holding Company and Nishat Chunian Power Limited Subsidiary Company (NCPL) totally independent of each other by the transfer amongst the members of the Holding Company of 187,585,820 ordinary shares having face value of Rupees 10 each of NCPL.

(iii)

- Fair value of 08 Kanals 07 Varias 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore is Rupees 499,205,000 as per Evaluation Report dated 28 January 2022 issued by M/s Etimad Associates (Private) Limited, approved valuer. Hence, Nishat Chunian Properties (Private) Limited Subsidiary Company issued and allotted its 49,920,500 ordinary shares of Rupees 10 each to the Holding Company at par on 29 June 2022. Effective Date for the purposes of issuance of shares of Nishat Chunian Properties (Private) Limited Subsidiary Company to the Holding Company in accordance with the Scheme is 29 June 2022 (the date of the order of Honourable Lahore High Court, Lahore sanctioning the Scheme). The net book value as at 29 June 2022 of 08 Kanals 07 Marlas 155 Sq. Ft. freehold land situated at Block-K, Gulberg-II, Lahore as per books of account of the Holding Company amounted to Rupees 351,060,710, hence gain on disposal of this freehold land amounted to Rupees 148,144,290 has been recognised in the separate financial statements of the Holding Company.
- The Effective Date of the Scheme for the purpose of transfer amongst the members of the Holding Company of 187,585,820 orginary shares of Nishat Chunian Power Limited owned by the Holding Company is the commencement date of book closure (10 August 2022) announced by the Holding Company in accordance with Pakistan Stock Exchange Limited Regulations. Subsequent to the reporting period, on 18 August 2022, the members of the Holding Company have received 187,585,820 ordinary shares of Nishat Chunian Power Limited. Hence, the members of the Holding Company have also become shareholders of Nishat Chunian Power Limited with effect from 18 August 2022. The Holding Company transferred to its members 187,585,820 ordinary shares having face value of Rupees 10 each of Nishat Chunian Power Limited owned by it in the ratio of 0.78 share of Nishat Chunian Power Limited for one fully paid-up share of the Holding Company. Pursuant to this distribution amongst and transfer to the members of the Holding Company of 187,585,820 ordinary shares of Nishat Chunian Power Limited, the carrying amount of investment in 187,585,820 ordinary shares of Nisha! Chunian Power Limited as at 10 August 2022 as per books of account of the Holding Company i.e. Rupees 1,875,858,200 has been eliminated with a corresponding decrease in the revenue reserve of the Holding Company by the same amount. Hence, as at 30 June 2022, this investment of the Holding Company in ordinary shares of Nishat Chunian Power Limited has been presented as non-current asset held for distribution to owners, in the separate financial statements of the Holding Company, at the lower of its carrying amount and fair value less costs to distribute in accordance with the requirements of International Financial Reporting Standard (IFRS) 5 'Non-current Assets Held for Sale and Discontinued Operations'. :FRIC Interpretation 17 'Distributions of Non-cash Assets to Owners' does not apply as the non-cash asset (ordinary shares) is ultimately controlled by the same parties both before and after the distribution.
- (v) As per the culy sanctioned Scheme, from the existing authorized share capital (ordinary shares) of the Holding Company, Rubees 500,000,000 divided into 50,000,000 ordinary shares of Rupees 10 each has been allocated and stand transferred to Nishat Chunian Properties (Private) Limited -Subsidiary Company, resultingly increasing the authorized share capital (ordinary shares) of Nishat Chunian Properties (Private) Limited - Subsidiary Company on and after the Effective Date (29 June 2022) to Rupees 500,100,000 divided into 50,010,000 ordinary shares of Rupees 10 each and reducing the authorized share capital (ordinary shares) of the Holding Company on and after the Effective Date (29 June 2022) to Rupees 3,500,000,000 divided into 350,000,000 ordinary shares of Rupees 10 each.

(b) Nishat Chunian Power Limited

(i) Nishat Chunian Power Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (New Companies Act, 2017) and listed on the Pakistan Stock Exchange Limited. The principal activity of Nishat Chunian Power Limited 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 Nishat Chunian Power Limited is 31-Q, Gulberg II, Lahore. On 13 November 2007, Nishat Chunian Power



Limited entered into a Power Purchase Agreement ('PFA'), with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from 21 July 2010. The PPA has been extended by a period of 75 days as per the terms of PPA Amendment Agreement dated 11 February 2021 as explained below. On 11 February 2021, Nishat Chuman Power Limited, 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. Ownership interest held by non-controlling interests in Nishat Chuman Power Limited is 48.93% (2021; 48.93%).

- Nishat Chunian Power Limited along with other independent Power Producers agreed to amend its existing contractual arrangements with Power Purchaser for the sale of electricity. In this respect, Nishat Chunian Power Limited entered into a 'Master Agreement' and a 'PPA Amendment Agreement' (nereinafter referred to as the 'Agreements') on 11 February 2021. Under these Agreements, Nishat Chunian Power Limited and CPPA-G 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 30 November 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 afte; 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 discutes as detailed in note 21.8 and note 21.9 to these consolidated financial statements. The accounting implications of the same have been detailed in note 21.8 to these consolidated financial statements.
- On 06 January 2022, Nishat Chunian Power Limited has received first installment of Rupees 5,847,600 million and second installment of Rupees 8,771,412 million was received on 30 June 2022. Accordingly, the aforementioned terms have become applicable, such as discounts in certain tariff components and sharing of savings under certain tariff components since the payment of first installment and reduction in delay payment mark-up rate, subsequent to the second installment. The impact of the foregoing in respect of discounts in certain tariff components and sharing of savings, if any, under certain components have been accounted for in these consolidated financial statements.
- (iv) The management of the Subsidiary Company 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 AS 36, "Impairment of assets". However, according to management's assessment there is no impact on these consolidated financial statements.

(c) Nishat Chunian Properties (Private) Limited

Nishat Chunian Properties (Private) Limited is a private limited company was incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. The registered office of Nishat Chunian Properties (Private) Limited is situated at 31-Q. Guiberg II, Lahore. The principal line of business of Nishat Chunian Properties (Private) Limited is marketing and development of all types of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multi-storeyed building (for commercial or residential purposes), shopping centres, restaurants, notels, recreational facilities, etc.

(d) Nishat Chunian USA Inc.

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at 230 Fifth Avenue, Suite 1406, New York, NY 10001, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.



Sweave Inc.

Sweave Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Sweave Inc. is situated at 2728 Railroad Grade Road, Fleetwood, NC 28262, USA. The principal business of the Sweave Inc. is e-commerce retail of home textile products to its domestic customers. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA inc.

(f) T L C Middle East Trading L.L.C

TLC Middle East Trading LLC is a limited liability company - Single Owner (LLC - SO) formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. Date of incorporation of TLC Middle East Trading LLC is 14 October 2021. The principal business of TLC Middle East Trading LLC is textile trading, blankets, towels and linen trading. Commercial address of TLC Middle East Trading LLC is Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates. The capital of TLC Middle East Trading LLC is AED 300,000 divided into 300 shares, the value of each share is AED 1000. Nishat (Chunian) Limited shall own 100% shares of TLC Middle East Trading LLC. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of TLC Middle East Trading LLC against the shares subscribed and expects to make investment in shares of TLC Middle East Trading LLC shortly.

1.2 Geographical location and addresses of all pusiness units are as follows:

Busines	s units	and	offices

Address

Manufacturing units:

Spinning Units 1, 4, 5, 7 and 8

49th Kilometre, Multan Road, Bhai Pheru, Tehsil Patioki, District

Kasur

Spinning Units 2, 3, 6 and Weaving and 46 MW and 8 TPH process steam coal fired power generation project.

49th Kilometre, Multan Road, Bhail Pheru, Tehsil Pattoki, District

Kasur.

Dyeing, Printing and Stitching.

4th Kilometre, Manga Road, Raiwind.

Power Plant

Jamber Kalan, Tehsil Pattoki, District Kasur.

Office - Pakistan

31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore.

Office - Pakistan (under

renovation)

House No. 59, Shadman Colony-II, Lahore.

Office - USA

230 Fifth Avenue, Suite 1406, New York, NY 10001.

Office - USA

2728 Railroad Grade Road, Fleetwood, North Carolina, NC 28262.

Office - UAE

Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United

Arab Emirates.

Retail stores

The Linen Company (TLC) – !
The Linen Company (TLC) – !!
The Linen Company (TLC) – !!!

The Linen Company (TLC) - IV

The Linen Company (TLC) - V

The Linen Company (TLC) - VI

The Linen Company (TLC) - VII

The Linen Company (TLC) - VIII

Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore. Shop No. 008, 2nd Floor, Packages Mall, Lahore.

Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad.

Shop No. 45, 3rd Floor, Centaurus Mali, Islamabad.

Shop No. G-14, Ground Floor Ocean Mall, Clifton, Karachi. Piot No. HG-3, Block No. 4, KDA Scheme No. 5, Clifton Karachi.

Shop 8, 1st Floor, Boson Road, Multan.

Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore

Cantt.

The Linen Company (TLC) – IX

GF 10-12, Fortross Square Mall, Fortress Stadium, Lahore Cantt.

1.3 Significant restrictions

Cash and bank balances held in foreign country are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from these countries, other than through normal dividends. The carrying amount of these assets included within the consolidated financial statements to which these restrictions apply is Rupees 18.651 million (2021: Rupees 3.306 million).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated 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 consolidated 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 Ant. 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 consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the 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 accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows.

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Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and depreciable lives and pattern of fiow of economic benefits are based on the analysis of the management. Further, the Group reviews the values of assets for possible impairments on an annual basis. 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.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Accumulating compensated absences

The provision for accumulating compensated absences is made by the Holding Company on the basis of accumulated leave palance on account of employees.

Income tax

In making the estimates for income tax currently payable, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement, it is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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 consolidated statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Contingencies

The Group reviews the status of all pending litigations and claims against the Group. 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 consolidated statement of financial position date.

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

Following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2021:

- Amendments to IFRS 16 'Leases' Covid-19 related rent concessions extended beyond 30 June 2021.
- Interest Rate Benchmark Reform— Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases'.

The above-mentioned amending the did not have any impact on the amounts recognised in prior periods 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 Group

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

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

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2022 or later periods.

Classification of Fabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 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 C1 January 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 1 January 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 consolidated 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 01 January 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 B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 Leases' The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

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 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their consolidated financial statements. Earlier, IAS 1 states that an entity shall disclose its significant accounting policies' in their consolidated financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their consolidated financial statements.

Deferred Tax related to Assets and Labilities arising from a Single Transaction (Amendments to IAS 12 Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

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 01 January 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.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset of a liability. The standard is effective for transactions in the future and therefore would not have an impact on past consolidated financial statements.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to ciarity the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after Q1 July 2022 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company's share in paid up capital of the subsidiary companies.

Intra group balances and transactions have been eliminated.

Non-controlling interest is that part of net results of the operations and of net assets of the subsidiary companies attributable to interest which is not owned by the Holding Company. Non-controlling interest is presented as a separate item in the consolidated financial statements.

b) Translation of the financial statements of foreign subsidiary

The financial statements of foreign subsidiary of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated in functional currency of the Group. Statement of financial position items are translated at the exchange rate at the reporting date and statement of profit or loss items are converted at the average rate for the period. Any resulting translation differences are recognized under exchange translation reserve in consolidated reserves.

2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The profits and gains of Nishat Churran Power Limited – Subsidiary Company from electric power generation are exempt from tax under Clause (132). Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. The aforesaid Subsidiary Company Is also exempt from minimum tax on turnover (sale of electricity) under Clause 11A(v), Part IV of the Second Schedule to the subject to the Consolidated Statement of profit or loss from income from sources not covered under the above clause at current rates of taxation after taking into the account, tax credits and rebates available, if any.

Provision for income tax on the income of foreign subsidiaries – Nishat Chunian USA Inc. and Sweave Inc. are computed in accordance with the tax legislation in force in the country where the income is taxable.

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 consolidated financial statements and the corresponding tax bases 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 consolidated statement of 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 integrably, respectively.

Nishat Chunian Power Limited - Subsidiary Company has not made provision for deferred tax as the management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of Clause (132). Part I of the Second Schedule to the Income Tax Ordinance, 2001

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

The Holding Company and Nishat Chunian Power Limited – Subsidiary Company operate funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employees and the employers' to funds in accordance with the funds' rules. The employers' contributions to the funds are charged to income currently.

Accumulating compensated absences

The Holding Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.5 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

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 group and cost of the item can be measured reliably. All other repair and maintenance costs are charged to accome during the period in which they are incurred.

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment of the Holding Company, is charged to income on the reducing balance method, except in case of Nishat Chunian Power Limited - Subsidiary Company and Nishat Chunian USA Inc. - Subsidiary Company, where this accounting estimate is based on straight line method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.1. Depreciation on standby generators of the Holding Company is charged on the basis of number of hours used. Depreciation on power generation equipment of the Holding Company is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 15.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal the assets' residual values and useful lives are reviewed at each financial year end and adjusted if impaction depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the lasset is derecognized.

2.6 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 amort zation 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 Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.7 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquires, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is not amortised but is reviewed for impairment at least annually.

2.8 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 sestimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the sheased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of suse assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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

2.9 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 Group'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 consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

Nishat Chunian Power Limited - Subsidiary Company has a Power Purchase Agreement (PPA) with its sole customer, CPPA-G for twenty-five years and 75 days which commenced from 21 July 2010. SECP through SRO 986(I)/2019 dated 02 September 2019, has granted exemption from the requirements of IFRS 16 to all companies to the extent of their power purchase agreements executed before 01 January 2019. Therefore, IFRS 16 will not have any impact on the consolidated financial statements to the extent of power purchase agreement of Nishat Chunian Power Limited - Subsidiary Company.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. Nishat Chunian Power Limited - Subsidiary Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if Nishat Chunian Power Limited - Subsidiary Company was to follow IFRS 16 with respect to its power purchase agreement, the effect on these consolidated financial statements would be as follows:

2020

	2022 2021 (Rupees in thousand)			
De-recognition of property, plant and equipment	(9,152,742)	(9,611,395)		
Recognition of lease debtor	4,255,616	11,343,919		
De-recognition of trade debts	(556,913)	(7,575,910)		
Decrease in un-appropriated profit at the beginning of the year Increase in profit for the year Decrease in un-appropriated profit at the end of the year	(5,843,387) 389,348 (5,454,039)	(6,360,120) 516,733 (5,843,387)		



Classification

The Group 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 Group'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 heid. For investments in equity instruments, this will depend on whether the Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group 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 cebt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 inferest 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 consolidated 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 EVTOCI. 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 consolidated statement of profit or loss.



Fair value through profit of 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 Group 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 Group'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 ross, impairment losses (and reversal of impairment losses) on equity investments measured at FVTGCI are not reported separately from other changes in fair value.

Fair value through profit or loss

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

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

2.11 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 consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

a. Financial assets other than those due from Government of Pakistan

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period bittime. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12-months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group 's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amertized cost are deducted from the gross parrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at EVTOCI are credit-impaired. A financial asset is predit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor,
- a breach of contract such as a default;

- the restructuring of a loan of advance by the Group on terms that the Group would not consider otherwise:
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
 - the disappearance of an active market for a security because of financial difficulties.

Financial assets due from Government of Pakistan

In respect of financial assets due from the Government of Pakistan, SECP through SRO 1177(I)/2021 dated 13 September 2021 partially modified its previous SRO 985(I)/2019 dated 02 September 2019 and notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses (ECLs) method shall not be applicable till 30 June 2022 and that such companies shall follow relevant requirements of International Accounting Standard (!IAS') 39 in respect of above referred financial assets during the exemption period. Accordingly, the Group has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group 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 Group is recognized as a separate asset or liability.

b) Financial liabilities

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

2.14 Offsetting of financial instruments

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

2.15 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spares parts, loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value, items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

_{終語画}Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing everheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated seiling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currencies (except the results of foreign operation which are translated to Pak Rupees at the average rate of exchange for the year) during the year are initially tecorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when air values are determined. Exchange gains and losses are recorded in the consolidated statement of profit or less.

2.17 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

2.18 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any abovence for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

However, in respect of companies holding financial assets due from the Government of Pakistan, SECP through SRO 1177(i)/2021 dated 13 September 2021 partially modified its previous SRO 985(I)/2019 dated 02 September 2019 and has notified that the requirements contained in IFRS 9 with respect to application of expected credit losses method shall not be applicable till 30 June 2022 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

2.19 Trade and other payables

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

2.20 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.21 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Group provides processing services to local customers. These services are sold separately and the Group's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Group's contracts with its customers.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sale of electricity

Revenue from the sale of electricity to CPPA-G, the sole customer of Nishat Chunian Power Limited – Subsidiary Company, is recorded on the following basis:

Capacity purchase price revenue is recognized 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 recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to NTDC.

Capacity and Energy revenue is recognized 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 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 acknowledgment by CPPA-G.

Contract assets arise when the Group performs its performance obligations by transferring goods to a southward pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Share capital

Ordinary shares and irredeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

_ Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at book value which approximates their fair value. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.30 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the consolidated statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the consolidated statement of profit or loss.

2.31 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.32 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 consolidated 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 self 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 consolidated statement of profit or loss.

2.33 Contingent assets

Contingent assets are disclosed when the Group 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 Group. Contingent assets are not recognized until their realization becomes certain.

2.34 Contingent llabilities

Contingent liability is disclosed when the Group 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 Group. 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 consolidated financial statements.

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a compenent of the Group that engages in business activities from which it may earn revenues and incurrexpenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has following reportable business segments. Spinning – Zone 1 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Cone 3 (Unit No. 2, 3 and 6) (Producing different quality of yarm using natural and artificial fibers), Weaving – Unit 4 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige-fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generalion (Generating, transmitting and distributing power).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.36 Ijarah transactions

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Ujrah (lease) payments are recognized as expenses in consolidated statement of profit or loss on a straightline basis over the ligarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis:

2.37 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 Group will comply with all attached conditions.

Government grants relating to costs are unforced and recugnised in the prolif 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 property, plant and equipment are included in non-current l'abilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.38 Dividend to ordinary shareholders and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Group's consolidated financial statements in 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.

