

# NISHAT POWER LIMITED



NPL-PSX/83

October 03, 2025

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

**SUB: TRANSMISSION OF ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2025**

Dear Sir,

We have to inform you that the Annual Report of Nishat Power Limited (the Company) for the year ended June 30, 2025 have been transmitted through PUCARS and is also available on Company's website.

You may inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours truly,

 **KHALID MAHMOOD CHOHAN**  
**COMPANY SECRETARY**

Encl: As Above



N I S H A T

NISHAT POWER LIMITED

20  
25  
ANNUAL  
REPORT

**Powering**  
Progress





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# CORPORATE PROFILE

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## BOARD OF DIRECTORS

Mian Hassan Mansha ..... Chairman  
Mr. Ghazanfar Hussain Mirza .... Chief Executive Officer  
Ms. Maleeha Humayun Bangash  
Mr. Humayun Maqbool  
Mr. Mahmood Akhtar  
Mr. Muhammad Aqib Zulfiqar  
Mr. Shahzad Ahmad Malik

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## AUDIT COMMITTEE

Mr. Humayun Maqbool ..... Chairman  
Ms. Maleeha Humayun Bangash ..... Member  
Mr. Muhammad Aqib Zulfiqar ..... Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Maleeha Humayun Bangash ..... Chairperson  
Mian Hassan Mansha ..... Member  
Mr. Ghazanfar Hussain Mirza ..... Member

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## CHIEF FINANCIAL OFFICER

Mr. Tanvir Khalid

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## COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

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## BANKERS OF THE COMPANY

Askari Bank Limited  
Allied Bank Limited  
Albaraka Bank Pakistan Limited  
Bank Alfalah Limited  
Bank Al-Habib Ltd  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
First Women Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Pak Brunei Investment Co. Limited  
Soneri Bank Limited  
The Bank of Punjab  
United Bank Limited

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## AUDITORS

Riaz Ahmad & Co.  
Chartered Accountants

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## LEGAL ADVISOR

Cornelius, Lane & Mufti  
Advocates & Solicitors

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## REGISTERED OFFICE

53 - A, Lawrence Road, Lahore - Pakistan  
UAN: 042-111-11-33-33

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## HEAD OFFICE

1-B, Aziz Avenue, Canal Bank,  
Gulberg-V, Lahore - Pakistan  
Tel: +92-42-35717090-96, 35717159-63  
Fax: +92-42-35717239  
Website: [www.nishatpower.com](http://www.nishatpower.com)

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## SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.  
Financial & Management Consultants  
H.M. House, 7-Bank Square, Lahore - Pakistan.  
Tel: 042-37235081-2

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## PLANT

66-K.M, Multan Road, Jambar Kalan,  
Tehsil Pattoki, District Kasur, Punjab - Pakistan.





# VISION

## STATEMENT

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ENLIGHTEN THE FUTURE  
THROUGH EXCELLENCE,  
COMMITMENT, INTEGRITY  
AND HONESTY



# MISSION

## STATEMENT

TO BECOME LEADING POWER  
PRODUCER WITH SYNERGY  
OF CORPORATE CULTURE  
AND VALUES THAT RESPECT  
COMMUNITY AND ALL OTHER  
STAKEHOLDERS







# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of **Nishat Power Limited** ("the Company") will be held on October 27, 2025 (Monday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Chairman's Review, Directors' and Auditors' reports thereon.



Scan QR Code for  
Annual Report 2025

<http://nishatpower.com/wp-content/uploads/2025/10/NPL-Annual-Report-2025.pdf>

2. To ratify Interim Dividends @ 60% i.e. Rs. 6.00 per share already paid during the year ended June 30, 2025.
3. To appoint statutory Auditors for the year 2025-26 and fix their remuneration.

By order of the Board

(**KHALID MAHMOOD CHOCHAN**)  
COMPANY SECRETARY

Lahore  
October 02, 2025

## NOTES:

### BOOK CLOSURE NOTICE

The Ordinary Shares Transfer Books of the Company will remain closed from **20.10.2025 to 27.10.2025 (both days inclusive)** for attending and voting at Annual General Meeting. Physical transfers/ CDS Transactions IDs received in order in all respects up to 1:00 p.m. on 17.10.2025 at the office of Share Registrar, Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore shall be considered in time for attending the AGM.

## ATTENDANCE AT MEETING

A member entitled to attend, speak and vote at this meeting may appoint any other member as his/her proxy to do the aforesaid. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the Company. The proxy form in English and Urdu languages is attached. The same is also available on the Company's website: <https://www.nishatpower.com>.

Members through book entry system under Central Depository Company of Pakistan Limited, are advised to must bring their original National Identity Cards / Passport along with copy of their particulars of CDC Account duly authenticated by the concerned Participant/Investor Account Services for verification and follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan under Circular No.1 of 2000:

### A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport along with copy of CDC Account Registration details duly authenticated by the concerned Participant/Investor Account Services at the time of attending the Meeting.
- b. In case of corporate entity, the person attending the meeting on behalf of the corporate entity must produce Board Resolution duly certified by the Chief Executive Officer/Director and/or a duly notarized power of attorney in his/her favor along with copy of proxy form submitted with the Company, the Board Resolution/Power of Attorney must contain specimen signature of the person attending the meeting.

### B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners, proxy holder and witnesses shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, Board Resolution duly certified by the Chief Executive Officer/Director and/or a duly notarized power of attorney in favor of proxy holder along with proxy form to the Company the Board Resolution/Power of Attorney must contain specimen signature of proxy holder.

## CIRCULATION OF ANNUAL REPORTS THROUGH EMAIL WITH QR ENABLED CODE AND WEB LINK

Pursuant to the SECP's S.R.O. 389(I)/2023 dated March 21, 2023, the Members of Nishat Power Limited had accorded their consent for transmission of annual reports including annual audited financial statements

to the members through QR enabled code and web link instead of transmitting the same through CD/DVD/USB.

The Company has electronically transmitted the Notice of the Annual General Meeting and the Annual Report of 2025 through email to the members whose email addresses are available with the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd. The printed notices of the AGM, after insertion of the weblink and QR enabled code for downloading the Annual Report, have also been sent to the members.

However, the Company shall provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request on the specified consent letter/form, which is available on the Company's website <https://www.nishatpower.com>. The Annual Report for the year 2025 is also uploaded on the website of the Company.

Further, shareholders are requested to kindly provide their valid email address to the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore, if the Member holds any shares in physical form or to the respective Member's Participant/Investor Account Services, if shares are held in book entry form.

#### UNCLAIMED DIVIDEND / SHARES

Shareholders who have not collected their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

#### VIDEO LINK FACILITY FOR MEETING

In accordance with the Companies Act, 2017 and guidelines issued by the SECP, participation through video link shall be available to the members. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at [kchohan@nishatpower.com](mailto:kchohan@nishatpower.com) or [smahmood@dgcement.com](mailto:smahmood@dgcement.com) by October 20, 2025.

Name of Member/ Proxyholder	CNIC No.	Folio No. / CDC Account No.	Cell No. / Whatsapp No.	Email ID

#### CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at earliest. This is as per the requirement of the Companies Act, 2017.

#### SUBMISSION OF COPY OF CNIC (MANDATORY)

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, Hameed Majeed Associates (Pvt) Ltd.

The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

## NO GIFTS WILL BE DISTRIBUTED AT THE MEETING

### STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

<b>Name of Investee Company</b>	<b>NexGen Auto (Private) Limited (NexGen)</b>
<b>Total Investment Approved:</b>	<p>Following Investments were approved in EOGM held on August 13, 2025:</p> <ol style="list-style-type: none"> <li>Equity investment upto Rupees 2 billion within a period of two (2) years</li> <li>Loan / advance of Rupees 500 million</li> </ol>
<b>Amount of Investment Made to date:</b>	<ol style="list-style-type: none"> <li>Equity: Rupees 2 billion</li> <li>Loan / advance: Rupees 500 million</li> </ol>
<b>Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:</b>	<ol style="list-style-type: none"> <li>Equity: No deviation</li> <li>Loan / advance: No deviation</li> </ol>
<b>Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:</b>	<p>There is no material change in the financial statements of the NexGen. At the time of approval, as per available latest audited financial statements for the year ended December 31, 2024, the basic loss per share was Rs. 0.01 and breakup value per share was Rs. 9.99. As per latest un-audited financial statements for the half year ended June 30, 2025 the basic loss per share is Rs. 0.41 and breakup value per share is Rs. 9.59. (including the impact of conversion of share deposit money into shares)</p>



# CHAIRMAN'S ▶ REVIEW

I am pleased to present the annual report of the Company for the year ended 30 June, 2025 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2024-25.

I would like to appreciate overall performance of the Board during this term despite multiple challenges. They have provided strategic directions to the management and always remained available for guidance.

The Company reported a loss per share of Rs. 2.11, primarily due to a one-time adjustment by the power purchaser relating to prior year earnings. Excluding this non-recurring adjustment, the Company's earnings per share would have stood at Rs. 8.77, reflecting the underlying strength of our operations.