2.39 Earnings per share

Earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

3.	AUTHORIZED S	HARE CAPITAL	in the second se	n ee 👼		
	ழுத்து Number o	2021 of shares)	• <u>•</u> •		2022 Rupees	2021 Rupees
	000,000	400,000,000 20,000,000	Ordinary shares of Rupees 10 each Note Preference shares of Rupees 10 each	1.1(a)(v) <u>]</u>	3,500,000,000 200,000,000	4,000,000,00 200,000,00
	370,000,000	420,000,000		-	3,700,000,000	4,200,000,00
4.			: ID-UP SHARE CAPITAL	-		
	2022	2021			2022	2021
	(Number o			٠	Rupees	Rupees
	134,655,321	134,655,321	Ordinary shares of Rupees 10 each fully pa	id in cash	1,346,553,210	1,346,553,21
	104,239,443	104,239,443	Ordinary shares of Rupees 10 each iss	ued as fully paid bonus	1,042,394,430	1,042,394,43
	1,224,265	では	Ordinary shares of Rupees 10 each of consideration other than cash to members as per the Scheme of Arrangement as approximately services.	of Urner Fabrics Limited		
			Lahore High Court, Lahore		12,242,650	12,242,65
	240,119,029	240,119,029		-	2,401,190,290	2,401,190,29
					2022 (Number o	2021
4.1	Ordinary shares	of the Holding (Company held by companies that are rela	ed parties:	,	-
	Nishat Mills Limited	d			32,689,338	32,689,33
	D.G. Khan Cemen		ed State		7,274,632	7,274,60
				_	39.963,940	39,963,94
					2022	2021
5.	RESERVES				Rupees	Rupees
	Composition of re	eserves is as fo	lows:			
	Capital reserves			e distribuição Propriedos Propriedos		
	Exchange translation	on reserve iNote	2 2(b))	22.	23,438,937	21,447,37
	Snare premium (No		· <i>"</i>		600,553,890	600,553,89
				_	623,992,827	622,001,26
	Revenue reserves	;		· .		
	General reserve				1,629,221,278	1,629,221,278
	Unappropriated pro	ofit		:	30,404,170,463	23,696,971,382
					32,033,391,741	25,328,192,660
				_	32,657,384,568	25,950,193,92
5.1	This reserve can be	ulilized only for	the purposes specified in section 81 of the C	companies Act, 2017.		
6.	LONG TERM FINA	NCING				
	From banking con	npanies / financ	ial institutions - secured			
	Long term loan	is (Note 6.1)			13,674,037,925	6.717,095.097
	-	haraka (Note 6.2)	_	1,490,411,865	2,043,285,722
					15,164,449,790	8,760,380,819
			urrent Habilities (Note 12)			
	Long term loans		-		(1,492,588,198)	(1,794,810,319
	Long term must	haraka			(231,258,205)	(545,657,792
				L	(1,723,846,403)	

13,440,603,387 6,419,912,708

LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	PAYABLE
ishat (Chunlan) Limited - Holdi	Rupees ng Company (Not- 6.3)	Rupees				
CB Bank Limited	120,000,000	140,000,000	SSP rake for LTFF + 1.00%	Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 6.5)	•	Quarterly
ICB Bank Limited	56,312,500 g	3 20,275,000 C	\$8P rate for LTFF + 1.00%	Stateen equal half yearly instalments commenced on 22 June 2018 and ending on 22 June 2027. (Note 6.5)	•	Quarterly
CB 8ank Limited	129,800,000	255 600 DOD	SSP rate for LITEF+ 1,75%	Ten equal half yearly instalments commenced on 18 October 2017 and ending on 18 April 2023, (Note 6.5)	•	Quarterly
CB Bank Limited	-	174,455,050	6-pionths *IBOR = 0,90%	Ten equal half yearly instalments commenced on 29 September 2017 and 5: ded on 92 September 2021. (Note 6.5)	Half yearly	Half year
CB Bank Limited	2,000,000,000	-*	ैं Frienthis KIBOR + 6.20%	Twenty equal quarterly instalments commencing on 11 February 2024 and ending on 11 November 2028.	Quarterly	Quarterly
llied Bank Limited	•	18 000,000	\$9P (42 to L)FF - 1.00%	Sixteen equal quarierly Installments commenced on 07 January 2017 and orded on 10 October 2021. [Note 6.5]		Quater
lifed Bank Limited	•	19,375,600	SBP 1400 To 17 FF + 1,00%	Skitsen equal quarterly instalments commoniced on 20 January 2017 and ended on 20 October 2021. (Note 6.5)	•	Quarteri
llied Bank Limited		13,149,000	SRP rate for LTFF 100%	Sixteen equal quarterly instalments commenced on 11 May 2017 and ended on 11 February 2022. (Note 6.5)	٠	haheuD
llied Bank Limited	151, 56 2,600	196,907,500	SBP rate for LTFF + 1,00%	Thirty two equal quadenty instalments commenced on 24 February 2019 and utiding on 24 November 2027. (Note 6.5)	•	Quarter
flied Bank Limited	94,659,375	111,121,875	SBP rate for LTFF + 1.00%	Thirty two equal quarterly installments commenced on 18 April 2019 and ending on 18 January 2028. (Note 6.5)	•	Quarter
IBed Bank Limited	281,031,250	329,908,250	\$5P rate for LTEF + 1,00%	Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 6.5)	-	Quarter
llied Bank Limited	E8,712,500	80,662,500	SBP rate for LTEF + 1,00%	Forty equal quarterly instalments commenced on 25 May 2017 and enoing or 21 February 2028 (Note 6.5)	•	Querter
ltied Bank Limited	88,350,000	103,075,000	SBP rate for LTFF + 1 00%	Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 93 April 2028, (Note 6.5)	•	Quarter
Med 9 ank Limited	£1,542,000	61,642,000	SBP rate for LTFF + 1,00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and energy or 01 September 2030.	-	Quarter
lfied Bank Limited	104,692,000	104,692,000	SBP rate for LIFF+ 1,00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030 $$	•	Quers:
llied Bank Limited	18,778,300	18,778,300	SSP rate for LTFF+ 1 00%	Thirty two equal quarterly instalments commencing on C1 December 2022 and ending on 01 September 2030.	•	Quarter
llied Ban). Limited	32,995,906	32.035,000	SBP rate for ETFF+ 1 00%	Firsty two equal quarterly installments commencing on 01 December 2022 and ending on 01 September 2030.	•	Quartes

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LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE
	Rupers	Rupees				
illied Bank Limited	16 179 100 14 177 179	14 97 1,699	SEP rate for LITER's 1,00%	Thirty two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Ulied Bank Limited	67,911,£20	67,911,620	SBP rate for LTFF+ 1 00%	Thiny two equal quarterly instalments commencing on 01 December 2022 and ending on 01 September 2030.	-	Quarterly
Ried Bank Limited	55,555 ³ 560° (SBP rate for LTFF+ 1.00%	Nine equal half yearly instalments commenced on 25 August 2017 and ending on 26 August 2022. (Note 5.5)	•	Quarterly
illied Bank Limited	1.000,000,000	000,000,000	3-months KIBOR + 0 18%	Sixteen equal quarterly instalments commercing on 30 September 2022 and ending on 30 June 2026	Quarterly	Quarterly
died Bank Limited	1,000,000,000)	3-months KIBOR + 0.10%	Twenty four equal quarterly instalments commencing on 24 August 2024 and ending on 24 May 2030.	Quarterly	Quarterly
skarl Bank Limited	•	17,500,00%	3-months KIBOR + C.70%	Twenty equal quartery instalments commenced on 08 December 2015 and ended on 08 September 2021. (Note 6.5)	Quarterly	Quarter
skari Bank Limited	91,390,000	107,900,000	SEP sate for LTFF + 1,00%	Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 6.5)	•	Quarteri
skań Bank Limited	1,000,000	13,900,000	CBP rate of LTFF + 1 00%	Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 6.5)	•	Quarter
skan Bank Limited	82,500,000	97;500,000	SBP rate for LTEF - 1,00%	Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027, (Note 5.5)	•	Quarter
skari Bank Limiled	75,820,900	90,180 000	SEP rate to LTFF + 1 00%	Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028 (Note 6.5)		Quarter
skari Bank Limited	3,729,000	4,340,000	SSF rate for LTFF + 1.00%	Forty equal quartery instalments commenced on 12 September 2017 and ending on 13 June 2028 (Note 6.5)		Quarte
vskari Bonk Limited	35,000,000	40,600,000	SBP rate to: LTFF + 1.00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 64 July 2028, (Note 6.5)	•	Quarter
kskari Bank Limited	12,000,000	14,990,900	SBF rate for LTFF + 1.00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2026. (Note 6.5)	-	Quarte
Iskari Bank Limited	70,680,000	82,460,000	SBF rate for LTFF + 1 00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 25 May 2028. (Note 6.5)	-	Quarte
skan Bank Limited	5,4\$2,466	4,627,500	SSF rate to: 1166 + 1,00%	Forty equal quarterly instantents commenced on 26 August 2017 and ending on 26 May 2026. (Note 6.5)	-	Quarte
iskari Banx Limited	12,687,500	14,717.500	SEP rate for LTFF + 1,00%	Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5)	• .	Quarte
Askari Bank Limted	141,800,000	165,200,500	SBP rate for LTFF + 1,00%	Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2026 (Note 6.5)	•	Quarts
skari Bank Umited	283,371,090	319,935,000	SBF rate for LTFF - 1 90%	Forty equal quarterly installments commenced on 12 May 2021 and ending on 12 February 2031. (Note 6.5)		Quarte
ank Alfalah Limited (Note 6.8)	1,142,637,394	81,77 1.33 8	SSP rate for TERF + 2.00%	Five hundred and seventy six unequal instalments commencing on 26 August 2023 and ending on 22 April 2032.	. •	Quan

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LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	PAY
	Rupees	Rupees				_
Pak Kuwait Investment Company (Private) Limited		10.495,000	SSP rate to: (TFF + 0.75%	Eighteen equal quarterly installments commenced on 22 November 2016 and ended on 22 February 2022, (Note 6.5)	-	Cina
Pak Kuwait Investment Company (Private) Limited	271 (A A SO	271,704,850	SBP rate for UTFF = 1,00%	Twenty equal quarterly instalments commencing on 85 January 2023 and ending an 05 October 2027.	٠	Qua
Pak Kuwait Investment Company (Private) Limited	14,417,950	14,417,950	SBP rate for LTPF = 1,00%	Thirty two equal quarterly instalments commencing on 05 January 2023 and ending on 04 October 2030.	-	Qua
The Bank of Punjab		*	3-months KIBOR • 6.75%	Terr equal half yearly instairments commenced on 30 September 2017 and ended on 02 September 2021. (Note 6.5)	Quarterly	Qua
Habib Bank Lunited	600,000,000	1,000,000,000	3-months KIBOR + 0.50%	Ten equal half yearly instalments commenced on 27 March 2018 and ending on 23 September 2027. (Note 5.5)	Quarterly	Qua
Habib Gank Limited	144,578,095	433,134,283	45 months NBOR + 0.90%	hine equal half yearly installments commenced on 02 November 2017 and ending an 02 November 2022. (Note 6.5)	Half yearly	Qua
Habib Bank Limited	1,828,426,117		Thickney KIROR + 0.45%	Eighty unequal installments commencing on 20 September 2024 and ending on 20 May 2032.	Quarterly	Qua
Habib Bank Limited	350,956,713	-	SSP rate of ETTF + 1,00%	Hirety six unequal instalments commencing on 3 June 2024 and ending on 15 April 2032.	-	Qua
Habib Bank Limited	215,133,503	•	SRP rate for LTFF 44,00%	Sixteen equal half yearly instalments commencing on 11 November 2024 and ending on 11 May 2032.	-	Oua
Habib Bank Limited (Note 6 6)	93,180 163	270,495.486	SBP rate for refinance scheme for revinent of scheme to revine the scheme to the scheme and wages + 1,00%.	Eight equal quarterly instalments commenced on 01 January 2021 and ending on 01 October 2022.	•	Qua
Soneri Bank Ermited	215. <i>2</i> 65,625	252,703,125	SBP rate for LTFF + 1,00%	Thirty two equal quarterly installments commenced on 06 June 2019 and ending on 06 March 2028. (Note 5.5)	•	Qua
Soneri Bank Limited	165,500,000	194,250,000	SSP rate for LTFF + 1,00%	Thirty live equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 6.5)	-	Qua
United Bank Limited	2,000,000,000		1-month KiBOR + 0.25%	Twenty four equal quarterly installments commercing on 31 March 2024 and ending on 31 December 2028	Monthly	Qua
United Bank Limited (Note 6.8)	449,213,010		SBP rate for TERF + 1 25%	Ninety six unequal instalments commencing on 08 October 2023 and ending on 28 March 2032.	•	Gua
•	13,656,927,925	6,667,685,097	-			
Nienal Chunian Power Umited - Subsidien	Company					
Loan under SBP Refinance Scheme (Note 6.10)	17,110,006	49,409,00u	SEP rate for refinance scheme for payment of salanes and wages + 1,50% and 3,00%	Eight equal quarterly instalments commenced on D4 January 2021 and ending on 19 October 2022	٠	Qua
•	13,674,037,925	6,717,095,097	•			

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LENDER	2022	2021	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTER PAYA
Long term musharaka	,≪ Rupees (**-)	Rupeas				
<u>-</u>						
Nishat (Chunian) Limited - Holding Co	empany (Note 6.4)			•		
Cubai Islamic Bank Pekistan Limited		225,000,000	6 manths KISOR + 0.85%	Ten equal half yearly installments commenced on 14 April 2017 and ended on 02 July 2021.	Half yearly	Half y
Meezan Bank Limited	261,069,782	्र 23 1.134,784	SSP race for LTFF = 2.00%	Unity two equal quarterly instalments commencing on 24 March 2023 and ending on 24 December 2030	٠	Qua
Meezan Bank Limited (Note 8,9)	388,997,359	359 753,240	S6P rate for ITERS - 2.75%	One hundred and twenty eight unequal instalments commercing on 30 March 2023 and ending on 28 May 2031	-	Gua
Meezan Bank Limited	5,638,000	8,538,0 <u>00</u> 2	SSBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	•	Qua
Meezan Bank Limited	16,634,400	16,634,400	SSP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	•	Qua
Meezan Bank Limited	11,972,100	11,972,100	S8P is to L1FF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.	-	Oua
Meezan Sant Lenited	68,445,000	58,445,600	SSF rate for CIV > 2.00%	tharty two equal quarterly installments commencing on 30 Merch 2023 and ending on 30 December 2030.	-	Qua
Meezan Bank Limited	14,250,000	14,260,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly instalments commencing on 30 March 2023 and ending on 30 December 2030.		Qua
Meezan Ban). Limited	113,634,700	113,834,700	SBF rate for LTFF + 2.00%	Fairfy two equal quarterly installments commencing on 30 March 2023 and ending on 30 December 2030.	-	Clua
Meezan Bank Limited	197,652.090	197,652,000	SBP rate for LTFF + 2.00%	Thirty two equal quarterly installments commencing on 17 September 2023 and ending on 17 June 2031.	•	Qua •
Meezan Bank Limited	52,998,400	-	SBP rate for LTFF + 1.50%	Thirty two equal quarterly installments commencing on 27 October 2023 and ending on 27 July 2031.	-	Qua
MCB Islamic Bank Limited (Note 5.9)	167,423,709	127,670,049	SBP rate for ITERF + 1.50%	Ninety six unequal instalments commencing on 05 August 2023 and ending on 25 May 2031.	•	Qua
Faysel Bank Lurited (Note 6.7)	184,612,066	353,981,414		Eight equal quarterly instalments commenced on 39 March 2021 and ending on 30 December 2022	•	Qui
Faysal Sank Limited (Note 6.7)	5,573,758	11,304,435	SBP rate lot islamic	Eight equal quarterly instalments commenced on 30 March 2021 and ending on 39 December 2022		Qu
Faysal Bank Limited	•	275,000,000	3-months KIBOR + 0.70%	Twenty equal quarterly installments commenced on 21 May 2018 and ended on 15 July 2021.	Quarterty	ວັນ
	1,490,411,865	2,043,285,722		•		

- 6.3 Long term loans are secured by first joint part bassa hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 21,769.914 million (2021: Rupees 18,533,254 million).
- 6.4 Long term musharaka are secured by first joint part passed hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 3,787,867 million (3931, Rupees 3,820,596 million).
 - The payment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan.

 The Payment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan.
 - these loans are obtained by the Holding Company under SBP refinance scheme for payment of salaries and wages. These are recognized measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.92% to 5.03% per annum.
- 6.7 These loans are obtained by the Holding Company under SBP Islamic refinance scheme for payment of salaries and wages. These are recognized and measured in accordance with IFRS 9 Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.45% to 8.30% per annum.
- These loans are obtained by the Holding Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.23% to 14.27% per annum (2021; 8.38% to 8.41% per annum).
- These loans are obtained by the Holding Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 11.44% per annum (2021; 8.04% to 8.47% per annum.)
- This term finance facility, aggregating to Rupees 68 866 million (2021: Rupees 68.866 million) is obtained by the Subsidiary Company from Bank Alfalah Limited under SSP refinence scheme for payment of wages and sataries to workers and employees of business concerns. This facility is secured against joint ewigeship of diminishing musharaka assets of the Subsidiary Company to the tune of Rupees 81.264 million, first joint partipassu charge on all the present and future current assets including fuel stocks, inventories and energy price payment receivables from CFPA-G and demand promissory notes by the Subsidiary Company. This toan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 10,25% to 11.18% (2021: 10.25% to 11.18%) per annum.

2021

	- Table 1	LVLL	A V # 1
7.	LEASE LIABILITIES	Rupees	Rupees
	Total lease liabilities	90,649,683	120,881,507
	Less. Current portion shown under current liabilities (Note 12)	(34,645,327)	(46,362,612)
		56,004,356	74,518,895
7.1	Reconciliation of lease liabilities		
	Opening balance	120,881,507	100,145,527
	Add: Additions during the year	25, 199,677	61,162,694
	Add: Interest accrued on lease liabilities (Note 34)	11,558,235	12,057,781
	Less: Impact of lease termination	(9,925,725)	-
	Less: Payments during the year	(57.064,011)	(52,484,495)
	Closing balance	90,649,683	120,881,507
7.2	Moturity analysis of lease liabilities is as follows:		
	Upto 6 months	25 456 747	28.070,945
	6-12 months	18,022,544	28,174,408
	1-2 years	35,564,364	38,665,927
	More than 2 years	31,071,655	45.294,327
		110,115,330	140.205,607
	Less: Future finance cost	(19.465,647)	(19,324,100)
	Present value of lease liabilities	90,649,683	120,881,507
7.3	Amounts recognised in the consolidated statement of profit or loss		
	Expense relating to short term leases (included in distribution cost)	25,146,805	41,845,215
	Interest accrued during the year	11,558,235	12.057,781
		36,705,040	53,902,996
7.4	implicit rate against lease liabilities ranges from 7.01% to 13,57% (2021, 7,01% to 13,67%) per e	เวาบท.	
δ.	DEFERRED LIABILITIES		
	Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	-	52,920,380
	Deferred income - Government grant (Note 8.2)	832,798,931	138.672,987
		832,798,931	191,593,387

			2022	2021
_			Rupess	Rupees
	8.1	Gas Infrastructure Development Cess (GIDC) Payable		
■ ■開始決議	经验证	Eas Infrastructure Development Cess payable at amortized cost	438,359,078	450,332,761
		ed: Adjustment due to impact of IFRS 9 (Note 34)	12,513,129	25,501,528
		ss: Payments made during the year	•	(37,475,211)
		Spring balance	450,872,207	438,359,078
		less: Current portion shown under current flabilities (Note 12)	(450,872,207)	(385,438,698)
1 3 3 3 3 3	THE WAY			52,920,380

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8.1.1 This represents Gas infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Holding Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GiDC payable has been recognized at amortized cost in accordance with IFRS 9.

2022

2021

		2028	
		Rupees	Rupees
8.2	Deferred income - Government grant		
	Opening balance	193.082,195	1.719,000
	Government grant recognized during the year	881,639,750	243,758,229
	Less: Amortized during the year (Note 33)	(95,948,066)	(52,395,034)
		978,773,879	193,082,195
	Less: Current portion shown under current habilities (Note 12)	(145,974,948)	(54,409,208)
	er en	832,798,931	138,672,987

2.1 The State Bank of Pekistan (SBP), through its Origilar No. 91 and 92 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing. Modernization and Replacement and / or expansion of projects / businesses and through Circular No. 06 of 2020 dated 10 April 2020 introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities 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 Group has obtained these loans as disclosed in note 6 to these consolidated financial statements. In accordance with IERS 9 "Financial instruments", loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the benomenance rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IERS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in consolidated statement of profit or loss, in line with the recognition of interest exponse the grant is compensating. There are no unfalfified conditions or contingencies attached to this grant.

		2022	2021
		Rupees	Rupees
9.	TRADE AND OTHER PAYABLES		
	Creditors (Note 9.1)	983,984,478	2,239,354,865
	Sindh infrastructure cess payable (Note 9.2)	746,149,339	447,386,865
	Accrued liabilities	2,068,275,221	1,407,551,111
	Contract liabilities - unsecured (Note 9.3)	162,118,230	209,468,561
	Securities from contractors - interest free and repayable on completion of contracts (Note 9.4)	4,811,800	4,386,800
	Retention money	35,022,362	2,558.142
	Income tax deducted at source	35,729,410	26,987,874
	Fair value of forward exchange contracts	154,046,505	-
	Derivative financial instruments (Note 24.1)	-	3.884,821
	Workers' profit participation fund (Note 9.5)	1,080,319,677	834,730,188
	Workers' welfare fund (Note 9.6)	228,058,769	177,362,596
	Others	80,650,828	54,392,586
		5,579,166,619	5,405,062,409

These include Rupees Nil (2021, Rupees 14, 360) due to Nishal Mills Limited - related party.

- This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sinch Development and Maintenance of Infrastructure Cess Act, 2017. The Group filed writ pelition in Honourable Sindh High Coort. Karachi whereby stay was granted and cirections were given to provide bank guarantees in favour of Director Excise and Taxation. Karachi The Honourable Sindh High Court, Karachi passed order dated 34 June 2021 against the Group and directed that bank guarantees should be encashed. Being aggreed by the order the Group along with others filed pelitions for leave to appeal before Pronourable Supreme Court of Pakistan against the Bindt High Court of judgment in relation to Sindh infrastructure development cess. On 01 appearance 2021, after hearing the petitioners, the Honourable Supreme Court distalled the order in open court granting leave to appear to the Stittlinners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by Honourable Sindh High Court. Karachi The Honourable Supreme Court also direct the release of future consignments subject to Winnishing of bank guarantees for the disputed amount.
- 9.3 These include Rupees 0.218 million (2021; Rupees 0.218 million) due to Nishat Mills Limited related party.
- 9.4 These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors.

9.5	Workers' profit participation fund	Rupees	Rupaes
	Opening balance	834,730,188	431,132,964
	Add: Interest for the year (Note 34)	20,851,237	1,109,143
	Add: Provision for the year	553,712,680	433,588,188
		1,409,294,105	865,830,295
	Less: Payments during the year.	(328,974,428)	(31,100,107)
	Closing balance	1,080,319,677	834,730,188
	The state of the s		

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9.5.1 The Group retains workers' profit performs funds for their business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1988 on funds utilized by the Group till the date of allocation to workers.

9.6	Workers' welfare fund		2022 Rupecs	2021 Rupees
5.0	Opening balance Add: Provision for the year Closing balance		177,362,596 50,696,173 228,058,769	106,588,400 73,774,196 177,362,596
10.	ACCRUED MARK-UP / PROFIT	The set of		
	Long term financing Short term borrowings		199,540,765 515,701,083 715,241,848	86,334,999 428,219,914 514,554,913
11.	SHORT TERM BORROWINGS			
	From banking companies - secured			
	Nishat (Chunian) Limited - Holding Company			
	Short term running finances (Notes 11.1 and 11.2) Export finances - Preshipment / SBP refinance (Notes 11.1) Other short term finances (Notes 11.1 and 11.4) Murebaha finance (Notes 11.1 and 11.5)	f and ff 3:	3,549 797,496 3,574,638 840 5,900,000,000 119,573,561	587,755,100 11,088,894,368 6,867,000,000 254,259,949
	Nishat Chunian Power Limited - Subsidiary Company			
	Running fittances (Note 11.6) Term finance (Note 11.7) Running musharaka and murabaha facilities (Note 11.6)		6,177,017,000 - 4,674,709,000	5,262,724,000 650,000,000 4,110,023,000
	Mishat Chunian USA Inc Subsidiary Company			
	Revolving credit line (Note 11 9)		23,795,725,897	163.619.178 29.084,279,595

- These finances are obtained from banking companies under mark-up / profit arrangements and are secured by hypothecation of all present and future current assets of the Holding Company to the extent of Rupees 46,660 million (2021; Rupees 40,959 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 7,467 million (2021; Rupees 5,667 333 million). These form part of total credit facilities of Rupees 38,616 million (2021; Rupees 35,175 million).
- 11.2 The effective rates of mark-up range from 7.70% to 15.31% (2021: 7.50% to 9.53%) per enrum.

- 11.3 The effective rates of mark-up on Pak Rupee finances and US Bollar finances range from 1.00% to 11.13% (2021; 2.25% to 13.45%) and 0.75% to 0.85% (2021; 0.75% to 2%) per annum respectively.
- 11.4 The effective rates of mark-up range from 7.54% to 15.28% (2021; 7.55% to 9.45%) per annum
 - 元章e effective rate of profit ranged from 7.60% to 11.08% (2021: 8.62% to 11.69%) per annum.
 - Resear running finance facilities are obtained from commercial banks under mark-up arrangements amounting to Rupees 7,340 million (2021; pees 6,212,500 million). These facilities are available at mark-up rates ranging from one month to three months KiBOR plus 0.00% to 2,00% (2021; one month to three months KiBOR plus 0.25% to 2,00%) per annum payable quarterly. These facilities are secured against first only participation charge on the present and future current assets of Nishet Chunian Power Limited Subsidiary Company Photologing 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 7.70% to 15.31% (2021; 7.51% to 9.59%) per annum.
- These facilities are obtained from financial institutions under mark-up arrangement amounting to Rupees 900 million (2021; Rupees 900 million). These facilities are secured against first joint part passu charge on present and future current assets of Nishat Chunian Power Limited Subsidiary 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 2.00% to 2.50% (2021; three months KIBOR plus 2.00% to 2.50%) payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 9.45% to 12.52% (2021; 9.27% to 10.14%) per annum.
- 11.8 These murabaha and mustiaraka facilities are obtained from Islamic banks aggregating to Rupees 5,324,562 million (2021; Rupees 6,900 million) at profit rates ranging from one month to six months KIBOR plus 0.15% to 1.50% (2021; one month to six months KIBOR plus 0.50% to 2.50%) per annum. Profit on mustarable at the maturity of the respective murabaha transaction, whereas, the profit on musharaka is payable monthly / quarterly on the balance outstanding. These facilities are secured against first joint part passu hypothecation charge on the present and future current assets of Nishat Chunian Power Limited Subsidiary Company comprising of fuel stocks, inventories and energy price payment receivables from CPPA-S. The profit rate charged during the year on the outstanding balance ranges from 7.76% to 15.16% (2021; 7.69% to 9.85%) per annum.
- 11.9 Nishat Chunian USA Inc. Subsidiary Company has a revolving credit pursuant to which it may borrow up to US Dollars 2,500,000 (Rupees 506.250 million) subject to borrowing base availability, bearing interest at prime rate plus 0.25%. The borrowings base equals to 75% of the aggregate amount of all qualified accounts receivable, as defined. This note is collateralized by as first security interest in substantially all assets of Nishat Chunian USA Inc. Subsidiary Company and is guaranteed by the Holding Company.

2021

		Rupees	Rupees
12.	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Long term financing (Netc 6)	1 723,846,403	2.340,468,111
	Lease liabilities (Note 7)	34,545,327	45,362,612
	Gas Infrastructure Development Cess (GIDC) Payable (Note 8.1)	450,872,207	385,438,698
	Deferred income - Government grant (Note 8.2)	145,974,948	54,409,208
		2,355,338,885	2,826,678,629
13.	PROVISION FOR TAXATION - NET		
	Provision for taxation	881,527,308	_
	Advance income tax	(795,513,110)	-
		85 914 198	-

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1 The Holding Company preferred appeal against the Government of Punjab in the Honourable Lahore High Court, Lahore against imposition of electricity duty on internal generation and the writ petition has been accepted. However, Government of Punjab has moved to the Honourable Supreme Court of Pakistan against the order of Honourable Lahore High Court, Lahore. The Holding Company has fully provided its liability in respect of electricity duty on internal generation. As at the reporting date, an amount of Rupees 122.052 million is payable on this account but the management of the Holding Company is confident that payment of electricity duty will not be required.
- 14.1.2 The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey tabrios exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Holding Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Holding Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty craw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR). Karachi Bench which was decided against the Holding Company. The Holding Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 1950 of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Holding Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Holding Company has filed appeal before the Hondurable High Court of Sindh, Karachi on 07 December 2013 against the order of ATIR, where the case is pending.

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- 14.1.12 The Holding Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 747,466 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these consolidated financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.
- CIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 whereby a demand of Rupees 27.845 (Fillion has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Holding Company. Being aggrieved, the Holding Company is in appeal before ATIR against the order of CIR(A). No provision against this demand has the Holding Company is hopeful for a favourable outcome of appeal based on the Ethiology of the tax advisor.
 - 14.1.14 DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Holding Company, the DCIR issued an audit report under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772 million. Being aggrieved with the order passed by the DCIR, an appeal has been filed before CIR(A)-I. CIR(A)-I vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124, 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings will be re-initiated by the concerned DCIR by issuing a fresh notice. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Holding Company.
 - 14.1.15 DCIR issued a show cause actice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with the DCIR. The DCIR without considering the arguments put forth by the Holding Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by the DCIR, an appeal was filed before CIR(A)-1 which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-1, an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.
 - 14.1.16 DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with DCIR. DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filled before CIR(A)-I which culminated in an order under section 129(1)(b) read with section 161(1A) of Income Tax Ordinance, 2001 dated 27 June 2019, wherein, the stance of the DCIR was upheld. Being aggrieved with the order passed by the CIR(A)-I, an appeal was filled before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filled by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR.
 - 14.1.17 The Holding Company has challenged, before Honourable Lahore High Court, Latticre, the vires of first provise to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(i)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court, Lahore has dismissed the writ petition of the Holding Company, therefore intra court appeal has been filed. The Holding Company has claimed front sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based to advice of the legal counsel, is confident of favourable outcome of its appeal.
 - 14.1.18 In case of NC Electric Company Limited (now Nishat (Chunian) Limited Holding Company) proceedings were initiated by DCIR under section 235, 161 and 205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by the Commissioner Inland Revenue. Appeals-II (CIR, A-II). Subsequently, a remand back notice under section 124, 161 and 205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR, DCIR in response to submissions, bassed an order under sections 124, 235 and 161 dated 29 June 2019 creating a demand to the tune of Rupees 5.699 million. Being aggrieved with the order passed by DCIR, an appeal has been filled before CIR, A-II. Furthermore, hearing of the same was duly conducted and CIR, A-II once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR, A-II, an appeal has been filled before ATIR which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Holding Company. Subsequently, a notice dated 31 August 2020 remittating the proceedings was issued. The said notice was duly responded to. However, the order is yet to be passed.
 - 14.1.19 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance 2001 directing the Holding Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014, in response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings cuminated in the ACIR passing an order under section 122(5A) of the Income Tax Ordinance, 2001 creating an income tax demand to the tune of Rupees 189.375 million. In response to the order passed by the ACIR, an appeal was filed before the CiR(A) who vide his order dated 24 January 2022 waived the tax demand created by CiR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Holding Company being aggreed with the decision, filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the appeal is likely to be decided in favour of the Holding Company.

- 14.1.20 ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit certain records and documents with respect to certain treatments mated out in the annual income tax return for the tax year 2015. In response thereof, various replies were submitted with the ACIR. The subject proceedings culminated in the learned ACIR passing an order under section 122(5A) of the income Tax Ordinance. 2001 creating a tax demand to the tune of Rupees 417,208 million. In response to the larger passed by the ACIR, at appear was filted bases the CiR.A., who have to proceeding adjudication. Based on the facts of the case, likely that the said proceedings will culminate in the holding Company's favour.
- R initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filled before the CIR(A), who vide his order dated 06 January 2022 passed an order against the Holding Company. The Holding Company being aggrieved with the decision, filled an appeal before ATIR against the impugned order. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.
 - 14.1.22 Proceedings under section 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2015, which eventually culminated in the DCIR's order under section 161 and 205 of the Income Tax Ordinance, 2001 dated 29 April 2021 raising a tax demand to the tune of Rupees 105.4'80 million. In response to the aforesaid order, appeal has been preferred before CIR(A)-I, who vide his order dated 14 April 2022 passed an order against the Holding Company. The Holding Company being aggrieved filed an appeal before ATIR which is pending fixation. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.
 - 14.1.23 Proceedings under section 161 and 205 of the Income Tax Ordinance, 2001 were initiated by DCIR for tax year 2016, which eventually culminated in the DCIR's order under section 161 and 205 of the Income Tax Ordinance, 2001 dated 28 May 2021 raising a tax demand to the tune of Rupees 77.349 million. It response to the aforesaid order, appeal has been preferred before CIR(A)-I, who vide his order dated 28 March 2022 passed an order against the Holding Company. Being aggreed the Holding Company filled an appeal before ATIR which is pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.
 - 14.1.24 DCIR initiated post sales tax refunds audit preceedings for tax periods July 2017 to June 2019 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990 in response to the notice issued by the DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing on order under section 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by the DCIR, an appeal has been filed before the CIR(A). Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.
 - 14.1.25 ACIR issued a show cause notice idated 09 May 2022 to subnit sertain records and documents with respect to certain treatments meted out in the annual tax return for tax year 2016 under section 122(9) of the property of the propert
 - 14.1.26 DCIR initiated post sales tax refunds audit proceedings for tax periods July 2015 to September 2015 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. The said proceedings cultrifinated in the learned DCIR passing an order under section 11(2) of the Sales Tax Act, 1990 creating a sales tax demand of Rupees 3.352 million, for response to the order passed by DCIR, an appeal has been filled before the CIR(A), which culminated in learned CIR(A) remanding bagfilling proceedings. Subsequently the learned DCIR passed an adverse order against the Holding Company. The Holding Company being agginged by the order of DCIR filled an appeal before CIR(A). Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.
 - 14.1.27 Guarantees of Rupees 1,140.200 million (2021; Rupees 858.017 million, are given by the banks of the Holding Company to Su. Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against perchase of furnace oil, Lahore Electric Supply Company against electricity connections. Director Excise and Taxation, Karachi against infrastructure cess. Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import. Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sinch High Court Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.
- 14.1.28 Post dated cheques have been issued to custom authorities in respect of dulies amounting to Rupees 7,857,417 million (2021: Rupees 4,715.577 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated cheques of Rupees 154.300 million (2021: Rupees 139.031 million, have been issued to Laboric Electric Supply Company Limited against disputed amount of tariff adjustments and post dated cheques of Rupees 156.532 million (2021: Rupees 156.532 million.) I ave been issued to Suf Northern Gas Pipelines Limited against gas infrastructure development coss and captive vs industrial tariff case.
- 14.1.29 Assistant Commissioner Inland Revenue (ACIR) has raised a demand of Rupeos 1,151.548 million through its order dated 28 November 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 Nishat Chunian Power Limited Subsidiary Company on account of loapacity purchase price was against a non-taxable supply and thus, the entire amount of input sales tax diamed by Nishat Chunian Power Limited Subsidiary Company was required to be accordingly the input sales tax attributable to other revenue stream ite Tenergy purchase price admissible to Nishat Chunian Power Limited Subsidiary Company.

Against the aforesaid order. Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 10 December 2013 before the CIR(A) who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, CIR(A) did not adjudicate upon Nishat Chunian Power Limited - Subsidiary Company's other grounds of appeal. Consequently, Nishat Chunian Power Limited - Subsidiary Campany preferred an appeal on 17 March 2014 before the Appeliate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by CIR(A) and the Federal Board of Revenue ('tax department') also preferred an appeal on 08 May 2014 before the ATIR against the R(A)'s order. The ATIR decided the case in favour of Nishat Chunian Power Limited - Subsidiary Company on 11 September 2018. Severer, the tax department filed a sales tax reference with Honourable Lahore High Court, Lahore against the decision. On 31 March 2022, Honourable Lahore High Court, Lahore set aside the ATIR's judgment and remanded back the case to determine whether payments made against capacity purchase price constitute a taxable or non-taxable supply and to treat the input sales tax adjustment accordingly. Being aggrieved by the decision of the Honourable Lahore High Court, Lahore, Nishat Chunian Power Limited - Subsidiary Company has filed leave for appeal before the Honourable Supreme Court of Pakistan on 20 May 2022 which is pending adjudication.

Furthermore, the DCIR issued a show cause notice on 12 November 2014 whereby intentions were shown to raise a sales tax demand of Rupees 1,093,262 million by disallowing input sales tax claimed by Nishat Chunian Power Limited - Subsidiary Company for the tax periods from July 2010 to June 2012 on similar grounds as explained above. Nishat Chunian Power Limited - Subsidiary Company agitated the initiation of such proceedings through institution of a writ petition before the Honourable Lahore High Court, Lahore on 23 July 2015. The Honourable Lahore High Coun, Lahore disposed off the petition in Nishat Chunian Power Limited - Subsidiary Company's favour through its order dated 31 October 2016, by stating that there is no supply being made against capacity purchase price, hence, there is no existence of an "exempt supply". Accordingly, Nishat Chunian Power Limited - Subsidiary 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, Lahore on 09 January 2017, and an appeal before the Honourable Supreme Court of Pakistan on 24 November 2017 against the aforementioned Honourable Lahore High Court's order, both of which are pending adjudication.

For the period July 2013 to June 2014, Nishat Chunian Power Limited - Subsidiary Company's case was selected for audit by the tax department, which selection was objected to, on jurisdictional basis, by Nishat Chunian Power Limited - Subsidiary Company by way of filing a writ petition before the Honourable Lahore High Court, Lahore on 20 November 2015. While, the Honourable Lahore High Court, Lahore 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 Nishat Chunian Power Limited - Subsidiary 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, Lahore through its order dated 9 January 2017 has allowed initiation of adjudication proceedings after issuance of audit report. On 17 May 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 Nishat Chunian Power Limited - Subsidiary Company. Nishat Chunian Power Limited - Subsidiary 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. Nishat Chunian Power Limited - Subsidiary Company then challenged the show cause notice before the Honourable Lahore High Court, Lahore declared on 9 November 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 21 January 2021, DCIR issued notice to Nieliai Chunian Power Limited - Subsidiary Company requiring to submit reply of the show cause notice. Nisnat Chunian Power Limited - Subsidiary Company duly submitted its reply to the show cause notice. On 03 June 2021, DCIR passed an order wherein aggregate demand of Rupees in 326.682 million including penalty and default surcharge was raised. Nishat Chunian Power Limited - Subsidiary Company being aggrieved with the order of DCIR, preferred an appeal before the CiR(A). On 31 December 2021, CIR(A) passed an order wherein the disallowance of input sales tax amounting to Rupees 1:164 million has been confirmed and the remaining amount involved has been annulled / deleted. Being aggrieved by the decision of CIR(A). Nishat Chunian Power Limited - Subsidiary Company has filed an appeal before ATIR. No further notice has been served by the department against the order passed by CIR(A). The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no provision has been made in these consolicated financial statements.

14.1.30 During the year ended 30 June 2019, the Commissioner Inland Revenue (*OR*) has raised a demand of Rupees 104.977 million against Nishat Chunian Power Limited - Subsidiary Company through his order dated 16 April 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. Nishat Chunian Power Limited - Subsidiary Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, Nishat Chunian Power Limited - Subsidiary Company has filed appeals before CIR(A) and ATIR against the order ATIR decided the case against Nishat Chunian Power Limited - Subsidiary Company has filed sales tax reterence before the Honourable Lahore High Court, Lahore which is pending adjudication. During the year ended 30 June 2021, the Honourable Lahore High Court, Lahore on an application of Nishat Chunian Power Limited - Subsidiary Company has provided interim relief by restricting tax department from taking any coercive action against Nishat Chunian Power Limited - Subsidiary Company subject to furnishing of the bank guarantee of disputed amount. Management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company. Therefore, no prevision has been made in these consolidated financial statements.

14.1.31 An amendment order dated 31 August 2017 was issued by the DOR 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 accepts' disponal, and workers weifare fund (WWF) was also levied of Rupees 12.946 million. Against the aforesaid order, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal on 25 September 2017 before CIR(A) and the learned CIR(A) passed an order on 2 February 2018, declaring that the levy of income tax on interest on delayed aryments from CPPA-G and minimum tax on capacity sales is not justified, while directing Nishat Chunian Power Limited - Subsidiary Company to pay income tax aggregating to Rupees 1.466 million on profit on debt, miscellaneous income, capital gain on disposal of functions, minimum tax on scrap sales and fixed assets' disposal and WWF of Rupees 4.552 million. Nishat Chunian Power Limited - Subsidiary Company and tax department both have filed appeals on 8 March 2018 and 26 March 2018 respectively, before ATIR against the little of CIR(A). ATIR decided the case in favour of tax department and dismissed Nishat Chunian Power Limited - Subsidiary Company, being aggrieven by 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 25 January 2021 provided interim relief to Nishat Chunian Power Limited - Subsidiary Company.

Further, another amendment order dated 15 December 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, Nishat Chunian Power Limited - Subsidiary Company preferred an appeal before CIR(A) on 23 January 2015 and the learned CIR(A) passed an order on 03 April 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. Nishat Chunian Power Limited - Subsidiary Company and tax department both have filed appeals before ATIR against the order of CIR(A) which is pending adjudication.

Moreover, another amendment order dated 13 June 2018 was issued by the ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2012 and subsequently, rectification order dated 27 June 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. Nishat Chunian Power Limited - Subsidiary Company filed an appeal on 26 July 2018 before the CIR(A) against the aforesaid orders. The CIR(A), through its order dated 12 September 2018, has decided the case in favour and the Chunian Power Limited - Subsidiary 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 Nishat Chunian Power Limited - Subsidiary Company's stance and the ultimate decision from the appellate authorities would be in Nishat Chunian Power Limited - Subsidiary Company's favour. Consequently, no provision has been made in these consolidated financial statements for the abovementioned amounts aggregating Rupees 283.912 million

- 14.1.32 For the period from July 2015 to June 2016, Nishat Chunian Power Limited Subsidiary 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 18 September 2019 in which observations involving sales tax amounting to Rupees 530.207 million were raised and comments were sought thereon from the management of Nishat Chunian Power Limited Subsidiary Company. The main observation was apportionment of sales tax which is already decided in favour of Nishat Chunian Power Limited Subsidiary Company by the Honourable Lahore High Court, Lahore in the previous case. Nishat Chunian Power Limited Subsidiary Company submitted detailed reply on all the observations. DCIR (Audit) has further issued a show cause notice to Nishat Chunian Proper Limited Subsidiary Company on 8 October 2019 with the same amount. Nishat Chunian Power Limited Subsidiary Company submitted antalled reply of the show cause notice but DCIR (Audit) issued final order on 27 November 2019 involving sales tax amounting to Rupees 530.207 million. Nishat Chunian Power Limited Subsidiary 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.
- 14.1.33 On 19 April 2021, DCIR issued show cause notice to Nishat Chunian Power Limited Subsidiary Company involving Rupees 223.773 million on account of input sales tax on capacity purchase price claimed by Nishat Chunian Power Limited Subsidiary Company for the period from July 2017 to January 2021. Nishat Chunian Power Limited Subsidiary Company challenged the jurisdiction of DCIR to issue show cause notice before the Honourable Lahore High Court Lahore. On 31 May 2021, Inn Honourable Lahore High Court, Lahore directed Nishat Chunian Power Limited Subsidiary Company to five the repry of show cause notice issued by DCIR and ordered the DCIR to first determine the jurisdiction as raised by Nishat Chunian Power Limited Subsidiary Company, Nishat Chunian Power Limited Subsidiary Company fixed its reply to show cause notice to DCIR. DCIR determined its jurisdiction to be favful. On 03 August 2021, the DCIR passed an order whereby a demand of Rupees 223,773 million was raised against Nishat Chunian Power Limited Subsidiary Company. Against the aforesaid order of DCIR. Nishat Chunian Power Limited Subsidiary Company preferred an appeal before CIR(A). In its order dated 10 November 2021, CIR(A) remanded back the case to DCIR. Since the CIR(A) remanded back the case without hearing the merits, therefore, Nishat Chunian Power Limited Subsidiary Company has also filled an appeal before ATIR which is pending adjudication. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited Subsidiary Company. Therefore, no prevision has been made in these consolidated financial statements.