The Board has formed various Committees, like Audit Committee and Human Resource Committee. Through Audit Committee, the Board reviewed the internal controls and financial statements and ensured that the accounts fairly represent the financial position of the Company. While the HR Committee overviews the HR policy framework and recommends selection and compensation of senior management team.

To evaluate the performance of the Board and its Committees, the Board has put in place mechanism for annual evaluation of the performance of the Board of Directors. Accordingly, the Board has completed its annual self-evaluation for the year 2025 and I am pleased to report that the overall performance benchmarked on the basis of set criteria remained satisfactory.

Further, I am pleased to inform that the composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors, which possess the requisite skills, core competencies and industry knowledge to lead the Company, whereby all Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements of the Company.

The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The Board has also framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company. Adequate controls and robust systems are in place to ensure effective control environment so compliance of best policies of Corporate Governance are achieved.



**CHAIRMAN**

Lahore: 29 September, 2025

## چیئر مین کی جائزہ رپورٹ

30 جون، 2025 کو ختم ہونے والے سال کے لیے، میں کمپنی کی سالانہ رپورٹ اپنے قابل قدر حصص یافتگان کے سامنے پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔ مالی سال 2024-25 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلو آپ کے ساتھ پیش کیے گئے ہیں۔

میں اس مدت کے دوران متعدد چیلنجوں کے باوجود بورڈ کی مجموعی کارکردگی کو سراہنا چاہوں گا۔ انہوں نے انتظامیہ کو اسٹرٹیجک ہدایات فراہم کیں اور ہمیشہ رہنمائی کے لیے دستیاب رہے۔

مالی سال کے دوران کمپنی نے فی حصص خسارہ 2.11 روپے رپورٹ کیا جو بنیادی طور پر بجلی خریدنے والے ادارے کی جانب سے گزشتہ سال کی آمدنی سے متعلق ایک غیر معمولی ایڈجسٹمنٹ کے باعث سامنے آیا۔ اگر اس ایک بار کے غیر تکراری اثر کو نکال دیا جائے تو کمپنی کی فی حصص آمدنی روپے 8.77 بنتی ہے، جو ہمارے آپریشنز کی مضبوطی اور بنیادی کارکردگی کی عکاس ہے۔

بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی جیسی مختلف کمیٹیاں تشکیل دی ہیں۔ آڈٹ کمیٹی کے ذریعے، بورڈ نے اندرونی کنٹرولز اور مالیاتی گوشواروں کا جائزہ لیا اور اس بات کو یقینی بنایا کہ اکاؤنٹس کمپنی کی مالی حالت کی منصفانہ نمائندگی کرتے ہیں۔ جبکہ HR کمیٹی، HR پالیسی فریم ورک کا جائزہ لیتی ہے اور سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضے کی سفارش کرتی ہے۔

بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے، بورڈ نے ڈائریکٹرز کی کارکردگی کی سالانہ جانچ کے لیے ایک طریقہ کار وضع کیا ہے۔ اسی مناسبت سے، بورڈ نے سال 2025 کے لیے اپنی سالانہ خود تشخیصی مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مقررہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار تسلی بخش رہا۔

مزید برآں، مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی تشکیل میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز کا متوازن امتزاج موجود ہے۔ بورڈ کے تمام اراکین مطلوبہ مہارت، بنیادی صلاحیتیں اور صنعت کا گہرا علم رکھتے ہیں تاکہ کمپنی کی موثر قیادت کی جاسکے۔ اس کے ساتھ ہی، تمام ڈائریکٹرز کمپنی کے وژن اور مشن میں درج اعلیٰ اخلاقی و پیشہ ورانہ معیارات سے بخوبی آگاہ ہیں۔

بورڈ کمپنی کے مالی بیانات، رپورٹنگ اور انکشافات کی شفافیت، اکاؤنٹنگ پالیسیز، بجٹس اور کارپوریٹ منصوبوں کا مستقل جائزہ لیتا ہے۔ بورڈ نے ضابطہ اخلاق بھی مرتب کیا ہے جو کمپنی کے تمام ملازمین کے لیے رہنمائی فراہم کرتا ہے۔ موثر کنٹرول کے نظام اور مضبوط نگرانی کے ذریعے اس بات کو یقینی بنایا جاتا ہے کہ کارپوریٹ گورننس کی بہترین پالیسیوں پر مکمل عمل درآمد ہو۔

*محمد امجد*

چیئر مین

لاہور: 29 ستمبر 2025ء

## ► DIRECTORS' REPORT

The Board of Directors of Nishat Power Limited (The Company) is pleased to present Annual Report with the Audited Financial Statements of the Company together with Auditor's Report thereon for the financial year ended June 30, 2025.