14.1.34 During the year ended 30 June 2019, National Electric Power Regulatory Authority (NEPRA) initiated suo moto proceedings against Nishat Chunian Power Limited - Subsidiary Company and other Independent Power Producers ("IPPs") on the profits earned by the companies since Theoremetrical Operation Date (COD). Nishat Chunian Power Limited - Subsidiary Company fixed suit in Islamabad High Court and was approvided an interim relief whereby the Court suspended the suo moto proceedings and whereas the suit is still pending adjudication. Based the facts and law, Nishat Chunian Power Limited - Subsidiary Company expects no outflow at this stage and consequently, no provision has been made in these consolidated financial statements.

Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. Nishat Chunian Power Limited - Subsidiary Company vide its letter dated 16 May 2022 replied to NEPRA to refrain from re-initiating the subject proceedings which has already been finalized and implemented by NEPRA vide its letter dated 01 September 2021. Contrary to the reply of Nishat Chunian Power Limited - Subsidiary Company, NEPRA held its hearing on 17 May 2022 and verbally directed to Nishat Chunian Power Limited - Subsidiary Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, Nishat Chunian Power Limited - Subsidiary Company filed a petition in Honourable Lahore High Court, Lahore on 05 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of Nishat Chunian Power Limited - Subsidiary Company, Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these consolidated financial statements.

- 14.1.36 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 IPPs, including Nishat Chunian Power Limited Subsidiary Company, in the tariff components. On 11 February 2021, Nishat Chunian Power Limited Subsidiary Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" as detailed in note 1.1(b) to these consolidated financial statements wherein It has been agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement' between Nishat Chunian Power Limited Subsidiary Company and GoP. On 15 November 2021, Nishat Chunian Power Limited Subsidiary Company has authorized GoP / CPPA-G to retain Rupees 8,360 million of its trade debts (note 21) until the Arbitration Tribunal renders the Award which shall be final and binding. During the year ended 30 June 2022, Nishat Chunian Power Limited Subsidiary Company and GoP have appointed two out of three arbitrators under the 'Arbitration Submission Agreement' and the appointment of third arbitrator is under process. Management believes that there are strong grounds that the matter will ultimately be decided in Nishat Chunian Power Limited Subsidiary 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 consolidated financial statements.
- 14.1.37 Letter of guarantees of Rupees 339.774 million (2021: Rupees 328.227 million) are given by the banks of Nishat Chunian Power Limited Subsidiary Company to Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess, Federal Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan perfaining to pending tax cases and collector of customs under the direction of Honourable Lahore High Court. Lahore in respect of suit filed for custom duty.
- 14.2 Commitments

15,

- 14.2.1 Letters of credit for capital expenditure amounting to Rupees Nil (2021; Rupees 4,480,769 million).
- 14.2.2 Letters of credit other than for capital expenditure amounting to Rupees 526.567 million (2021: Rupees 530.855 million).
- 14.2.3 Outstanding foreign currency forward contracts of Rupees 2,488,054 million (2021; Rupees 10,106 645 million).

	Kupees	Rupees
FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 15.1)	27,906,867,002	26,365,098,320
Capital work-in-progress (Note 15.2)	4,538,260,664	783,050,045
	32,445,127,666	27,148,148,365

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	No. 1
45.4	Reconcitation of carrying amount of coerating flues cuspir at the beginning and at the end of the year are as tollows.

Description	Friedroid dena.	Buildings on freehold land	Plant and machinery	Standby generators	Encinc installations	Factory equipment	Furniture, fixture and equipment	Office equipment	Molor vehicles	Total
	% as 25				Rupees					
t 30 June 2020	45	£.								
iosi	1,201,568,016	4,884,552,730	38,017,705,515	973,116,723	716.354,984	255,819,114	163,512,465	171,424,211	292,257,910	46,688,644,67
izcumulaled depreciation	0,000,000	(1,711,571,143)						(109 753 679)	(156.942.891)	(19.745.786,37
lel book value	1,201,868,016	3,72,981,587	21.549,036,469	\$57,955,122 305,163,611	(\$78,999,019; 339,385,965	99,174,527	(85,249,891) 78,262,574	61,570,537	135,315,019	26,942,856,30
CI DOOK VACC	.,201.000.018	47 201,307	2,549,030,469	305,163,511	3.09.365,965	99,174,527	78,262,574	61,670,537	133,313,019	
ear ended 30 June 2021		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1								
pening nel book vake	1,201,868,016	3,172,9\$1,58%	21,549,036,469	305,163,611	339 385,965	99,174,52?	78,262,574	61,670.532	135,315,019	26,942,858.3
Additions	148,447,680	174,957,639	934,007,154		36,042,414	47,704,274	35.252,365	19,014,336	41,004,835	1,438,430,8
isposals		f	int.							
Cost		-1	267,577,198)			(1,046,000);	(173,579)	[1,719,975)	(36,266,574)	(356,780.3)
Accumulated depreciation	- !		227,767,294	1 .		967,000	75,074	573,696	25,066,980	251,472.0
·		-	(39,784,904)			(81,000;	(98,505)	(1,145,277)	(11,197,594)	(52,308,2
epreciation charge		Jaco 400 400)			45 155 000	(10.757.670)	40.000.004	# 674 74B	(00 100 EC4)	/4 CC2 003 T
Rosing net book value	1,350,315,696	(163,462,128)		(1,319.619)	(35,468,996)	(12,667,603)	(12,905,391)	(6,874,719)	(29,123,561)	(1.963,882.3
Joseph Decok Value	1,350,315,896	3,164,477,098	20,742,198,339	303,843,992	341,959.381	133,130,198	100,511,043	72,663,874	135.998,699	25,365,098.
ut 36 June 2021			* (Q)							
os:	1,359,316,696	5 059,510,369	38 564,141,471	972,118,732	756,427,398	312,475,358	196,591,251	188,718,574	256,996,171	47,820,295,0
comutated depréciation	.,, .,, .,, .,	(1,875,033,271)	(17,941,943,132)	(669.274.741)	(414,455,017)	(179,345,190)	(96,090,208)	(116,054,700)	(160,997,477)	(21,455,196,1
lel book value	1,350,315,696	5,184 477,098	20,742,198,339	303,843,992	341,959,381	133,130,198	100,511,043	72,663,874	135,998,639	26,365,098,3
	13003,010,000	0,104-11,030	40,112,130,303	.490	31,323,301	133,130,130	100,311,043	12,000,014	180,530,635	
fear ended 30 June 2022				Control of the State of the Sta						
pening nel book value	1,350,315,69€	3,184,477,098	20,742,198,339	30-,PA3,992	341,959,381	133,130,198	100,511,043	72,663,674	135,998,699	26,365,098,
kt/96ons	217,040,223	170,390,261	2875.35E,475	16,573,193	227,375,182	59,180,809	46,712 901	20,153,350	97,885,352	3,722,701,4
Naposals										
Cost		-	(190,545,212)	<u> </u>			(1,535.066)	(2.333.565)	(62,054,153)	(256,528,9
Accumulated depreciation	1 .	· i	181,533.753	1 -		i .i	945,066	1,492 494	51.005.769	235,377,
			(6.512.453):	-			(650,000)	(941,07Z)	(11,048,394)	(21,151,5
issels written off;										
Cost		[11.821.201]	(14,550,000)						(1,276,725)	(27,647.9
Accumulated depreciation		3.525.584	7,590,760		.!	1]		1,182,732	12,299.
		[8,295.517]	(6.959,238)	·	<u> </u>		·	·	(93,953)	(15,345,8
ieclassifications			115 781,544	£7,210-785	(13) 583 867		(425,342)	17,030		
Pepreciation charge		(157,159,926,	(1,849,329,399)	47,996,651)	(40 058,362)	(15,537,950)	(15,949,993)	(9,350,515)	(37,050,055)	(7.144,432.)
Clasing net book value	1,597,355,915	3,179,412,816	21,872,447,612	323,650,619	355 593,314	176,772 857	130,199,609	82.642,637	185,691,619	27,905,857
iosig lei toor race	1,007,000,015	2,178 417.816	2,872,40,,517	323,650,619	355 594,314	1/6,/12 83/	30, 91,509	82.642.637	185,691,619	21,500,007,
d 30 June 2022										
ics:	1,557,255,915	5.216.075 420	41,426,576,120	1,056,634,667	131,866,819	371,656,957	242 424,167	206,580,958	331,550,545	51,258,819,
tocumulated depreciation		(2,036,656,613,	(19 554 128 511)	733.044,348	(445,706,505)	1194 983 14Gr	(*12,224,558)	(123,545,221)	(145,859,026)	(23,351,952)
et aook value	1,567,355,915	3 179 412,810	21,872,447,617	323.650.619	352,653,314	176,772,857	137 199 509	82,642,637	185 591,619	27,966,867.
			102 25							
unus) rate of depreciation (%)		4 . 20	3.93 - 25 and number of hours ones	Number of rours used	10	10	10	10 - 33.35	20	
diada, ima di debischanou (A)		FUTURE VALUE CONT	1-200 20C	Principles of House Pages	TOTAL CONTRACTOR		TANK TANK TANK		20 	

^{15.1.4.} Based on an exercise conducted dump the year, certain operating fixed assets of the Hording Company have been reclassives to more appropriate. Charges in Accounting Estimates and Error. The effect of this charge in the executing estimates and Error. The effect of this charge is the executing estimate on the proof before tousies for the year enter 30 June 2022, carging arrors of factor series as at the responsing date and hours profits before tousies have prefit before tousies.

15.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of / written off curing the year is as follows:

Description	City	Cost	Accumulated depreciation	Net book value	Sale proceads	Gain / (loss)	Mode of disposal	Particulars of purchaser
	,	Jan		Rupees		•		
lant and machinery		ger Time					•	
Drawing frame	4	11,415,715	(10,306,849)	1,108,866	1,127,089	18,214	Negotiation	Mubahsar Brothers, Faisatabad
Drawing trame	2	6,530,000	(5,367,953)	1,132,047	1,673,540	541,493	Negotation	Mubahsar Brothers, Faisalabad
Drawing frame	2	5,192,900	(4,405,619)	787,281	3,073,850	2,265,569	Negotiation	Mubahsar Brothers, Faisalabad
wto cone machine	1	9,738,183	(8,498,598)	1,239,590	502,137	(737,453)	Negotiation	M.H. Textites, Faisalabad
ling machine	£	12,848,240 🛴	(11,414,690)	1,433,550	7,160,000	5,726,450	Negotiation	M.H Textiles, Faisalabad
Ring machine	8	12,848,240	(11,424,219)	1,424,921	11,200,000	9,775,979	Negolialion	Olympia Blended Fibre Mills Limited, Lahore
Auto cone machine	1	4,101,473	(3,383,941)	717,532	608,975	(108,557)	Negotiation	Awais Impex, Lahore
fotor vehicles					•	,,		
lenda city LE -17 - 2761	1	1,576,930	(1,2[7,073)	559,557	645,911	86,354	Group policy	Mr. Qaiser Saeed, Holding Company's employee, Jhang
onda civic LEC -16 - 3977	1	2,081,500	(1,382,529:	699,121	2,170,000	1,470,879	Negotiation	Mr. Wasim Akhter Kasoor
onda city LEB -13 - 6579	1	1,575,000	(616,854)	958,146	1,575,000	615,854	Group policy	Ms. Samina Aslam, Holding Company's employee, Lahore
uzuki switt RB - 11 - 828	1	1,100,000	(135,850)	964,150	1,100,000	135,850	Group policy	Mr. Abid Hussain, Holding Company's employee, Lahore
oyota corolla LED - 17- 215	1	2,700,000	(713,640)	1,986,360	2,700,000	713,640	Group policy	Mr. Babar Ali Khan, Holding Company's employee, Lahore
fonda civic LEB - 17 - 6214	1	2,660,165	(1,671,875)	988,290	3,207,786	2,219,498	Negotiation	Mr. Sabir Ilahi, Lahore
londa civic LEB - 17 - 2111	1	2,744,185	(1,790,950)	953,235	1,372,093	418,858	Group policy	Ms. Nadia Bilai, Holding Company's employee, Lahore
fonda civio LEA - 13 - 3063	1	1,750,000	(864,500)	€85,500	1,750,000	8 54,500	Group policy	Mr. Babar Khan, Holding Company's employee, Lahore
urniture, fixture and equipment				**				
importum mail retail store works	1	1,595,065	(945,056)	850,000	650,000	-	Regotiation	Bonanza Garments Industries (Private) Limited, Karachi
lant and machinery								
ice husk boller complete	2	14,550,990	(7,590,762)	6,959,238		(6,959,238)	Written off	
uildings on freehold land								
rection of two boilers	1	11,821,201	(3,525,584)	8,295,617		(8,295,617)	Written of	
ggregate of other items of operating fixed seets with individual book values not								
exceeding Rupees 500,080	_	177,378,120	(172.619,458)	4,758,662	40 005,174	35,246,512		
	-	284,176,923	(247,676,160)	36,500,763	80,521,546	44,020,783		

.

2022 2821 Rupees Rupees 1,946,021,414 2,123,312,195 17,860,985 2.144,432,051 1,963,882,399 Area of land Acres 61,45 127.70 33.89 34.78 0.98 24.59 0.35 283.74 2022 2021 Rupees Rupees 39 387 755 697,098,519 131,802,001 2,254,968,072 753,855 135,712,623 87,643,981 1,449,481,450 523,462,453 783,050,045 4,538,260,654 Civil works on Electric Mobilization Plant and freehold land machinery installations advances 93,594,675 8.058.617 9 049 001 753,855 31,645,438 125,078,192 36,876,414 1,023,209,827 89,104,281 (45,492,528) 33.55C.327 (174,957,639) (934,007,154) (36,876,414) 753,855 39,387,755 131,802.001 87,643,981 815,332,025 5,001,531,496 221,228,327 350,371,973 (301,303,331) (157,621,261) (2,878,368,425) 697,098,519 2,254,968,072 136,712,623

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18.

	2022	2021
	Rupees	Rupees
16. RIGHT-OF-USE ASSETS		
国航空运送 Pring balance	107,398,163	93,072,385
Add. Additions during the year	25,199,677	61,162,694
The second secon	(9,007,416)	-
Depreciation for the year (Note 30)	(48,939,254)	(46,836,916)
Closing balance	74,651,170	107,398,163

16.1 Lease of buildings

The Holding Company obtained buildings on lease for its retail outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

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16.2 There is no impairment of right-of-use assets.

			Rupees	Rupees
17.	INTANGIBLE ASSETS			
	Opening balance		882,170	4,327,318
	Addition during the year		591,164	300,251
	Amortization during the year (Note 17.1)		(837,626)	(3,745,399)
	Closing balance		635,708	882,170
	Cost as at 30 June		46,616,427	46,120,063
	Accumulated amortization	- 	(45,980,719)	(45,237,893)
	Net book value as at 30 June	124년 1987 연화전	635,708	882,170
17.1	The amortization charge for the year has been allocated	as follo⊮s:		
	Cost of sales (Note 29)		604,000	3,613,000
	Administrative expenses (Note 31)	Aller	233,626	132,399
	, , , , ,		837,626	3,745,399

- 17.2 Intangible assets computer software have been amortized at the rates ranging from 20% to 30% per annum.
- 17.3 Intangible assets of Rupees 45.725 million (2021; Rupees 25.892 million) are fully amortized but still in the use of the Group, Fully amortised intangible asset of Rupees 94,800 has been derecognised during the year.

	Rupees	Rupees
LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Notes 18.1, 18.2, 18.4 and 18.3)	15,814,267	17,913,659
Other employees (Note 18 3)	18,731,403	12,681,169
	34,545,670	30,594,828
Less: Current portion shown under current assets (Note 22)		
Executives	(6,900,289)	(5,954,385)
Other employees	(5,047.904)	(4 193,516)
	(11,948,193)	(10,147,901)
·	22,597,477	20,446,927

	2022 Rupees	2021 Rupees
18.1 Reconciliation of carrying amount of loans to executives: জান্তাক সক্ষেত্ৰজন জ		
But was the second of the seco	17,913,659	13.437,980
25 2 1 1 2 2 1 1 Disbursements during the year	7,300,227	14,573,000
Repayments during the year	(9,399,619)	(10,097,321)
De la companya de la	15,814,257	17,913,659
•		

- Maximum aggregate balance due from executives at the end of any month during the year was Rupees 19.063 million (2021; Rupees 22.026 million).
- These represent motor vehicle loans and house building loans to executives (including executive directors) and employees, payable in 24 to 60 and 96 to 120 monthly instalments respectively. Interest on long term loans ranged from 4.13% to 15.30% (2021: 4.01% to 10.02%) per annum while some loans are interest free. Motor vehicle loans are secured against registration of cars in the name of the respective Group Company, whereas house building loans are secured against balance standing to the credit of employee in the provident fund trust account.
- These include house building loans to Ms. Nadia Bilal director of the Holding Company and Mr. Farrukh Ifzai, chief executive of Nishat Chunian Power Limited Subsidiary Company which was given before her / his appointment as a director / chief executive. Maximum aggregate balance due from Ms. Nadia Bilal director and Mr. Farrukh Ifzai chief executive at the end of any month during the year was Rupees 4.494 million and Rupees 2.307 million.
- 18.5 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 (2).

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		and Af ilia. Tanàna amin'ny faritr'ora ny taona 2001	Rupees	Rupees
19.	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores	• •	1,654,763,893	1,597,424,251
	Spare parts		735,933,532	708,227.803
	Loose tools		51,089,535	45,272,049
			2,441,786,960	2,350,924,103

These include stores in transit of Rupees 47,969 million (2021; Rupees Nil) of Nishat Chunian Power Limited - Subsidiary Company, Most of the items of stores and spares of Nishat Chunian Power Limited - Subsidiary Company are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

		2022 Rupees	Rupees
0.	STOCK-IN-TRADE		
	Raw materials	15,769,926,038	13,413,319,834
	Work-in-process (Note 20.2)	2,378,018,568	2,081,215,813
	Finished goods (Note 20.3)	4,908,924,263	3,919,731.082
	Vvaste	420,199,392	76,861,237
		23,477,068.261	19,491,127,966

- 20.1 Stock-in-trade of Rupees 467,995 million (2021 Rupees 152,551 million) is being carried at net realizable value.
- 20.2 This includes stock of Rupees 0.371 million (2021) Rupees 170.819 million (sent to outside parties for processing.
- 20.3 Finished goods include stock in transit of Rupees 515 715 million (2021: Rupees 971,128 million).

2021

	Rupees	Rupees
21.6 Allowance for expected credit losses		
解析	6.774,524	11,268
Recognized during the year (Note 32)	78,048,259	6,763,256
Little Line ing balance	84,822,783	6,774,524

2022

e includes 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 4.50% compounded semi-annually is charged during the year ended 30 June 2022 on the amounts not paid within due date, before the receipt of second installment of outstanding receivables as disclosed in note 1.1(b). After the receipt of second installment, delayed payment mark-up at the rate of three months KIBOR plus 2.00% per annum for first sixty days and three months KIBOR plus 4.50% per annum after first sixty days, each compounded semi-annually, 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 19.53% (2021: 11.53% to 18.41%) per annum. Trade debts include unbilled receivables of Rupees 635.516 million (2021: Rupees 1,621.128 million).

21.8 Prior to the signing of the 'Master Agreement' and 'PPA Amendment Agreement' as referred to in note 1.1(b) to these consolidated financial statements, and around 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 right-availability of fuel owing to non-payment by Power Purchaser.

Since management of Nishat Chunan, Power Limited - Subsidiary Company 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 Nishat Chunian Power Limited - Subsidiary Company cannot be penalized in the form of payment deductions due to Power Purchaser's default of making timely payments under the PPA. Hence, Nishat Chunian Power Limited - Subsidiary Company took up this size 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 Nishat Chunian Power Limited - Subsidiary Company by Power Purchaser. Pursuant to the Expert's determination, Nishat Chunian Power Limited - Subsidiary Company demanded the payment of the aforesaid amount of Rupees 966.166 million from Power Purchaser. Nishat Chunian Power Limited - Subsidiary Company filed a request for arbitration in the London Court of International Arbitration ('LCIA'), whereby an Arbitrator was appointed.

On 29 October 2017, the Arbitrator declared his Final Award whereby he ordered Power Purchaser to pay to Nishat Chunian Power Limited - Subsidiary 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 Nishat Chunian Power Limited - Subsidiary Company's cost of proceedings: v) GBP 30,157 for Nishat Chunian Power Limited - Subsidiary 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"). On 29 November 2017, Nishat Chunian Power Limited - Subsidiary 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 905.166 million were not recognised in these consolidated financial statements.

On 11 February 2021, as part of the PPA Amendment Agreement as referred to in note 1.1(b) to these financial statements, the Power Purchaser and Nishat Chunian Power Emitted - Subsidiary Company acknowledged that the dispute relating to withheld capacity payment of Rupees 966.166 million which was awarded by ECIA, 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 which commenced on 20 July 2021 and ended on 04 October 2021. Consequently, the term of PPA has been extended by 75 days, till 04 October 2035. Further, Power Furchaser agreed to make certain payments to Nishat Chunian Power Emitted - Subsidiary Company, subject to certain terms, as compensation of the withheid capacity payments, in return, Nishat Chunian Power Limited - Subsidiary Company agreed to forge certain amounts declared under the Final Award as enumerated above. Further, subject to fulfilment of certain conditions, Nishat Chunian Power Limited - Subsidiary Company and Power Purchaser agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honorirable Lahore High Court.

Pursuant to the provisions of PPA Amendment Agreement as mentioned above, out of the recognised receivable of Rupees 966.166 million, Nishat Chunian Power Limited - Subsidiary Company has assessed that amounts aggregating Rupees 174.487 million were no longer recoverable and therefore written off during the financial year ended 30 June 2021. Remaining amount of Rupees 791.679 million has been dury verified by the Power Purchaser and roceived by Nishat Chunian Power Limited - Subsidiary Company.

On 29 July 2017, Nishat Chunian Power Limited - Subsidiary 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 and other similar issues. On 25 July 2019, Final Partial Award was issued in favour of Nishat Chunian Power Limited - Subsidiary Company. On 12 September 2019, the Memorandum of Corrections to the Final Partial Award was issued which corrected the Final Partial Award to September 2019, the Arbitrator declared his Final Award whereby he ordered CPPA-G September 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.

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, Nishat Chunian Power Limited - Subsidiary 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 Nishat Chunian Power Limited - Subsidiary Company, as Nishat Chunian Power Limited - Subsidiary Company has not recognized the income and corresponding receivable for the said amounts on prudence basis.

	2022 Rupees	2021 Rupees
22. LOANS AND ADVANCES		
Considered good:		
Employees - interest free: - Executives	5.860.950	2,017,663
- Other employees	13,241,745	7,547,322
	19,102,695	9,564,985
Current portion of long term loans to employees (Note 18)	11,948,193	10,147,901
Advances to suppliers (Note 22.1)	2,192,295,647	3,173,084,719
Advances to contractors	3,584,677	1,156,837
Letters of credit	36,694,357	136,005,995
	2,263,625,569	3,329,960,437

- 22.1 It includes advances amounting to Rupees 9.235 million (2021; Rupees 3.075 million) to D.G. Khan Gement Company Limited related party. These are neither past due nor impaired.
- 22.1.1 The maximum aggregate amount of advances to related party at the end of any month during the year was as follows:

			2022 Rupees	2021 Rupees
	D.G. Khan Cement Company Limited		10,726,004	3,074.592
23.	SHORT TERM DEPOSITS AND PREPAYMENTS			-
	Margin against bank guarantees		26,356,000	11,032,000
	Prepayments	-	13,652,963 40,008,963	46,620,439 57,652,439
24.	OTHER RECEIVABLES	=		
	Considered good:			
	Sales tax recoverable		1,421,985,975	1,221,139,149
	Export rebate and claims		31,683,585	45,157,621
	Duty drawback receivable		116,304,233	375,202,146
	Fair value of forward exchange contracts		•	56,576,881
	Derivative financial instruments (Note 24.1)		7,776,329	•
	Receivable from employees' provident fund trust		110,289,698	101 101,822
	Recoverable from CPPA-G as pass through item:			
	Workers' profit participation fund (Note 24.2)		651,841,000	526,607,000
	Workers' welfare fund (Note 24.3)		192,395,000	142,301,000
	Private Power and infrastructure Board's fee		-	9,409,335
	Insurance claim receivable		104,803	8,037,430
	Miscellaneous		- 77,266,995 -	63,361,404
			2,609,647,618	2,549,893,788

This represents Pak Rupeos denominated interest rate swap the Holding Company entered into with two commercial banks. Under the terms of the Pak Rupeos denominated interest rate swap arrangement, the Holding Company pays fixed interest to the arranging banks on the notional Pak Rupeos amount for the purposes of the Pak Rupeos denominated interest rate swap and receives three months KIBCR floating rate interest from the arranging banks on the Rupeo amount. There has been no transfer of the interest payment has changed. The Pak Rupeos denominated interest rate was outstanding as at 30 June 2022 has been marked to market and the resulting gain or loss has been recognized in solidated statement of profit or loss.

	EBOK.	2022	2021
24.2	Mantena makik posticination fund	Rupees	Rupees
24.2	Workers' profit participation fund	£00 007 000	401,142,000
	Opening balance	526,607,000 125,234,000	125,465,000
	Add: Provision for the year	651,841,000	526,607,000
• • •	Closing balance	001,011,000	020/00///
24.3	Workers' welfare fund		00 445 000
	Opening balance	142,301,000	92,115,000
•	Add: Provision for the year	50,094,000 192,395,000	50,186,000 142,301,000
	Closing balance	192,393,000	142,301,000
25.	ADVANCE INCOME TAX - NET		
	Advance income tax	•	1,006,066,066
	Less: Provision for taxation		(674,306,049)
26.	SHORT TERM INVESTMENTS	-	331,760,017
20,	(137) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	40,000,000	
	Equity instrument (Note 26.1)	43,620,329 8,624,510,143	469,425,433
	Debt instruments (Note 26.2)	8,668,130,472	469,425,433
			100/120/100
26.1	Equity instrument		
	At fair value through profit or loss:		
	Investment by Nishat (Chunian) Limited - Holding Company Adamjee Life Assurance Company Limited - quoted	26,772,872	
	956,174 (2021; Nil) fully paid ordinary shares of Rupees 10 each Unrealised loss	(4,962,543)	
	Ontobiosa (Asa	21,810,329	
	Investment by Nishat Chunian Power Limited - Subsidiary Company		
	Adamjee Life Assurance Company Umited - quoted		
	956,174 (2021: Nil) fully paid ordinary shares of Rupees 10 each	26,773.000	-
	Unrealised loss	(4,963,000)	-
		21,610,000	
		43,620,329	
26.2	Debt instruments		
	At fair value through profit or loss:		
	Pakistan Investment Bends (Note 26.2.1)	2,923,927,000	_
	Government ijara Sukuks (Note 26.2.1)	2,923,744,000	-
		5.847,671,000	•
	At amortized cost:		
	Term deposit receipts (Note 26.2.2)	2,767,164,226	463,420,226
	Add. Accrued interest	9,674,917	6,005,207
		2.776,839,143	469,425,433
		8,624,510,143	469,425,433

28.3

26.2.1 Investment in Pakistan Investment Bonds carries effective interest rate of 15.65% per annum and having maturity date of 18 June 2030. Further, investment in Government Ijara Sukuks carries effective interest rate of 13.53% per annum and having maturity date of 27 April 2027. These have been classified as current assets based on management's intention to encash these investments within a period of 12 months from the year end. Subsequent to the year end, these investments have been encashed at Rupees 25.220 million.

Less includes deposits under lien with the banks of the Group against bank guarantees issued by the banks to Sui Northern Gas Programmes Limited against gas connections Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess, peral Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases. Interest on term deposit receipts ranges from 5.75% to 15.50% (2021: 4.78% to 13.00%) per annum. The maturity period of these term deposit receipts ranges from 04 days to 12 months.

		,		
			2022	2021
			Rupees	Rupees
27.	CASH AND BANK BALANCES			
	Cash with banks:			
	On saving accounts (Note 27.1) Including US\$ 11,805 (2021; US\$ 15,230)		3,411,719	300,165,493
	On current accounts		239,636,358	260 070 622
	Including US\$ 225,115 (2021: US\$ 45,998)			269,979,622
			243,048,077	570,145,115
	Cash in hand		5,742,150	3,629,050
			248,790,227	573,774,165
27.1	Rate of profit on saving accounts ranges from 4.00%	. to 12 25% (2021: 2 75% to 8 84%) ne	annum	
27.1	Tale of profit of saving accounts ranges from 4.50 %	(10 12 20 % (202): 2.15 % to 0.04 %) per	amon.	
			2022	2021
			Rupees	Rupees
28.	REVENUE	18 No.		
	Revenue from contracts with customers:			
	- Export sales (Note 28.1)	***	49,864,659,077	24,791,960,310
	- Local sales (Note 28.2 and 28.2.1)		37,859,217,102	36,040,752,957
	- Processing income (Note 29.3)	· .	221,842,528	202,587,634
		•	57,945,718,707	61,035,300,901
	Export rebate		80,065,532	66,351,147
	Duty drawback			374,168,469
		· .	88,025,787,239	61,475,820,517
28.1	These include sales of Rupees 22,214.601 million masales are net of sales tax amounting to Rupees 3,776		purchase orders (S	POs). Further, such
			2022	2021
28.2	Local sales		Rupees	Rupees
	Saies		43,590,322,671	41,427,709,332
	Less: Sales tax		(5,631,029,841)	(5,146,801,696)
	Less: Discount		(100,075,728)	(240, 154, 679)
			37,859,217,102	36,040,752,957
		===		

28.2.1 Local sales includes waste sales of Rupees 1,029.773 million (2021: Rupees 1,399.001 million).

Processing income is net of sales tax amounting to Rupees 37.713 million (2021: Rupees 34.440 million).

28.4 The amount of Rupees 186.609 million includes incontract Rabilities (Note 8) at 30 June 2021 has been recognized as revenue during the year ended 30 June 2022 (2021: Rupees 140 649 million).

5 Disaggregation of revenue from contracts with sustainers

in the following table, revenue from contracts with customers is dissupregated by primary geographical marker, major employs and service lines and timing of revenue recognitions

Description .	> Sprinning		YVeav	ing	Processing and	Home Textile	Power Gen	eration	Tota	d
Description	2022	2021	2022	2021	2022	2021	2022	2021	2072	-2021
		Regarding to the second		~	Rup	ees				
Region		19 ²⁷ ≀.a.								
Europe	367,586,018	£26, 682,00?	436,421,126	415,157,533	7,799,152,167	6,265,657,424		•	8,597,161,311	6,809,796.964
United States of America and Canada	•	9,529,476	383,003,507	275,776,932	5,025,972,907	5,928,084,375	-	-	5,408,975,514	6,213,790,683
Asia, Africa, Australia	10,532,664,146	10,217,427,896	745,275.602	668,580,177	3,228,210,800	2,945,604,757			14,506,150,548	13,831,612,630
Pakistan	26,327,362,515	17,209,572,848	5,851,691,090	3,132,571,642	1,380,355,291	1,709,392,032	25,652,178,910	11,925,976,469	59,211,588,806	33,977,512,991
Processing Income		1,000,580 ¢	59,279,196	1,231,451	162,563,332	200,355,603	•	•	221,842,528	202,587,634
Rebate	-	-	786,809	404,505	79,281,723	65,946,541	-		80,068,532	65,351,146
Duty drawback	-				-	374,168,469			-	374,158,469
•	37,227,614,679	27,586,912,507	7,470,45%,300	4,493,722,340	17,575,536,320	17,489,209,201	25,652,178,910	11,925,975,469	88,325,787,239	61,475,820,517
Timing of revenue recognition			100	A.,		<u></u>				,
Products and services transferred at a point in time	37,227,614,679	27,556,912,507	्ः 7,470,457,330		17,675,535,320	17,489,209,201	23,268,117,910	9,240,750,469	85,641,726,239	58,790,594,517
Products and services transferred over time	-	-		43		-	2,384,061,000	2,685,226,000	2,384,051,000	2,685,226,000
45	37,227,614,679	27,556,912,507	7,470,457,329	4,493,722,340	17,675.536,320	17,489,209,201	25,552,178,910	11,925,976,469	88,025,787,239	61,475.820 517
Major products / service lines										
Yarn	36,353,971,393	25,321,045,054	105,634,298	56,378,166	421,317,550	1,129,292,907			36,880,923,241	27,506,719,127
Comber not	873,643,286	1,245,864,453					-	-	873,643,286	1,245,864,453
Grey cloth			7,308,543,836	4,437,344,174					7,305,543,836	4,437,344,174
Process cioto			59 279 196		3,578,752,243	2,564,975,748		-	3,138,031,439	2,664,975,74
Made ups				-	14,175,456,527	13,694,940,546	-		14,175,466,527	13,594,940,548
Electricity							25,651,548.887	11,925,975,469	25,651,548,887	11,925,979,469
Fiv ash	-	•					630,023	-	630,021	
	37 227,614,679	27,556,912,507	7,470,457,330	4,493,722,340	17,675,536 320	17,489,209,201	25,652,176,910	11,928,976,469	85,025,787,239	61,475,820,51

28.6 Revenue is mainly recognised at point in time as per the terms and conditions of underlying contracts with customers

30.

		2022	2021
	•	Rupees	Rupees
29.	COST OF SALES		
	Raw materials consumed	58,565,490,470	36,650,242,048
	materials consumed	1,61 6 ,458,458	1,488,636,510
	Stries, spare parts and loose tools consumed	1,264,653,733	862,348,430
ALC: NO.	it Processing charges	259,873,680	183,820,280
35	The States, wages and other benefits (Note 29.1)	3,307,742,216	3,066,508,242
	Agrand power	4,567,651,058	3,387,268,587
	Fee and subscription	4,296,000	3,971,000
	Insurance	349,002,261	335,217,281
	Postage and telephone	4,630,757	4,292,986
	Travelling and conveyance	33,104,212	24,179,257
	Vehicles' running and maintenance	37,549,053	31,549,842
	Entertainment	16,881,804	13,528,831
	Electricity consumed in-house	14,839,000	19,577,000
	Amortization on intangible assets (Note 17.1)	604,000	3,613,000
	Depreciation on operating fixed assets (Note 15.1.2)	2,123,312,195	1,946,021,414
	Repair and maintenance	569,182,416	472,220,898
	Other factory overheads	146,945,927	130,361,632
		72,882,227,240	48,623,357,238
	Work-in-process		·
	Add: Opening stock	2,081,215,813	1,131,081,567
	Less: Closing stock	(2,378,018,568)	(2,081,215,813)
		(296,802,755)	(950,134,246)
	Cost of goods manufactured	72,585,424,485	47,673,222,992
	Add: Finished goods and waste - opening stocks	2.040.724.002	4,686,520,337
	Finished goods	3,919,731,082	
	Waste	76,861,237	175,341,896
		3,996,592,319	4,861,862,233
		76,582,016,804	52,535,085,225
	Less: Finished goods and waste - closing stocks	(4.000.004.353)	/2 040 724 0020
	Finished goods	(4,908,924,263)	(3,919,731,082)
	Waste	(420,199,392)	(76,861,237)
		(5,329,123,655)	(3.996,592,319)
		71,252,893,149	48,538,492,906

29.1 Salaries, wages and other benefits include Rupees 34.137 million (2021; Rupees 28.016 million) and Rupees 102.565 million (2021; Rupees 90.528 million) in respect of accumulating compensated absences and provident funds contributions by the Group respectively.

		2022 Rupees	2021 Rupees
DISTRIBUTION COST			
Salaries and other benefits (Note 30.1)		192,694,015	146,527,941
Ocean freight		514,334,691	246,204,997
Freight and octroi	·	332,593,677	256,606,913
Forwarding and other expenses		121,454,403	118,683,032
Local marketing expenses		16,055,808	7,860,993
Export marketing expenses		258,023,142	145,232,053
Commission to selling agents		352,449,643	275,398,591
Rent, rates and taxes		39,177,783	52,584,292
Printing and stationery		168,444	234,930
Travelling and conveyance		1,097,779	1,654,928
Postage and terephone		8,324,925	7,697,497
Legal and professional		2,939,611	2,738,945
Repair and maintenance		597,286	1,766,550
Electricity and sui gas		4,666,719	3,214,758
Entertainment		1,405,091	1,077,372
Depreciation on right-of-use assets (Note 16)		48,939,254	46 836,916
Miscellaneous		4,368,604	2,953.465
		1,899,290,875 -	1,317,274,173

经济河南	2022	2021
	Rupees	Rupees
TATOMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 31.1)	463,599,977	284,537,925
Printing and stationery	7,695,267	4,901,540
Vehicles' running and maintenance	6,870,663	3,249,909
Travelling and conveyance	28,294,490	11,704,912
Postage and telephone	8,528,354	5,234,735
Fee and subscription	7,824,078	9,185,875
Legal and professional (Note 31.2)	108,058,809	83,319,809
Electricity and sui gas	5,982,442	3,333,634
Insurance % & &	6,849,954	7,428,080
Repair and maintenance	20,842,807	19,856,422
Entertainment	10,775,631	8,174,902
Advertisement	134,000	161,000
Depreciation on operating fixed assets (Note 15.1.2)	21,119,856	17,860,985
Amortization on intangible assets (Note 17/1)	233,626	132,399
Miscellaneous	10,932,251	24,365,023
	707,742,205	483,447,150

31.1 Salaries and other benefits include Rupees 2.299 million (2021: Rupees 0.388 million) and Rupees 7.868 million (2021: Rupees 6.141 million) in respect of accumulating compensated absences and provident fund contribution by the Group respectively.

31.2 Legal and professional charges include the following in respect of auditor's remuneration:

		A. Alja	2022	2021
			Rupees	Rupees
				,
	Audit fee		4,837,053	4,170,048
	Special audit fee		1,474,695	-
	Haif yearly review		1,720,850	1,672,850
	Certification fees		521,335	380,317
	Reimbursable expenses		322,636	277,124
			8,876,569	6,500,339
2.	OTHER EXPENSES			
	Workers' profit participation func		428,478.680	338,123,188
	Workers' welfare fund		602.173	20,588,196
	Donations (Note 32.1)		538.366,955	4,973.517
	Operating fixed assets written off		15,254,855	
	Exchange loss		-	• -
	Export rebate receivable written off		7,444,410	-
	Loss on disposal of Pakistan Investment Bonds and Government Ijara Su	kuks	19,300,000	-
	Unrealised loss on re-measurement of investment at fair value through pr	ofit or loss	9,925,543	-
	Trade debt written off (Note 21.8)		-	174,487,000
	Allowance for expected credit losses (Note 21.6)		78,048,259	6,763,256
	Missellaneous		2,703	1,552,554
			1,097,423,578	515,487,711
	·	==		

32.1 These include donations amounting to Rupees 5.796 million (2021 Rupees 4.354 million) to Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore in which Mr. Shahzad Saleem, Chief Executive and Mr. Aftab Ahmad Khan, Director are trustees and Rupees 527,500 million to Saleem Memorial Trust hospital, 31-Q, Gulberg II Lahore in which Mr. Shahzad Saleem, Chief Executive, Mr. Zain Shahzad, Director and Mr. Faisat Farid, Director are members of board of directors.