## PRINCIPAL ACTIVITY:

The principal activity of the Company is to build, own, operate and maintain a fuel fired power plant based on Reciprocating Engine Technology having gross capacity of 200MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan.

## SIGNIFICANT DEVELOPMENTS:

During the year, significant developments took place in the energy sector reforms process initiated by the Government of Pakistan (GOP). A Task Force constituted by the Prime Minister of Pakistan, held several rounds of discussions with Independent Power Producers, including the Company, to amend the Power Purchase Agreement, Implementation Agreement and existing tariff. As a result, on 4 December 2024, the Board of Directors of the Company approved the execution of the Amendment Agreement with the Government of Pakistan and the Power Purchaser, converting the existing tariff into a Hybrid Take-and-Pay model with effect from 1st November 2024. The Amendment Agreement was formally executed in February 2025. Further details are disclosed in Note 1.4 to the annexed

financial statements.

Important to note that these discounts and revised terms were borne entirely by power companies themselves, reflecting their commitment to provide relief to the government and the people at large.

On the positive side, the execution of the Amendment Agreement led to the resolution of the long-standing receivables issue. The Power Purchaser made a full and final settlement of past dues and claims as at 31 October 2024 on 27 March 2025.

As on 30 June 2025 the Company's billed receivables from the Power Purchaser stood at Rs 2,002 million (2024: Rs 15,319 million), with overdue receivables reduced to Rs 1,508 million (2024: Rs 9,984 million).

## OPERATIONS:

During the year, the plant dispatched a total of 87 GWh of electricity to the Power Purchaser (2024: 454 GWh), corresponding to annual average capacity factor of 5.07% (2024: 26.45%).

## FINANCIAL RESULTS:

Financial year ended 30 June	2025	2024	Variance	
	(Rupees in Million)			
Turnover	7,058	22,505	(15,448)	(69%)
Gross Profit	2,658	5,140	(2,482)	(48%)
Operating Profit	3,518	5,728	(2,210)	(39%)
(Loss) / Profit Before Tax	(376)	5,694	(6,070)	(107%)
(Loss) / Profit After Tax	(747)	5,390	(6,137)	(114%)
(Loss) / Earnings per share (Rs.)	(2.11)	15.22	(17.33)	(114%)

For the year ended 30 June 2025, the Company recorded a turnover of Rs 7,058 million (2024: Rs 22,505 million) a decline of Rs. 69% mainly on account of lower capacity utilization and reduction in tariff components, due to aforementioned negotiations with Power Purchaser/GOP.



Additionally, although other income increased substantially due to the full payment made by the Power Purchaser, the balance adjustment made by Power Purchaser pertaining to the disallowance of delayed payment markup and deductions on account of sharing in prior year earnings — resulted in a loss per share of Rs. 2.11, compared to earnings per share (EPS) of Rs. 15.22 in the corresponding period. Had this deduction not been made, the Company's EPS would have been Rs. 8.77.

#### **INTERNAL AUDIT AND CONTROL:**

The Board has set up an independent audit function headed by a qualified person reporting to the Audit Committee. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of its' internal control system.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company adheres to maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **ENVIRONMENTAL PROTECTION AND EMPLOYEE SAFETY**

The Company is committed to maintaining the highest standards of environmental protection and workplace safety. Regular monitoring of emissions, wastewater, and overall environmental

impact is carried out to ensure compliance with National Environmental Quality Standards (NEQS) and to promote sustainable operations. Equal emphasis is placed on safeguarding the health and well-being of employees by fostering a safe, secure, and supportive working environment. The Company's Anti-Harassment Policy remains in place to ensure dignity and respect for all, with particular focus on promoting a safe and enabling environment for women in the workplace. A culture of shared responsibility is encouraged, where environmental care and employee safety are regarded as integral to all business activities.

Through these efforts, the Company continues to demonstrate its responsibility toward protecting the environment and ensuring the safety of all stakeholders.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The Company remains committed to its role as a responsible corporate citizen and recognizes the importance of contributing to the well-being of the communities in which it operates. Corporate Social Responsibility is embedded in the Company's values, with a focus on supporting initiatives that enhance social development, promote education and health, protect the environment, and uplift living standards.

Through these efforts, the Company seeks to foster long-term, positive relationships with stakeholders and ensure that its growth is aligned with the broader interests of society and the environment. By integrating social responsibility into its business practices, the Company continues to create shared value for both the community and its shareholders.

#### **CORPORATE AND FINANCIAL REPORTING FRAMEWORK:**

The Company Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017 provisions ("the Act") and Code of Corporate Governance issued by the Securities

and Exchange Commission of Pakistan ("the Code"). The following comments are acknowledgement of Company's commitment to high standards of Corporate Governance and continuous improvement.

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial

statements and any departure there from has been adequately disclosed and explained.

- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Company's ability to continue as going concern.
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses.
- Value of investments in respect of retirement benefits fund:

Provident Fund: As at 30 June 2025 is Rs. 518.429 million.

#### ATTENDANCE OF MEMBERS IN AUDIT COMMITTEE MEETINGS:

During the year under review, Four Audit Committee Meetings were held, attendance position was as under:

Sr. #	Name of Member	No. of Meetings Attended
1.	Mr. Humayun Maqbool (Chairman)	3
2.	Ms. Maleeha Humayun Bangash (Member)	4
3.	Mr. Muhammad Aqib Zulfiqar (Member)	4

#### ATTENDANCE OF MEMBERS IN HR COMMITTEE

During the year under review, One HR&R Committee Meetings were held, attendance position was as under:

Sr. #	Name of Member	No. of Meetings Attended
1.	Ms. Maleeha Humayun Bangash (Chairperson)	1
2.	Mian Hassan Mansha (Member)	1
3.	Mr. Ghazanfar Hussain Mirza (Member)	1

## ATTENDENCE OF DIRECTORS IN BOD MEETINGS

During the year under review, five Board of Directors Meetings were held, attendance position was as under:

Sr. #	Name of Directors	No. of Meetings Attended
1.	Mian Hassan Mansha	4
2.	Mr. Ghazanfar Hussain Mirza	5
3.	Ms. Maleeha Humayun Bangash	4
4.	Mr. Humayun Maqbool	4
5.	Mr. Mahmood Akhtar	5
6.	Mr. Muhammad Aqib Zulfiqar	5
7.	Mr. Shahzad Ahmad Malik	5

## LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the requirements of the Code regarding number of directorships.

The Board lays great emphasis on adding and practicing good Corporate Governance, with a view to achieve transparency in its operations, so as to boost stakeholders' confidence.

## NAME OF DIRECTORS OF THE COMPANY:

Following persons served as directors of the company during the financial year 2025.

Sr. #	Name of Directors
1.	Mian Hassan Mansha
2.	Mr. Ghazanfar Hussain Mirza
3.	Ms. Maleeha Humayun Bangash
4.	Mr. Humayun Maqbool
5.	Mr. Mahmood Akhtar
6.	Mr. Muhammad Aqib Zulfiqar
7.	Mr. Shahzad Ahmad Malik

## COMPOSITION OF BOARD:

<b>Total number of Directors:</b>	
(a) Male	6
(b) Female:	1
<b>Composition:</b>	
(i) Independent Directors	2
(ii) Other Non-executive Directors	3
(iii) Executive Director	2

## COMMITTEES OF THE BOARD:

### Audit Committee of the Board:

Sr. #	Name of Directors
1	Mr. Humayun Maqbool (Independent Director) – Chairman
2	Ms. Maleeha Humayun Bangash (Independent Director)
3	Mr. Muhammad Aqib Zulfiqar (Non-Executive Director)

### Human Resource and Remuneration Committee:

Sr. #	Name of Directors
1	Ms. Maleeha Humayun Bangash (Independent Director) – Chairperson
2	Mian Hassan Mansha (Non-Executive Director)
3	Mr. Ghazanfar Hussain Mirza (Executive Director)

## DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 31 of the annexed financial statements.

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE:

The company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with this report.

#### **PATTERN OF SHAREHOLDING:**

The statement of pattern of shareholding as on June 30, 2025 is enclosed.

#### **DIVERSITY, EQUITY & INCLUSION (DEI)**

During the year, the Company approved and implemented DEI policy by adopting fair recruitment practices, conducting awareness sessions, and reinforcing equal opportunities for growth of all employees. Furthermore, the Company's Anti-Harassment Policy remains in place to ensure a respectful and supportive work environment.

#### **TRADING IN THE SHARES OF THE COMPANY:**

Any trade in the shares of the listed Company, carried out by its directors, executives and their spouses and minor children during the year ended June 30, 2025 is annexed to this report.

#### **RELATED PARTIES:**

The transactions between the related parties were carried out on, arm's length price basis. The Company has fully complied with the best practices on transfer pricing as contained in the Act and the Code.

#### **CHAIRMAN'S REVIEW**

The accompanied Chairman's review deals with overall performance of the board and effectiveness of the role played by the board in achieving the Company's objectives. The directors endorse the contents of the review.