THE INCOME	2022 Rupees	2021 Rupees
Income from financial assets		
Return on bank deposits Return on term deposit receipts	2,330,126 36,308,642	6,777,678 7,726,997
Gain on disposal of Government Treasury Bills Net exchange gain	19,548,000 369,911,856	619,619,238
Income from non-financial assets		•
Gain on sale of operating fixed assets (Note 15.1.1) Insurance claim	59,275,638 4, 986,000	21,702,434 -
Sale of scrap Amotization of deferred income - Government grant (Note 8.2) Gain on initial recognition of GIDC payable at amortized cost	242,393,735 95,948,066 -	138,175,616 52,395,034 38,282,637
Gain on termination of teases Miscellaneous	918,309 27,583,889 859,204,261	15,212,265 899,891,899
34. FINANCE COST		
Mark-up on:		
 long term loans long term musharaka shon term running finances export finances - Preshipment / SBP refinances short term finances 	710,401,307 91,659,632 1,304,092,241 239,287,410 651,527,419	453,897,104 24,050,548 1,261,224,717 386,284,259 436,048,496
Interest on derivative financial instruments - net Adjustment due to impact of IFRS9 on GIDC (Note 2.1) interest expense on lease liabilities (Note 7.1) Interest on workers' profit participation fund (Note 9.5)	3,491,809 12,513,129 11,558,235 20,851,237	17,603,451 25,501,528 12,057,781 1,109,143
Bank charges and commission	149,379,629 3,194,762,048	141.004,482 2,758,781,509
35. TAXATION		
Current	881,527,308	674,617,934
36. EARNINGS PER SHARE - BASIC AND DILUTED	2022	2021
Profit after taxation attributable to shareholders of the Holding Company (Rupees)	8,626 _, 151,313	6,857,193,442
Weighted average number of ordinary shares outstanding during the year (Number)	240,119,029	240,119,029
Basic earnings per share (Rupees)	35.92	28.56

			2022 Rupees	2021 Rupe es
	1		Mupaca	, report
	SH GENERATED FROM OPERATIONS			
# 51 71 * -L	Profit before taxation	-	10,732,879,645	. 8,761,228,967
	Adjustments for non-cash charges and other items:			
	Depreciation on operating fixed assets		2,144,432,051	1,963,882,399
	Depreciation on right-of-use assets		48,939,254	46,836,916
	Amortization on intangible assets		837,626	3,745,399
	Gain on sale of property plant and equipment		(59,275,638)	(21,702,434)
	Operating fixed assets written off		15,254,855	•
	Finance cost		3,194,762,048	2,758,781,509
	Return on bank deposits		(2,330,126)	(6,777,678)
	Return on term deposit receipts		(36,308,642)	(7,726,997)
	Gain on disposal of Government Treasury Bills		(19,548,000)	-
	Amortization of deferred income - Government grant		(95,948,066)	(52,395,034)
	Gain on initial recognition of GIDC payable at an ortized cost			(38,282,637)
	Trade debt written off		-	174,487,000
	Exchange gain - net		(359,911,856)	(619,619,238)
	Allowance for expected credit losses		78,048,259	6,763,256
	Export rebate receivable written off		7,444,410	-
	Loss on disposal of Pakistan Investment Bonds and Government	ljera Sukuks	19,300,000	-
	Unrealised loss on re-measurement of investment at fair value that	ough profit or loss	9,925,543	-
	Gain on termination of leases		(918,309)	-
	Provision for workers' profit participation fund		428,478,680	308.123,188
	Provision for workers' welfare fund	C per	602,173	20,588,196
	Working capital changes (Note 37.1)		2,859,033,851	(4,839,780,355)
			18,955,697,758	8,458,152,457
37.1	Working capital changes			
	(Increase) / decrease in current assets.			
	Stores, spare parts and loose tools		(90,862.857)	(75,319,125)
	Stock-in-trade		(3,985,940,295)	567.376,515
	Trade debts		5.864,110,059	(3.414,462,748)
	coans and advances		1,068,135,160	(2.105,554,687)
	Short term deposits and prepayments		17,643,476	(527,059)
	Other receivables		108,129,760	(121,010,345)
	· · · · · · · · · · · · · · · · · · ·	_	2,981,215,303	(5,149,497,449)
	(Decrease) / increase in trade and other payables		(122,181,452)	309,717,094
		_	2,859,033,851	(4,839,780,355)

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REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these consolidated financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Holding Company is as follows:

	Chief Execu	itive	Directo	or	Executive	\$
	2022	2021	2022	2021	2022	2021
	(<u> </u>		Ru	pecs		
Managerial remuneration	28,219,538	21,731,872	5,994,200	4,000,000	119,695,799	88,257,419
Contribution to provident fund	· · ·	-	499,317	333,200	9,970,660	7,351,843
House rent	11,287,812	8,692,749	2,397,680	1,600,000	47,878,319	35,302,968
Utilities	2,821,944	2,173,187	599,420	400,000	11,969,580	8,825,742
Others		•	4,340,437	300,015	19,189,916	9,768,175
	42,329,292	32,597,808	13,831,054	6,633,215	208,704,274	149,506,147
Number of persons	1	1	2	1	57	46

- 38.1 The Holding Company provides to chief executive, directors and certain executives with free use of Holding Company maintained cars.
- 38.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2021; seven) directors was Rupees 580,000 (2021; Rupees 460,000).
- 38.3 No remuneration was paid to non-executive directors of the Holding Company.

TRANSACTIONS WITH RELATED PARTIES.

Related parties comprise associated undertakings, other related companies, key management personnel and post employment benefit plan. The Group in the normal course of business carried out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	2022 Rupees	2021 Rupees
Saleem Memorial Trust Hospital - associated company		
Donation given by the Group	S _{eff} 527,500,000	, •
Nishat Mills Limited - related party		
Sale of gccds	4,102,957,522	2,078,165,714
Purchase of goods	270,317,955	480,701,406
Dividend paid	261,514,704	32,689,338
D.G. Khan Cement Company Limited - related party		
Dividend paid	58,196,816	7.274,602
Purchase of goods	54,136,756	13,132,310
Mian Muhammad Yahya Trust - related party		
Donation given	5,796,955	4,353,517
Directors of the Holding Company		
Dividend paid	495,024,460	61,812,470
Adjustment of long term loan to executive director	223,310	-
Interest income on long term loan	90,571	÷
Consultancy charges	49,961,319	41,335,000
Key management personnel of Nishat Chunian Power Limited - subsidiary com	прагу	
Repayment of long term loan	692,620	674,000
Mark-up on-long term toan	91,203	138,000
Sale of vehicle and laptop	1,412,000	
Employees' Provident Fund Trusts - related party		
Group's contribution to employees' provident fund trusts	117,605,100	85,923,187
Detail of compensation to key management personnel comprising of chief executive	officer, directors and executives is disclosed in (Note 38).	_

- 39.2 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the year		Percentage of shareholding
		2022	2021	
A Security Limited	Shareholding in the Holding Company	Yes	v _{es}	None
Than Cement Company Limited	Shareholding in the Holding Company	Yes	Yes	None
Saleem Memorial Trust Hospital	Common directorship	Yes	Но	None
Pakgen Power Limited	Common directorship	No	No	None
Mian Muhammad Yahya Trust	Chief Executive and Director of the Holding Company are trustees	Yes	Yes	None
Nishal Energy Limited	Common directorship	No	No	None
Nishat Papers Products Company Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Holels and Properties Limited	Common directorship	No	No	None
Nishat (Raiwind) Hotels and Properties United	Common directorship	No	No	None
Nishat Hotels and Properties Limited	Common directorship	No	No	None
Nishat Hospitality (Private) Limited	Common directorship	No	No	None
National Investment Trust Limited	Common directorship	No	Но	None
Imperial Textile Mills Limited	ောက်မှုတွင် directorship	.No	No	None
Maxim Agri (Private) Limited	Common discoorship	No	No	None
Quid-e-Azam Thermal Power (Private) Limited	Common directorship	No	No	None
Lalpir Power Limited	Common directors list	No	No	None
Security General Insurance Company Limited	Common directorship	No	No	None
DL Nash (Private) Limited	Common directorship	No	No	None
Laipir Solar Power (Private; Limited	Common directorship	No	No	None
Nishat Real Estate Development Company (Private) Limited	Common directorship	No	No	None
Employees Provident Funds	Post-employment benefit plans	Yes	Yes	None

40. PROVIDENT FUND

41.

Nishat (Chunian) Limited - the Holding Company

As at the reporting date, Nishat (Chunian) Limited - Employees Provident Fund is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

Nishat Chunian Power Limited - Subsidiary Company

The investments by the provisions fund in collective investment schemes, taled 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.

2021

2022

NUMBER OF EMPLOYEES		
Number of employees as on 30 June	• 7,277	7,532
Average number of employees during the year	7,643	7,582

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_

		2022	2021
3. PLANT CAPACITY AND ACTUAL PRODU			
Nishat (Chunian) Limited - Holding Comp	pary		
社会知道ing 上述的er of spindles installed 上述的er of spindles worked 上述的erity after conversion into 20/1 count (K 上述的 production of yarn after conversion in		219,528 206,221 80,008,821 78,893,713	223,668 211,567 80,813,152 79,449,352
	due to normal maintenance and time lost in st	niffing of coarser count	ts to finer counts
and vice versa.			
Weaving Number of looms installed		379	379
Number of looms worked		379	379
Capacity after conversion into 50 picks - squ		345,597,351	345,597,351
Actual production after conversion into 50 pi		256,118,920	300,663,935
Under utilization of available capacity was de	ue to the following reasons:		
- change of articles required			
 higher count and cover factor due to normal maintenance 			
Power plant			
Number of engines installed		19	17
Number of engines worked	<u>수</u> 있 _	19	17
Generation capacity (KWh)	Control of the second of the s	334,953,000	343,830,000
Actual generation (KWh)		81,686,559	31,528,200
Under utilization of available capacity was du	* VF 1.24		
Process steam and coal fired power gene	eration plant (46 MW)	7	
Installed		1	1
Worked Number of shifts per day	S. A. Carrier and C.	1	1
Generation capacity (KWh)	• • • • • • • • • • • • • • • • • • •	404,064,000	404,064,000
Actual generation (KWh)	•	191,204,000	291,872,000
Dyeing			
Number of thermosol dyeing machines		1	1 .
Number of stenters machines		5	4
Capacity in meters		54,600,000	36,590,000
Actual processing of fabrics - meters	o to normal maintenance and demand	48,532,979	36,256, 326
Under utilization of available capacity was du	e to normal maintenance and demand.		
Printing			1
Number of printing machines Capacity in meters		10,800,000	10,800,000
Actual processing of fabrics - meters		7,991,733	9,711,359
Under utilization of available capacity was due	e to normal maintenance and demand.	. ; 1. **	,
Digital printing	5 to 1017 Mi Haghoron 35 and 36 marks		
Number of printing machines		5	5
Capacity in meters		9,125,000	9,125,000
Actual processing of fabrics - meters		2,454,445	3,698,556
Stitching			
	nable due to multi product plant involving varyi	ng run length of order i	ots
Nishat Chunian Power Limited - Subsidiary		-	
Installed capacity [based on 8.760 hours (202		1,714,525	1,714,525
Actual energy delivered - MWH	a	882,453	537,568
Output produced by the plant is dependent on	the load demanded by CPPA-G and plant ava	ilability.	

44. INTERESTS IN OTHER ENTITIES

44.1 Non-controlling interests (NCI)

set below is summarised financial information for Nishat Chunian Power Limited - Subsidiary Company that has non-controlling set that are material to the Group. The amounts disclosed for Subsidiary Company are before inter-company eliminations.

	2022 Rupees	2021 Rupees
Summarised balance sheet		
Current assets	26,620,503,000	23,236,819,000
Current liabilities	12,103,625,000	11,602,952,000
Current net assets	14,516,878,000	11,633,867,000
Non-current assets	9,462,085,000	9,858,654,000
Non-current liabilities		17,291,000
Non-current net assets	9,462,085,000	9,841,363,000
Net assets	23,978,963,000	21,475,230,000
Accumulated non-controlling interest	11,738,807,602	10,513,606,578
Summarised statement of comprehensive income		
Revenue	25,415,977,000	11,643,346,000
Profit for the year	2,503,733,000	2,509,290,000
Other comprehensive income	<u></u>	
Total comprehensive income	2,503,733,000	2,509,290,000
Profit allocated to non-controlling interest	1,225,201,024	1,229,417,591
Summarised cash flows		
Cash flows from operating activities	7,768,612,000	1,610,960,000
Cash flows used in investing activities	(8,838,062,000)	(394,481,000)
Cash flows used in financing activities	(36,328,000)	(1,238,728,000)
Net decrease in cash and cash equivalents	(1,105,778,000)	(22,249,000)

45. FINANCIAL RISK MANAGEMENT

45.1 Financial risk factors

The Group'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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance departments of the Group Companies under policies approved by the respective Board of Directors. The finance departments evaluate and hedges financial risks. The Board of each Group Company 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, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(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 Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, British Pound Sterling (GBP) and Swiss Franc (CHF). Currently, the Group's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2022	2021
Cash at banks - USD	236,920	61,228
Trade debts - USD	23,197,639	28,316,239
Trade debts - EURO	1,242,206	1,895,597
Trade debts - GBP	92,136	1,188,591
Trade and other payables - USD	(655,813)	(746,098)
Trade and other payables - EURO	(22,835)	(69,234)
Trade and other payables - CHF	(370)	-
Trade and other payables - GBP	•	(14,840)
Short term borrowings - USD	•	(9,766,626)
Accrued mark-up - USD	-	(29,556)
Net exposure - USD	22,778,746	17,835,187
Net exposure - EURO	1,219,371	1,826,363
Net exposure - CH분	(370)	-
Net exposure - GBP	92,136	1,173,751
The following significari exchange rates were applied during the year:		•
Rupees per US Dollar 💨		
Average rate	179.29	159.81
Reporting date rate	202.50	157.80
Rupees per EURO		
Average rate	199,13	191.29
Reporting date rate	212.00	188.12
Rupees per GBP		
Average rate	235.07	216.28
Reporting date rate	246.00	218,58
Rupees per CHF		
Average rate	190.59	174.46
Reporting date rate	210.24	168,81
Compute the products		

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, GBP and CHF with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 230.331 million (2021; Rupees 160.483 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, 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 instrument traded in the market. The Group is not exposed to commodity price risks.

Sensitivity analysis

The table below summanzes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's profit after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

Index		Impact on profit after taxation	
· · · · · · · · · · · · · · · · · · ·		2022	2021
		Rupees	Rupees
PSX Index (5% increase)		2,181,016	
PSX Index (5% decrease)	•	(2,181,016)	

(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 Group has no significant interest-bearing assets except long term loans to employees, overdue trade debts of Nishat Chunian Power Limited - Subsidiary Company, short term investments (debt instruments) and bank balances in saving and deposit accounts. The Group's interest rate risk mainly arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

At the reporting date the interest rate profile of the cloudy of interest of the	2022	2021
	Rupees	Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	6,591,645,578	5,435,261,486
Short term borrowings	9,211,091,253	9,211,091,253
·	15,802,736,831	14,646,352,739
Financial assets		
Long term loans to employees	28,520,724	23,335,096
Trade debts - past due	4,751,628,000	13,317,810,000
Short term investments	8,614,835,226	463,420,226
	13,394,983,950	13,804,565,322
Net exposure	(2,407,752,881)	(841,787,417)
Floating rate instruments		
Financial assets		
Long term loans to employees	6,024,946	7,259,732
Bank balances - saving accounts	3,411,719	300,165,493
	9,436,665	307,425,225
Financial liabilities		
Long term financing	8,572,804,212	3,325,119,333
Short term borrowings	14,584,644,644	19,873,188,342
	23,157,448,856	23,198,307,675
Net exposure	(23,148,012,191)	(22,890,882,450)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss except PIBs and Sukuks acquired on 30 June 2022. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 219,906 million (2021; Rupees 217,463 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one pany 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:

	2022 Rupees	2021 Rupees
Long term security depos ts	30.834.231	30 557,609
Trade debts	21,415,577,350	26,987 823,812
Loans and advances (including long term loans to employees)	53,648,365	40,159,813
Short term deposits	26,356,000	11,032,000
Other receivables	929,384.127	806,293,050
Short term investments	8,668,130,472	469,425,433
Bank balances	243,048,077	570,145,115
	31,366.978,622	28,915,446,832

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

I EM	[Rating	_	2022	2021
.E. 後	Short Term	Long term	Agency	Rupees	Rupees
enks					
∰ ∰Baraka Bank (Pakistan) Limited	A-1	A+	VIS	1,661,254	1,702,63
se. Askari Bank Limited	A1+	AA+	PACRA	1,208,030	15,00
Allied Bank Limited	A1+	AAA	PACRA	38,882	
ank Alfalah Limiled	A1+	,\$A+	PACRA	5,176,451	1,864,9
lank Al-Habib Limited	A1+	AAA	PACRA	66,283	1,539,1
lank Islami Pakistan Limited	Af	A+	PACRA	758,760	2,0
ubai Islamic Bank (Pakistan) Limited	A-1+	AA	VIS	1,099,378	1,212,6
aysal Bank Limited	A1+	AA	PACRA	104,292	69,27
abib Bank Limited	A-1+	AAA	vis	38,253,268	8,924,61
idustrial and Commercial Bank of China Limited	P-1	A1	Moody's	99,278	331,80
S Bank Limited	A1+	AA-	PACRA	625,320	511,33
CB Bank Limited	A1+	AAA	FACRA	155,804,572	47,957,45
eezan Bank Limited	A-1+	AAA	VIS	12,113,467	200,741,50
alional Bank of Pakistan	A+	AAA	PACRA	2,612,126	297,914,53
amba Bank Limited	A-1	AA	VIS	-	112,82
andard Chartered Bank (Pakistan) Limited	OT A1+	AAA	PACRA	297,930	232,72
e Bank of Punjab	بريم A1+	AA+	PACRA	816,222	892,22
nited Bank Limited	^~~	AAA	VIS	3,661,759	2,814,24
Morgan Chase Bank, N.A.		Not available		35,891	27,96
abib American Bank		Not available	•	10,475,290	3,278,24
elis Fargo Bank, N.A.	A STATE OF THE STA	Not available		8,139,654	1,2,1,2,
	**	- 199 - 270		243,048,077	570,145,11
ort term investments					
nk Islami Pakistan Limited	A1	47.	PACRA	21,046,544	21,351,808
pai Islamic Bank Pakistan Limited	A-1+	AA	VIS	15,725,599	15,971,666
oib Bank Limited	A-1+	AAA	VIS	315,294,000	311,931,000
Bank of Punjab	A1+	AA+	PACRA		120,170,959
te Bank of Pakistan		Not available		5,647,571,000	•
ed Bank Limited	A1+	AAA	PACEA	2,424,773,000	-
imjee Life Assurance Company Limited	A+		PACRA	43,620,329	
8				8,665,130,472	469,425,433
de debts - CPPA-G		Nor available		8,705,605,000	4,921,446.000
			•	17,616,783.549	5.961,016,548

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

Trade Debts

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts other than those due from Government of Pakistan.

Liquidity risk

(c)

Elaufdity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2022, the Group had Rupees 30,276 million (2021; Rupees 26,999 million) available borrowing limits from financial institutions and Rupees 248,790 million (2021; Rupees 573,774 million) cash and bank balances. The management believes the liquidity risk to be tow. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

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	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
優 · · · · · ·			Ru	ees		
Don-derivative financial liabilities	:					
ang term financing	15,154,449,790	22,125,213,668	1,443,979,416	1,102,355,979	2,978,470,189	16,600,408,084
Hase liabilities	90,649,683	110,115,330	25 456,747	18 022 544	35,564,384	31,071,655
Trade and other payables	3,172,744,669	3,1/2,744,689	3,172,744,689	•	•	• -
Short term borrowings	23,795,735,897	24,696,119,492	17,757,392,492	6,938,727,000	-	-
Accrued mark-up / profit	715,241,848	715,241,848	715,241,848	•	•	-
Unclaimed dividend	80,295,091	80,295,091	80,295,091	•	-	•
Derivative financial liabilities	154,046,505	154,046,505	154,046,505		-	•
	43,173,163,503	51,053,776,623	23,349,156,788	8,059,105,523	3,014,034,573	16,631,479,739

Contractual maturities of financial liabilities as at 30 June 2021.

£	Carrying Amount	Contractual cash	6 months or less	6-12 months	1-2 Year	More than 2 Years
i de la companya de La companya de la co			Rup	ees		•••••
Non-derivative financial liabiliti						
Long term financing	8,750,380,819	9,961,795,133	1,366,842,967	1,218,758,646	2,297,023,685	5,079,169,835
Lease liabilities	120,281,507	140,205,607	28,070,945	28,174,408	38,665,927	45,294,327
Trade and other payables	3,705,241,604	3,705,241,504	3,705,241,5(14	-	•	-
Short term borrowings	29,084,279,595	29,599,785,515	25,140,150,680	3,459,635,835		-
Accrued mark-up / profit	514,554,913	S 514,554,913	514,554,913	-	-	-
Unclaimed dividend	68,194,087	68,194,087	68,194,087	-	-	•
Derivative financial liabilities	3,884,821	3,884,821	3,884,821	•	-	-
	42,257,417,246	43,993,662,580	31,826,939,917	4,706,568,889	2,335,689,512	5,124,464,162

The contractual cash flows relating to the above linancial liabilities have been determined on the basis of interest rates / mark up rates effective as at reporting date. The rates of interest / mark up have been disclosed in note 6, note 7 and note 11 to these consolidated financial statements.