#### **OVERHAULING RESERVE:**

In accordance with the Amendment Agreement, the Company has created a overhauling reserve of Rs. 3,722 million, out of available retained earnings. The Board is of the view that this reserve is prudently maintained and is sufficient to meet the Power Plant's repair and maintenance requirements.



**CHIEF EXECUTIVE OFFICER**

Lahore: 29 September, 2025

#### **AUDITORS:**

The present auditors M/s Riaz Ahmad & Co Chartered Accountants retire and being eligible, offer themselves for re-appointment for the year 2025-26. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

#### **FUTURE OUTLOOK:**

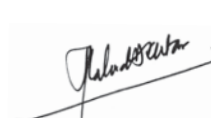
For the power sector rapid solarization, at the domestic and industrial level, is steadily reducing reliance on the national grid, resulting in lower utilization of generation capacity available in the country.

Notwithstanding the lower offtake, the plant remained fully ready to serve system requirements with its eleven ("11") reciprocating engines and one ("01") steam turbine, generating required power within a short time period and providing support to national grid, throughout the year.

Furthermore, the Board/Shareholders of the Company have approved a substantial investment in NexGen, an Electric Vehicle (EV) manufacturer. This strategic move marks a significant step in the Company's diversification journey, aligning with global trends in clean mobility and green energy. By expanding into the EV sector, the Company aims not only to tap into an emerging growth market but also to complement its existing energy portfolio with initiatives that support sustainable and environmentally responsible development.

#### **ACKNOWLEDGEMENT:**

The Board of Directors appreciates all its stakeholders for their trust and continued support to the Company. The Board also recognizes the contribution made by all the workforce headed by dedicated team of professionals, who served the Company with enthusiasm, and hope that the same spirit of devotion shall remain intact in the future ahead to the Company.



**DIRECTOR**



## مجلس نظاماء رپورٹ

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظاماء 30 جون 2025 کو ختم ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ، محاسب شدہ مالی بیانات مع اس پر آڈیٹر کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

### بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی جمہورکلاں، تحصیل پتوکی، ضلع قصور، پنجاب، پاکستان میں 200 میگاواٹ کی مجموعی صلاحیت کے ساتھ ریسپر وکلیٹنگ انجن ٹیکنالوجی پر مبنی فیول فارڈ پاور پلانٹ کی تعمیر، ملکیت، آپریشن اور دیکھ بھال کرنا ہے۔

### اہم پیشرفت:

سال 2024-25 کے دوران توانائی کے شعبے میں اہم پیش رفت ہوئی۔ حکومت پاکستان نے اصلاحات کے لیے اقدامات شروع کیے، اور وزیراعظم کی تشکیل کردہ ٹاسک فورس نے آزاد پاور پروڈیوسرز بشمول ہماری کمپنی کے ساتھ کئی نشستیں کیں۔ ان مذاکرات کے نتیجے میں پاور پر چیز ایگریمنٹ اور موجودہ ٹیرف میں تبدیلی کی گئی، اور بورڈ آف ڈائریکٹرز نے 4 دسمبر 2024 کو اس ترمیمی معاہدے کی منظوری دی۔ نئے ماڈل کے تحت 1 نومبر 2024 سے ٹیرف ہاسٹرڈ ٹیک اینڈ پے ماڈل میں تبدیل کیا گیا، اور یہ معاہدہ فروری 2025 میں باضابطہ طور پر نافذ ہوا۔ مزید تفصیلات منسلک مالیاتی بیانات کے نوٹ نمبر 1.4 میں درج ہیں۔

بیان کرنے کی اہم بات یہ ہے کہ یہ رعایات اور نظر ثانی شدہ شرائط کے مالیاتی اثرات مکمل طور پر پاور کمپنیوں نے خود برداشت کیے ہیں، جو حکومت اور عوام کو ریلیف فراہم کرنے کے ان کے عزم کو ظاہر کرتی ہیں۔

مثبت پہلو یہ کہ، ترمیمی معاہدے پر عمل درآمد کے نتیجے میں دیرینہ وصولیوں کا مسئلہ حل ہو گیا ہے۔ بجلی کے خریدار نے 27 مارچ 2025 کو 31 اکتوبر 2024 تک باضی کے واجبات کا مکمل اور حتمی تصفیہ کر دیا ہے۔

30 جون، 2025 تک، بجلی کے خریدار سے کمپنی کے قابل وصول بل 2,002 ملین روپے (2024: 15,319 ملین روپے) تھے، جب کہ واجب الادا وصولیاں کم ہو کر 1,508 ملین روپے (2024: 9,984 ملین روپے) رہ گئیں۔

### آپریشنز:

سال کے دوران، پلانٹ نے بجلی کے خریدار کو کوکل 87 GWh (2024: 454 GWh) بجلی ترسیل کی، جو سالانہ اوسط صلاحیتی عنصر کے 5.07% (2024: 26.45%) کے مساوی تھی۔

## مالیاتی نتائج:

30 جون کو ختم ہونے والی مالی سال	2025	2024	تغیرات
			%
آمدنی	7,058	22,505	(69%)
مجموعی منافع	2,658	5,140	(48%)
آپریٹنگ منافع	3,518	5,728	(39%)
قبل از محصول (نقصان)/منافع	(376)	5,694	(107%)
بعد از محصول (نقصان)/منافع	(747)	5,390	(114%)
فی حصص (نقصان)/آمدنی (روپے)	(2.11)	15.22	(114%)

سال 2024-25 کے لیے، کمپنی نے 7,058 ملین روپے کا ٹرن اوور ریکارڈ کیا، جو پچھلے سال (22,505 ملین روپے: 2023-24) کے مقابلے میں 69% کم ہے۔ اس کی وجہ بنیادی طور پر صلاحیت کے کم استعمال اور بجلی خریدار اور حکومت پاکستان کے ساتھ کمپنی کے ہونے والے مذاکرات کے نتیجے میں سامنے آنے والے ٹیریف کے اجزاء میں کمی کے باعث ہوئی ہے۔

مزید برآں، اگرچہ دیگر آمدنی میں خاطر خواہ اضافہ ہوا کیونکہ بجلی خریدار نے مکمل ادائیگی کی، لیکن بجلی خریدار کی جانب سے دیر سے ادائیگی پر مارک اپ کی عدم منظوری اور پچھلے سالوں کی آمدنی میں حصہ داری کی بنیاد پر کی گئی کٹوتیوں کے باعث فی حصص نقصان 2.11 روپے رہا، جبکہ گزشتہ سال کی اسی مدت میں فی حصص منافع 15.22 روپے تھا۔ اگر یہ کٹوتیاں نہ کی جاتیں تو اس سال کمپنی کافی حصص منافع 8.77 روپے ہوتا۔

## انٹرنل آڈٹ اور کنٹرول:

بورڈ نے ایک آزاد آڈٹ فنکشن قائم کیا ہے جس کی قیادت ایک اہل شخص کر رہا ہے اور جو آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ کمپنی میں انٹرنل آڈٹ کے دائرہ کار کو واضح طور پر متعین کیا گیا ہے، جو بنیادی طور پر انٹرنل کنٹرول سسٹم کے جائزے اور اس کی کارکردگی کے تجزیے پر مشتمل ہے۔

## انٹرنل مالیاتی کنٹرولز کی افادیت:

کمپنی اس بات کی پابند ہے کہ وہ ایکٹ کے مطابق مناسب محاسبی ریکارڈ برقرار رکھے تاکہ کمپنی کے اثاثوں کی حفاظت کی جاسکے اور فراڈ یا دیگر بے ضابطگیوں کو روکا اور پکڑا جاسکے؛ مناسب محاسبی پالیسیوں کا انتخاب اور اطلاق؛ معقول اور محتاط انداز میں فیصلے اور تجزیے کرنا؛ مناسب داخلی مالیاتی کنٹرولز کا ڈیزائن، نفاذ اور دیکھ بھال، جو مؤثر طریقے سے کام کر رہے ہوں تاکہ محاسبی ریکارڈ کی درستگی اور مکملیت یقینی بنائی جاسکے، جو مالی بیانات کی تیاری اور پیشکش کے لیے متعلقہ ہوں، اور جو حقیقی اور منصفانہ تصویر پیش کریں اور مادی غلط بیانی سے پاک ہوں، چاہے وہ فراڈ کی وجہ سے ہو یا غلطی کی۔

## ماحولیاتی تحفظ کے اقدامات:

کمپنی ماحولیاتی تحفظ اور کام کی جگہ کی حفاظت کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پُر عزم ہے۔ قومی ماحولیاتی معیار کے معیارات کی تعمیل کو یقینی بنانے اور پائیدار کارروائیوں کو فروغ دینے کے لیے اخراج، گندے پانی، اور مجموعی طور پر ماحولیاتی اثرات کی باقاعدہ نگرانی کی جاتی ہے۔ ایک تحفظاتی، محفوظ، اور معاون کام کے ماحول کو فروغ دے کر ملازمین کی صحت اور بہبود کے تحفظ پر یکساں زور دیا جاتا ہے۔ کام کی جگہ پر خواتین کے لیے ایک محفوظ اور سازگار ماحول کو فروغ دینے پر