45.2 Financial instruments by categories

Assets as per consolidated statement of financial position

	202	2022		2021	
	At amortized cost	At FVTPL	At amortized cost	At FVTPL	
	Rupees	Rupees	Rupees	Rupees	
Long term security deposits	33,834,231		30,567,609		
rade debts	21,415,577,350	•	26,987,823,812		
Loans and advances (including long term loans to employees)	53,648,366		40,159,813	-	
Short term deposits	26,356,000	• •	11,032,000	-	
Other receivables	921,607,798	7,776,329	749,716,169	56,576,881	
Short term investments	2,776,839,143	5,891,291,329	469,425,433		
Cash and bank balances	248,790,227		573,774,165		
	25,473,653,114	5,899,067,658	28.862,499.001	56.576,881	
	2022		2021		
	At amortized cost	At FVTPL	At amortized cost	At FVTPL	
	Rupees	Rupees	Rupees	Rupees	
Liabilities as per consolidated statement of financial position					
Long term financing	15,164,449,790		8,750,380,819	•	
Lease flabilities	90,649,683		120,881,507		
Trade and other payables	3,172,744,689	154,046,505	3,705,241,504	3,884,821	
Accrued mark-up / profit	715,241,848	•	514,554,913	-	
Short term borrowings	23,795,735,897	•	29,084,279,595		
Unclaimed dividend	80,295,091	-	58,194,087		
	43,019,116,998	154,046,505	42,253,532,425	3,884,821	

Long term security deposits

Trade debts

Loans and advances (including long term loans to employees)

Short term deposits and prepayments

Other receivables

Short term investments

Cash and bank balances

Liabifities
Long term financing

Lease liabilities
Trade and other payables
Accrued mark-up / profit

Short term borrowings

Unclaimed dividend

Assets

Long term security deposits

Trade debis

Loans and advances (including long term loans to employees)

Short term deposits and prepayments

Other receivables

Short term investments

Cash and bank balances

Liabilities

Long term financing

Lease liabilities

Trace and other payables

Accrued mark-up / profit Short term borrowings

Unclaimed dividend

45.4 Offsetting financial assets and financial liabilities

Oliversity Constitution of the Constitution of

	2022	
Financial assets	Non-financial assets	Assets as per consolidated statement of financial position

--- Rupees ------

30.834,231		30,834,231
21,415,577,350	.	21,415,577,350
53,648,365	2,209,977,204	2,263,625,569
26,356,000	13,652,963	40,008,963
929,384,127	1,680,263,491	2,609,647,618
8,668,130,472	-	8,668,130,472
248,790.227	·	248,790,227
31,372,720,772	3,903,893,658	35,276,614,430

	2022	
Financial Jiabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
Rupees	Rupees	Rupees
15,164,449,790		15,164,449,790
90,649,683		90,649,683
3,326,791,194	2,252,375,425	5,579,166,619
715,241,848	•	715,241,848
23,795,735,897	-	23,795,735,897
80,295,091	·	80,295,091
43,173,153,503	2,252,375,425	45, 425, 538, 928

i		2021	
	Financial assets	Financial assets Non-financial assets	
	Rupees	Rupees	Rupees
	30,567,609		30,567,609
	28,987,823.812	-	26,987,823,812
-	40,159,813	3,289,800,624	3,329,960,437
		46,620,439	57,652,439
	856,203,050	1,743,600,738	2,549,893,788
	460,425,433	-	469,425,433
	573,774,155	-	573,774,165
_	28,919,075,882	5,080,021,801	33,999,097,683

2021

Liabilitics as per

liabilities	liabilities	statement of financial position
Rupees		
8,760,380,819	-	8,760,380,819
120,881,507	-	120,881,507
3,709,126,325	1,695,936,084	5,405,062,409
514,554,913	-	514,554,913
29,084,279,595	•	29,084,279,595
68,194,087	-	68,194,087
42,257,417,246	1,695,936,084	43,953,353,330

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

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

residentents and estimates are made in determining the fair values of the financial instruments that are recognised and measured in the following three levels. An explanation of each level was underneath the table.

Level 1	Level 2	Level 3	Total
	Ru	pees	
43,620,329	-	-	43,620,329
-	5,847,671,000	-	5,847,671,000
	7,776,329		7,776,329
43,620,329	5,855,447,329	-	5,899,067,658
•	154,046,505	-	154,046,505
-	154,046,505	-	154,046,505
Level 1	Level 2	Level 3	Total
	Ruj	oees	
	·		
	56,576,881		56,576,881
on the second	56,576,881		56,576,881
	3,884,821	·	3,884,821
	3,884,821	-	3,884,821
	43,620,329	43,620,329 - 5,847,671,000 - 7,776,329 43,620,329 5,855,447,329 - 154,046,505 - 154,046,505 - 154,046,505 - Ruj - 56,576,881 - 56,576,881 - 3,884,821	

The above table does not include fair value information for financial assets and financial liabilities 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.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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 Group 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.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or self assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in note 6 and note 11 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2022	2021
Borrowings	Rupees	39,938,959,566	38,037,742,609
Total equity	Rupees	46,797,382,460	38,864,990,791
Total capital employed	Rupees	86,736,342,026	76,902,733,400
Gearing ratio	Percentage	46.05	49.46

48. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded		
	2022 2021		2022	2021	
		RUPEE	S		
Total facilities	16.564.730,000	18,987,260,000	70,266,678,000	66,134,405,000	
Utilized at the end of the year	3,672,027,923	6,680,009,030	39,990,534,566	38,035,245,609	
Unutilized at the end of the year	12,892,702,077	(12,307,250,970	30.276,143,434	28,099,159,391	

49 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on 29 September 2022 has proposed cash dividend of Rupees 4 per ordinary share (2021: Rupee 5.00 per ordinary share) in respect of the year ended 30 June 2022. However, this event has been considered as non-adjusting event under IAS 10 Events after the Reporting Period and has not been recognized in these consolidated financial statements.

50 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 29 September 2022 by the Board of Directors of the Holding Company.

51 CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped wherever necessary for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these consolidated financial statements.

52. GENERAL

Figures have been rounded off to nearest of Rupee.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



The Registrar,

July 14, 2023

National Electric Power Regulatory Authority (NEPRA), islamabad

Subject:

DOCUMENTS FOR APPLICATION FOR GRANT OF ELECTRIC POWER SUPPLY LICENSE.

Dear Sir.

With reference to our Application for Grant of Electric Power Supply License dated July 4, 2023, following documents are enclosed.

- 1. A pay order of an amount PKR 279,734/- favoring National Electric Power Regulatory Authority A/C Nishat Chunian Limited NTN 0225898-6.
- 2. Prospectus
- 3. Documents/Information required under Schedule III (Regulation 3 (4)(a)(D)
- 4. An affidavit stating whether the applicant has been granted any other license under the Act;
- 5. A duly authorized statement stating whether the applicant has been refused grant of license under the Act and, if so, the particulars of the refused application, including date of making the application and decision on the application;
- 6. An affidavit as to the correctness, authenticity and accuracy of the application, in light of above provided information and documents we request you to kindly issue us the Supply License at the earliest.
- 7. Certified copies of certificate of incorporation are enclosed.
- 8. Certified copy of Memorandum & Article of Association is enclosed.
- 9. Certified copies of Annual Reports of the company are enclosed.

in light of above provided information and documents we request you to kindly issue us the Supply License at the earliest.

Yours sincerely, Mustageem Talish (Chief Financial Officer) Nishat Chunian Limited

Mob.: 0335-4054400

Tel: +92-42-35761730 Ext: 210

Prospectus

Introduction:

Nishat Chunian Limited (NCL) is a leading textile company located in Bhai pheru Pakistan, specializing in the manufacturing and marketing of high-quality fabrics, garments, and home textiles. It has its own power generation facility which operates a state-of-the-art Coal fired power plant, having a capacity of 46 MW consisting of 2*110T/H indigenous coal fired boilers and a steam turbine. Power started its commercial operation on 27th Feb, 2017.

Salient Features of Coal Power Plant:

Location	Nishat Chunian Limited, Zone-2 51KM Multan Road Lahore.
	<u> </u>
Rated power generation	46 MW
Fuel	Imported + Local coal from Baluchistan etc. (Upto a Max. of 30 %)
Source of water	Three wells inside NCL facility.
Covered area	31 acre
Generated Voltage	11 KV
Frequency	50 HZ
Automatic Generation Control	Yes

Investment Plan:

Currently we do not have any specific plan regarding this because electricity is being provided through OHTL which is already laid and property where BPCs are operating is very close to our facility.

Social and Environmental Impact

Power plant has been in comply with all national and international emission standards and no adverse impacts have been observed. Advanced emissions control systems, including scrubbers and electrostatic precipitators has been employed to minimize the release of pollutants, including particulate matter, sulfur dioxide, nitrogen oxide, and mercury. Comprehensive ash management systems has been implemented to safely handle and dispose of coal combustion residues.

All the Control, Metering, Instrumentation and protection is in accordance with ISA (The International Society of Automation) standards. The power plant undergoes regular maintenance and upgrades to enhance efficiency, mitigate downtime, and meet the evergrowing electricity demands of the nation. The net available output of power plant is supplied to different Bulk Power Consumers (BPC) and to meet NCL internal demand. There are total Eight BPS, the Interconnection Facilities (IF) / Transmission

Arrangements (TA) for supplying to BPCs from the above mentioned generation facilities is at 11KV. Complete layout of IF is available in the Schedule III.

NCL is committed to giving back to the community and promoting sustainable development. The company actively engages in CSR initiatives, including education and healthcare programs, community welfare projects, and environmental conservation efforts, contributing to the well-being of society.

Schedule III (Regulation 3(4)(a)(D)

- 1. Relevant Feeder maps, Number of Consumer and expected load
- Schematic Diagram for Supply of Electric Power to Bulk Power from the Generation Facility/Thermal Power Plant

NCL Distribution Network

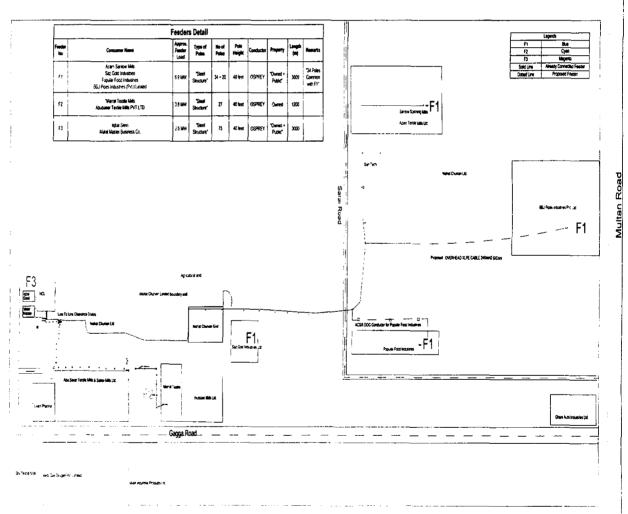


Figure 1: NCL Distribution Network

 Information Regarding Bulk Power Consumers-BPCs being supplied Electric Power from the Generation Facility/Thermal Power Plant of the Licensee-NCL.

(i).	Total Number of BPCs	Eight (8)				
		BPC-I	Azam Saritow Mills LTD			
İ		BPC-II	Popular Food Industries PVT LTD			
		BPC-III	BBJ Pipe Industri	ies PVT LTD		
/···>		BPC-IV	Saaz Gold Indust	ries PVT LTD		
(ii).	Name of the BPCs	BPC-V	Abubaker Textile	Mills PVT LTD		
		BPC-VI	Marral Textile Mil	ls LTD		
		BPC-VII	Iqbal Steel			
 		BPC-VIII	Metal Master			
(iii).	Location of each of the BPC (distance and/or identity of premises)	BPC-I to BPC-VIII	49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki District Kasur.			
i		Identity	Contracted Load	Load Factor		
İ		BPC-I	4.50 MVV	0.85% - 0.90%		
		BPC-II	1.00 MW	0.80% - 0.90%		
	Contracted Capacity	BPC-III	1.10 MW	0.80% - 0.85%		
iv).	(MW) and Load Factor (L.F.) for	BPC-IV	0.30 MW	0.75% - 0.85%		
! 	Each of the BPC	BPC-V	1.80 MW	0.80% - 0.85%		
		BPC-VI	2.00 MW	0.80% - 0.85%		
i		BPC-VII	1.00 MW	0.75% -0.85%		
		BPC-VIII	1.50 MW	0.75% -0.85%		
(v).	Specify Whether					

			In the Province of Pullab
	(a).	Each BPC is an Associate undertaking of the NCL -If yes, specify percentage ownership of equity;	BPCs are not associated in any way with NCL.
	(b).	There are common directorships:	No.
	(c).	Either can exercise influence or control over the other.	No.
	Specify nature of contractual Relationship		
(vi).	(a).	Between NCL and BPCs	Supplying Electric Power on a continuous basis
	(b).	Between BPCs and LESCO.	Details are mentioned in Consumer Class/Category, Sub Category
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority		N/A

 Information Regarding Distribution Network for Supply of Electric Power to Different BPCs By the Licensee (NCL)

(i).	No. of Feeders	05 (Five)				
(ii).	Length of Each Feeder (Meter)	Identity	Feeder No.	Feeder Length		
(11).		BPC-I	F-I-a)	2.00 KM		

					·	in the Province of Punjab
				BPC-II	F-I-b)	2.15 KM
				BPC-III	F-I-c)	4.60 KM
				BPC-IV	F-I-d)	1.60 KM
				BPC-V	F-II-a)	0.50 KM
				BPC-VI	F-II-b)	1.00 KM
				BPC-VII	F-III-a)	0.19 KM
				BPC-VIII	F-III-b)	0.3 KM
(iii).	_	h of Each Feeder to Consumer	As Above		
		In res	pect of all the Feeders, ibe the property	F-1	on the private However, the a Public Prope	Feeder crosses erty.
(iv).	etc.)	ts, farms, Agri land, through, under or over they pass right up to	F-2	The feeder is located on the private property owned by BPC itself	
		the p	premises of customer, ner they cross-over.	F-3	The feeder is located mostly on the private property. However, the Feeder crosses a Public Property	
		Whether owned by NCL, BPC or LESCO-(deal with each Feeder Separately)				
(v)).		1 *	F-1	constructed by The portion of crossing the p (i.e. crossing to be handed over	ublic property of the Road) will er to LESCO sale or lease as ally by the
	<i>,</i> .	(a).		F-2	Owned by BPC itself	
	contractual arrangement	F-3	constructed by The portion of crossing the p (i.e. crossing of be handed over	ublic property of the Road) will er to LESCO sale or lease as ally by the		

		If owned by LESCO, please furnish	F-1	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property (i.e. Sarayi Road), whose O&M will be done either by BPC, NCL or LESCO on mutually agreed terms and conditions.
	(b).	particulars of contractual	F-2	Owned by BPC itself
		arrangement	F-3	The O&M of the Feeder will be done by BPC itself except the portion of crossing of the public property, whose O&M will be done either by BPC, NCL or LESCO on mutually agreed terms and conditions.
(vi).	Whether connection with network of LESCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)		Details are mentioned in Consumer Class/Category, Sub Category	
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority.		N/A	

• Interconnection Facilities/Transmission Arrangements for Dispersal of Power from the Generation Facility/Co-Generation Power Plant:

The electric power from the Imported/Indigenous Coal based generation facility/power plant of the Licensee/NCL will be supplied to different Bulk Power Consumers (BPCs).

The Interconnection Facilities (IF)/Transmission Arrangements (TA) for supplying to BPCs from the above-mentioned generation facility shall be at 11 kV level as described in the subsequent details given in this Schedule.

2. <u>Consumer Class/Category, Sub category on the basis of sanctioned load and voltage level:</u>

NCL has Consumer class/category "B" and sub category "3". Following are details of consumer class/category, subcategory on the basis of sanctioned load and voltage level of all the BPC's:

Sr. No	BPC	Name Of BPCs	Consumer Category
1	BPC-I	Azam Saritow Mills LTD	B-3
2	BPC-II	Popular Food Industries PVT LTD	B-2(b)
3	BPC-III	BBJ Pipe Industries PVT LTD	B-2(b)
4	BPC-IV	Saaz Gold Industries PVT LTD	B-2(b)
5	BPC-V	Abubaker Textile Mills PVT LTD	B-3
6	BPC-VI	Marral Textile Mills LTD	B-3
7	BPC-VII	Iqbal Steel	NIL
8	BPC-VIII	Metal Master	NIL

3. Tariff categories of consumer classes to be served:

Tariff category of NCL is "B3 Industrial". Following are details of tariff categories of consumer:

Sr. No	ВРС	Name Of BPCs	Lesco Tariff
1	BPC-I	Azam Saritow Mills LTD	B-3
2	BPC-II	Popular Food Industries PVT LTD	B-2(b)
3	BPC-III	BBJ Pipe Industries PVT LTD	B-2(b)
4	BPC-IV	Saaz Gold Industries PVT LTD	B-2(b)
5	BPC-V	Abubaker Textile Mills PVT LTD	B-3
6	BPC-VI	Marral Textile Mills LTD	B-3
7	BPC-VII	Iqbal Steel	NIL
8	BPC-VIII	Metal Master	NIL

4. Demand and consumption pattern on different time period

Following are consumption pattern of BPC-II and BPC-IV in the year 2022.

Bulk Power Consumers	BPC-II	BPC-IV	
Name of Consumer	Popular Food Industries PVT LTD	Saaz Gold Industries PVT LTD	
Jan-22	194,560	157,140	
Feb-22	398,260	118,620	
Mar-22	473,960	158,400	
Apr-22	552,920	131,340	
May-22	450,000	131,970	
Jun-22	660,100	128,208	
Jul-22	650,070	124,446	
Aug-22	552,920	120,684	
Sep-22	398,260	116,922	
Oct-22	460,980	113,160	
Nov-22	473,960	109,398	
Dec-22	195,000	105,636	

5. Procurement Plan for meeting expected loads

We have enough in house generation facility of 46 MW to meet demand of maximum 41.0 MW of the eight BPCs including internal demand. Moreover, we do not have received any load enhancement applications from these BPCs.

6. 12-month Projection on expected loads

Bulk Power Consumers	BPC-I	BPC-II	BPC-III	BPC-IV	BPC-V	BPC-VI	BPC-VII	BPC- VIII
Name of Consumer	Azam Saritow Mills LTD	Popular Food Industries PVT LTD	BBJ Pipe Industries PVT LTD	Saaz Gold Industries PVT LTD	Abubaker Textile Mills PVT LTD	Marral Textile Mills LTD	Iqbal Steel	Metal Master
Jul-23	2,880,000	648,000	655,200	147,600	1,080,000	1,224,000	460,800	864,000
Aug-23	2,880,720	647,280	662,400	168,480	1,087,200	1,108,800	446,400	885,600
Sep-23	2,844,000	633,600	655,200	180,000	1,044,000	1,029,600	453,600	878,400
Oct-23	2,872,800	547,200	653,760	183,600	1,029,600	1,128,240	439,200	910,800
Nov-23	2,822,400	468,000	650,160	168,480	1,072,800	1,049,544	453,600	894,960
Dec-23	2,875,680	403,200	648,144	174,960	1,087,200	1,224,000	496,800	885,600
Jan-24	2,707,200	439,200	664,560	157,680	1,036,800	1,111,320	453,600	912,240
Feb-24	2,586,400	390,200	619,600	157,248	1,031,544	1,183,925	441,360	890,640
Mar-24	2,628,000	396,000	632,160	179,280	1,087,200	1,039,366	442,800	866,880
Apr-24	2,829,600	561,600	647,280	176,616	1,079,280	1,213,560	448,560	867,600
May-24	2,916,000	576,000	648,000	168,710	1,068,430	1,116,000	455,760	863,280
Jun-24	2,901,600	648,000	656,856	183,110	1,031,616	968,832	446,400	896,400

7. 5- Year Investment Plan indicating schemes/models/framework for undertaking supply of electric power (including frameworks for providing non-discriminatory services and acquisition/sale of assets in relevant service territories):

Currently we do not have any specific plan regarding this because electricity is being provided through OHTL which is already laid and property where BPCs are operating is very close to our facility.

8. Training & Development procedure and program

PURPOSE:

The Purpose of this program is to ensure and maintain the Organization workplace w.r.t Occupational Health & Safety aspects and impacts through introducing and providing the Training & Development Programs to its employees, visitors, customers, and others stakeholders involved in any dealings or attached with system chain.

NISHAT CHUNIAN LIMITED bearing in mind the prevailing knowledge of the industry and specific hazards, providing a safe and healthy working environment by taking adequate steps to prevent accidents and injury.

Maintaining harmless working environment for employees while optimizing cost and productivity is the major purpose of this program.

SCOPE:

This procedure is applicable in NISHAT CHUNIAN LIMITED.

RESPONSIBILITY:

Manager HR & Admin Management Representative, Head of Departments (Concerned), HSE MANAGER, and Chief Security Officer.

POLICY:

It is company policy to provide knowledge of industry safe and healthy working environment to its employees and to take adequate steps to prevent accident and injury or any other loss of health.

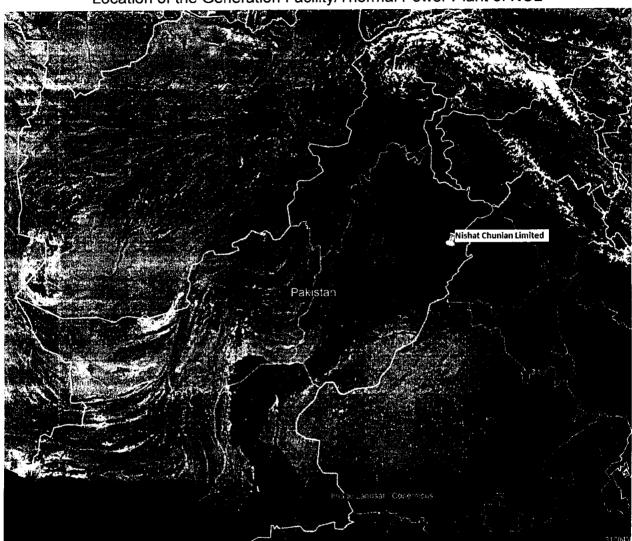
PROCEDURE:

- 4. In NISHAT CHUNIAN, it is ensured that workers have a safe, healthful and hazard free workplace where adequate preventive measures are taken to avoid health and safety hazards and accidents both in the short and long term.
- 5. Workers are able to perform their functions through their adult lifetime without actual or latent occupational health damages.
- 6. Management is responsible for workplace condition and therefore, for ensuring that worker training and the overall occupational health and safety program is effective.

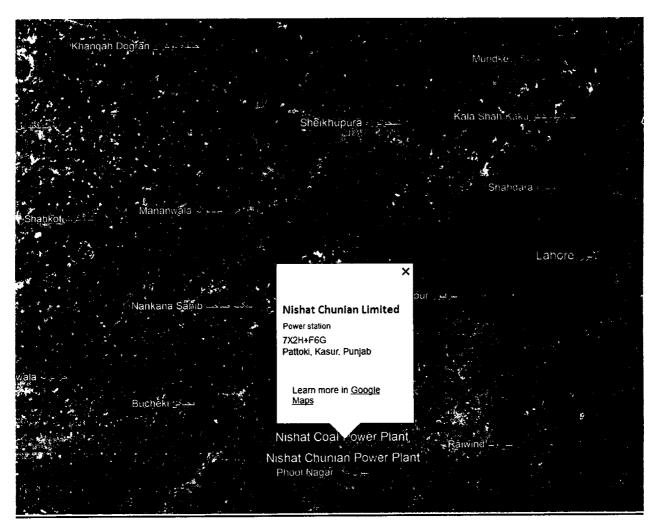
10. Information relating to:

i. Proposed service territory:

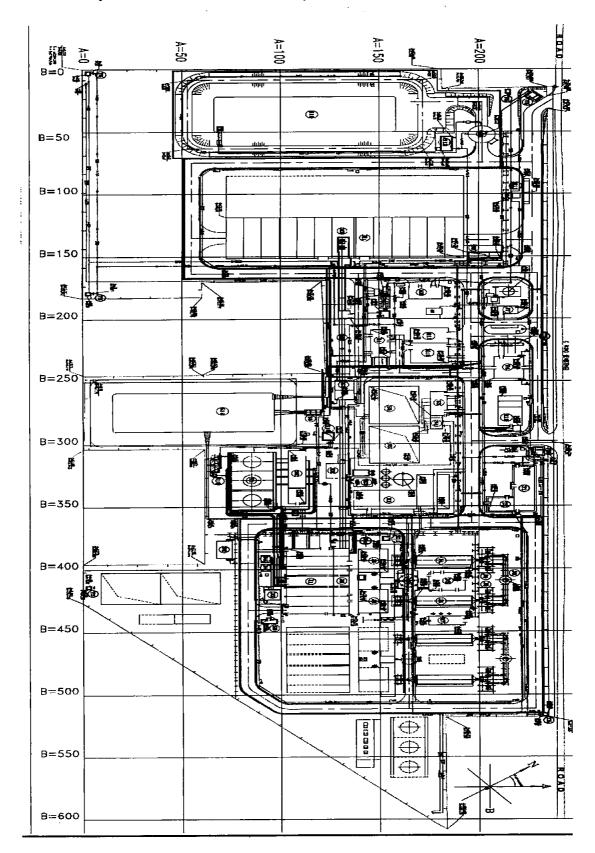
Location of the Generation Facility/Thermal Power Plant of NCL



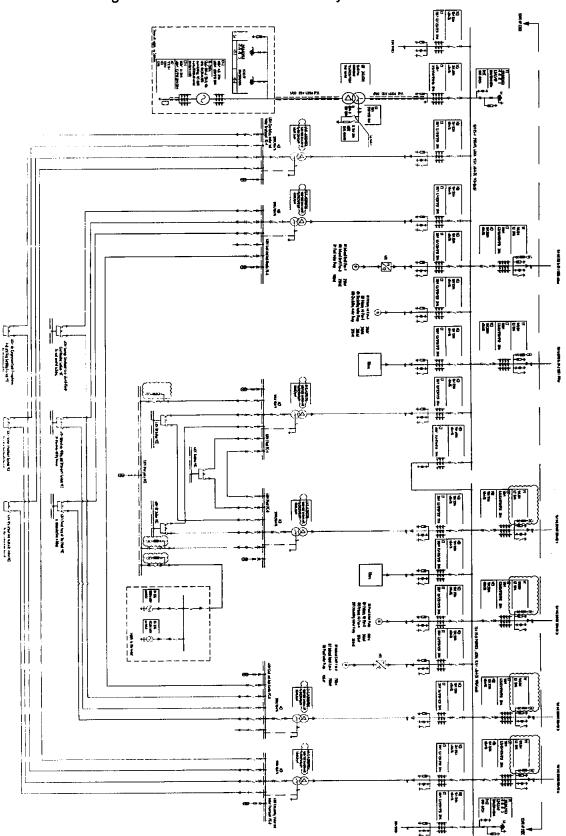
Location of Generation Facility/Thermal Power Plant of NCL



Layout of the Generation Facility/Co-Generation Power Plant



Single line of the Generation Facility/Co-Generation Power Plant



ii. Billing and Collection Procedures:

Remote metering available at Power Plant. At the end of each month consumers are billed on the basis of actual consumption recorded by the meters installed at the Power Plants at the agreed price. Payments received in the name of Nishat Chunian Limited through cross cheque.

iii. Ability to access consumer metering systems and other services/equipment:

Smart meters are installed for the monitoring of consumption and Nishat Chunian Limited has the access to the complete data of smart meter. Moreover, Nishat Chunian Limited has the access to the consumers' premises for monitoring services/equipment if needed.

iv. Emergency provisions and protocols

2.0 Purpose:

Nishat Chunian Limited is hazardous place because of the involvement of combustible / flammable materials and high pressure / temperature processes. Therefore possibility of an emergency occurrence cannot be ruled out. The aim of this Emergency Response Procedure is to provide guidelines to the plant personnel that enable them to effectively control fires or a heavy loss of containment of any toxic material (Chlorine),

2.0 Scope:

This procedure is applicable to all personnel present in the plant.

3.0 Plant Areas:

The complex includes the following main areas and buildings:

- Boiler L having capacity of 110 Tons/hr. of steam
- Boiler 2 having capacity of 110 Tons/hr. of steam
- Turbine Hall
- Transformer Area
- Coal Bunkers Area
- MV and LV Room
- Electrostatic Precipitators
- Compressor House
- EDG Room
- Cooling Towers
- Water Treatment Area
- Coal Crusher Building
- Limestone Crusher Building
- Diesel Tank Area
- Coal Storage Area
- Mechanical Workshop
- E&I Workshop
- Fire Pump House
- Central Control Room
- Coal Control Room
- ESP Control Room
- WTP Control Room
- Conveyors
- Lab Building
- Safety and Maintenance Building

- Ash Silo
- Bachelors Hostel

4.0 Definitions

4.1 Emergency

A situation which may pose a varying degree of threat in terms of exposure / harm to humans and damage to environment and property. It may be a fire or a toxic release or both.

4.2 Incident Location

The plant area where emergency occurs.

4.3 Emergency Handling Team / Fire Squad

The team which handles the emergency at actual location. The team is led by Shift Engineer / safety Engineer.

5.4 Emergency Response Procedure

5.5 Observing the Emergency

The outbreak of TOXIC GAS RELEASE / FIRE INCIDENT / EXPLOSION if observed by an-area operator / any other plant employee. He will take the following steps immediately.

- 5.5.1 Actuates the nearest fire alarm switch or manual call point.
- 5.1.2 Immediately calls Safety Unit via radio / Mobile / Extension system (8024) or rushes to the Safety Unit and gives the following details:
 - 5.1.2.1. Exact location of the incident.
 - 5.1.2.2. it's magnitude or range.
 - 5.1.2.3 Prevailing wind direction, (if known).
- 5.1.3 Makes first intervention with the available resources (Fire Extinguisher, Fire Hose etc.) but only if he can manage safely. Otherwise wait for the arrival of fire squad members.

Note:

- In case of Fire Emergency (Kitchen Fire, Electrical Fire, and Solid Combustible Fire) in Hostels, the person who observe it shall immediately inform to Fire Station / Shift Engineer through Telephone Extension or Mobile.
- Safety Personnel's on receiving the information will inform shift engineer and rush to the emergency site.

 In case of Huge Fire, Shift Engineer will sound the emergency alarm and sent the ERT Members to assist the safety personnel's in handling emergency and also visit the site on requirement.

5.6 Emergency Declaration:

- 5.2.1. The Safety Engineer / Safety Technician upon intimation of the incident shall inform to Operations Manager / Shift engineer on hotline / Mobile / Walkie-Talkie regarding nature and location of emergency and rush to emergency site.
- 5.2.2. Shift engineer will evaluate the situation and actuate the emergency siren. He will also announce on the public address system / radio (Walkie/talkie) to inform Emergency Response Team about location of the emergency site. Fire Squad members on hearing Emergency Siren and announcement will reach directly the incident location.

Note:

• In Evening and Night Shift, Emergency response team members present in the bachelor's hostel can be called if more support required.

5.7 Emergency Handling at Site:

Safety Engineer / Shift Engineer rushes to the incident site and will be responsible to handle emergency and lead emergency handling team.

Their responsibilities includes:

- 5.3.1. Shift Engineer will ensure to "switch off" the power supply of the respective area before spraying the firewater, if needed.
- 5.3.2 Instructs the Fire or emergency Squad members to start the emergency control activities according to the specific needs.
- 5.3.3 Instructs the Fire Squad whether to use firewater / COz or dry chemical powder according to the nature of emergency.
- 5.3.4 Instructs to rescue injured person, if any, and shifting to the Safety Unit or External Hospital through coordination with Administration Unit.
- 5.3.5 keeps a 2-way communication with the Manager Operations for any assistance / guidance or information.
- 5.3.6 Keeps the Manager Operations informed till the emergency gets under control.
- 5.3.7 Actuate the clearance alarm upon instruction from Manager Operations.

5.4 Role of Different Personnel

5.4.1 Safety Staff

- 5.4.1.1 As soon the Safety staff receives the information of the emergency, they along with fire truck rush to the incident site, keeping the wind direction in view.
- 5.4.1.2 They make necessary arrangements for emergency containment, till the arrival of the other squad members.
- 5.4.1.3 Follow the instructions of Shift Engineer / Safety Engineer to handle the emergency
- 5.4.1.4 Rescue any person trapped and provide first aid if possible otherwise send to external hospital.

5.4.2 ERT members

5.4.2.1, Fire Squad members receive the information about the emergency by listening the Emergency Siren. They rush to the Incident site either directly or through the central control room (CCR) and report to Shift Engineer / Safety Engineer to control the emergency, under his direction.

5.4.3 Safety Engineer

- 5.4.3.1 Reaches incident Site on receiving information about emergency.
- 5.4.3.2 Assist Shift Engineer in Handling Emergency in General Shift.
- 5.4.3.3 Command the Fire Squad members in General Shift in absence of Shift Engineer.

5.4.4 Shift Engineer

- 5.4.4.1 Responsible for Emergency Declaration and sounding of Emergency Alarm.
- 5.4.4.2 Reaches incident Site on receiving information about emergency.
- 5.4.4.3 Leader of Emergency Response Team and primarily responsible to handle emergency.
- 5.4.4.4 To instruct ERT to handle the emergency.
- 5.4.4.5 To utilize the available resources in the best possible way.
- 5.4.4.6 Keep liaison with the Sr. Manager Operations and Control Room Staff during Emergency Handling.
- 5.4.4.7 Take necessary actions to control emergency as informed by Manager Operations.

5.4.5 Sr. Manager Operations

- 5.4.5.1. Evaluates the situation as soon as informed by Shift Engineer / Safety Engineer about the emergency.
- 5.4.5.2. Instructs immediate actions to Shift Engineer to control emergency.
- 5.4.5.3. Can give instructions to Shift Engineer to take necessary steps.
- 5.4.5.4. Maintain a 2 way communication with Shift Engineer during emergency handling.
- 5.4.5.5. Give instructions to sound emergency clearance siren after emergency has been controlled.

5.4.6 Manager Admin

- 5.4.6.1 Ensure security gates will be closed to stop inward / outward movements of all the vehicles during emergency.
- 5.4.6.2 Arrange a vehicle on immediate basis to send injured person to external hospital.

Emergency Provision Sop for Action Plan In Case Of Electrical Power Failure:

2.0 Objective:

To lay down a procedure to describe the Action plan in case of electrical power failure other than normal power change over time.

2.0 Scope:

This standard operating procedure is applicable for procedure involved in the action plan in case of electricity power failure other than normal power changes over time 3-5 minutes, to be followed at formulation plants.

3.0 Responsibility:

- 3.1 Officer / executive Engineering shall be responsible for the execution of this procedure.
- 3.2 Engineering Manager shall be responsible for the implementation of this SOP.
- 3.3 Designee shall be responsible for the compliance of this SOP.

5.0 Cause of Emergency / Protocol:

- 11. Earth Fault occurs at 11 kV cables /panels / Equipment failure.
- 12. Electric short-circuits cause of power failure.
- 13. Sudden malfunction in process.
- 14. Prime mover failure at emergency mode.
- 15. Instrument damaged /out of order.
- 16. Prime mover is acceding /cross parameter high limit cause failure.
- System over loading.
- 18. Birding at overhead line.
- 19. Weather condition effect at the overhead line.
- 20. Fire incident occur at a circuit

7.0 Safety Procedure:

- 10. First of all, obtain PTW on concerned circuit.
- 11. Carry out tail board conference.
- 12. Took up the hand line with the help of pilot rope, maintain the limit of approach, and attach hand line to tower arm or bridge.
- 13. Raise grip all or clamp stick.
- 14. The outer or lowest conductor teased for checking of isolation with the help of grip all.

Note: Isolation of circuit must be verified before proceeding.

- 15. Attach brush with grip all and clean the conductor 450mm. (I9inch) from conductor clamp.
- 16. Raise earth lead and install T clamp on tower arm.
- 17. Attach the other end (Duck Bell) with the help of grip all on cleaned portion of conductor.
- 18. Move hand line for access to next conductor and repeat procedure.

Safety Precautions:

- 5. PTW of required circuit must be obtained.
- 6. All the T&P must be checked before using.
- 7. Always approved PPE must be used.
- 8. When apply grounds, first apply at tower arm or bridge (ground end) then at conductor, when Removing the ground first remove from conductor and then from tower arm or bridge (ground end).

v. <u>Basis of common services for commercial and residential consumers and their allocation thereof:</u>

We do not have commercial and residential consumers. We only have industrial consumers.

E-STAMP



ID:

PB-LHR-7E1959522E598F04

Type:

Low Denomination

Amount :

Rs 100/-

Description :

CERTIFICATE OR OTHER DOCUMENT- 19

Applicant :

NISHAT CHUNIAN LIMITED [00000-0000000-0]

Representative From :

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Agent :

SALMAN [35202-4945193-9]

Address:

LAHORE

Issue Date::

14-Jul-2023 3:57:17 PM

Delisted On/Validity:
Amount in Words:

21-Jul-2023

Amount

One Hundred Rupees Only

Reason:

AFFIDAVIT I/F NEPRA

Vendor Information :

Ghulam Qadir | PB-LHR-1642 | Raja Centre Gulberg

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I, Mustageam Trelah, to white CPPC and the Anti-A, Chief Financial Officer of the Company, hereby solar may office a large level of the tables pointed a generation licence, bearing number SGC/11 and the large level of the tables pointed a generation licence, bearing number SGC/11 and the large level of the large level of the Company final ded (NCECL).

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In accordance in the property, assets, rights, liabilities in the property assets into Mishat (Chunian)

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ID:

PB-LHR-5EDA254E0A9BDD0B

Type:

Low Denomination

Amount:

Rs 100/-

Description:

CERTIFICATE OR OTHER DOCUMENT- 19

Applicant :

NISHAT CHUNIAN LIMITED [00000-0000000-0]

Representative From :

Agent:

SALMAN [35202-4945193-9]

Address:

LAHORE

Issue Date :

14-Jul-2023 3:58:53 PM

Delisted On/Validity: Amount in Words:

21-Jul-2023

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Vendor Information:

Ghulam Qadir | PB-LHR-1642 | Raja Centre Gulberg

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BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

"Application for Grant of Electric Power Supply Licence"

ON BEHALF OF

Michael (Chunian) Limited

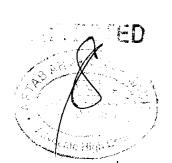
AFFIDAYIT

I, Mustageen Telish, bessies Child 1009 3006942-3, Chief Financial Officer of the Company, hereby solve a confirmation because it is the Company has not been refused grant of licence under National B' The series of the series of the series (Application, Modification, Extension and Cancellation) there are a signature of the

DEPONENT

Mustaqeem Talish Chief Financial Officer Mistrat (Chumian) Limited

1 a :: July 14, 2023





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E-STAMP

ID .

PB-LHR-21A74CF93DD34704

Type:

Low Denomination

Amount:

Rs 100/-



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Description:

CERTIFICATE OR OTHER DOCUMENT- 19

Applicant: Representative From: NISHAT CHUNIAN LIMITED [00000-0000000-0]

Agent:

SALMAN [35202-4945193-9]

Address:

LAHORE

Issue Date:

14-Jul-2023 3:54:40 PM

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Amount in Words:

One Hundred Rupees Only

Reason:

AFFIDAVIT I/F NEPRA

Vendor Information:

Ghulam Qadir | PB-LHR-1642 | Raja Centre Gulberg

لوٹ یہہ ٹر انزیکٹن تاریخ اجزا سے سنت نئوں تک کے لیے قبل استعمال ہے۔ای اسٹامپ کی تصنیق بنر یہ ویب سائٹ،عیوار کوڈ وا ایس ایم ایس سے تی جا سکتی Type "eStamp <16 digit eStamp Number>" send to 8100

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

"Application for Great of Electric Power Supplly Licence"

ON BEHALF OF

Mish a (Chunian) Limited

AFFIDAVIT

I, Mustageem Tellish, bearing CPHC 3.7362-3906942-3, Chief Financial Officer of the Company, hereby solen may affirm and declare that the contents of the accompanying application for Supplier Licence (the "The meet") is three notions that a the best of my knowledge and belief and that nothing material has been conceated therefrom. In the continual future documentation and information to be provided by me in connection to the supplier licence will also be then in the best of my knowledge and bell for

DEPONENT

Mustageem Talish Chief Financial Officer Mishat (Chunian) Limited Date: July 14, 2023