خصوصی توجہ کے ساتھ، کمپنی کی انسداد ہراسیت کی پالیسی سب کے لیے وقار اور احترام کو یقینی بنانے کے لیے برقرار ہے۔ مشترکہ ذمہ داری کے کلچر کی حوصلہ افزائی کی جاتی ہے، جہاں ماحولیاتی نگہداشت اور ملازمین کی حفاظت کو تمام کاروباری سرگرمیوں کے لیے لازمی سمجھا جاتا ہے۔

ان کوششوں کے ذریعے، کمپنی ماحول کے تحفظ اور تمام اسٹیک ہولڈرز کی حفاظت کو یقینی بنانے کے لیے اپنی ذمہ داری کا مظاہرہ کر رہی ہے۔

### کارپوریٹ سماجی ذمہ داری

کمپنی ایک ذمہ دار کارپوریٹ شہری کے طور پر اپنے کردار کے لیے پُر عزم ہے اور ان کمیونٹیز کی فلاح و بہبود میں حصہ ڈالنے کی اہمیت کو تسلیم کرتی ہے جن میں یہ کام کرتی ہے۔ کارپوریٹ سماجی ذمہ داری، سماجی ترقی کو بڑھانے، تعلیم اور صحت کو فروغ دینے، ماحول کی حفاظت اور معیار زندگی کو بلند کرنے والے اقدامات کی حمایت پر توجہ مرکوز کرتے ہوئے کمپنی کی اقدار میں سرایت شدہ ہے۔

ان کوششوں کے ذریعے، کمپنی اسٹیک ہولڈرز کے ساتھ طویل مدتی، مثبت تعلقات کو فروغ دینے اور اس بات کو یقینی بنانا چاہتی ہے کہ اس کی ترقی معاشرے اور ماحول کے وسیع تر مفادات کے ساتھ ہم آہنگ ہو۔ سماجی ذمہ داری کو اپنے کاروباری طریقوں میں ضم کر کے، کمپنی کمیونٹی اور اس کے حصص یافتگان دونوں کے لیے مشترکہ قدر پیدا کرنا جاری رکھے ہوئے ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی مینجمنٹ اپنی ذمہ داری سے مکمل طور پر واقف ہے جیسا کہ کمپنیز ایکٹ 2017 کی دفعات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی طرف سے جاری کوڈ آف کارپوریٹ گورننس میں بتایا گیا ہے۔ مندرجہ ذیل تبصرے کارپوریٹ گورننس اور مسلسل بہتری میں اعلیٰ معیار کے لئے کمپنی کی کاوشوں کا ثبوت ہیں۔

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

• اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

• کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

• بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اورینٹیشن کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔

• ریٹائرمنٹ پیفینٹس فنڈ کی مد میں سرمایہ کاری کی قدر:

پراویڈینٹ فنڈ: 30 جون 2025 کو 518.429 ملین روپے ہے۔

### آڈٹ کمیٹی کے اجلاسوں میں ارکان کی شمولیت

زیر جائزہ سال کے دوران، آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل ہے:

نمبر شمار	نام رکن	تعداد حاضری
1	جناب ہمایوں مقبول (چیئر مین)	3
2	محترمہ ملیحہ ہمایوں بنگش (ممبر)	4
3	جناب محمد عاقب ذوالفقار (ممبر)	4

### ایچ آر کمیٹی کے اجلاس میں ارکان کی شمولیت

زیر جائزہ سال کے دوران ہیومن ریسورس اینڈ ریمیزیشن (ایچ آر اینڈ آر) کمیٹی کا ایک اجلاس منعقد ہوا، حاضری کی پوزیشن حسب ذیل ہے:

نمبر شمار	نام رکن	تعداد حاضری
1	محترمہ ملیحہ ہمایوں بنگش (چیئر پرسن)	1
2	جناب حسن منشا (ممبر)	1
3	جناب غضنفر حسین مرزا (ممبر)	1

### بورڈ آف ڈائریکٹرز کے اجلاس میں ڈائریکٹرز کی شمولیت

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل ہے:

نمبر شمار	نام ڈائریکٹر	تعداد حاضری
1	میاں حسن منشا	4
2	جناب غضنفر حسین مرزا	5
3	محترمہ ملیحہ ہمایوں بنگش	4
4	جناب ہمایوں مقبول	4
5	جناب محمود اختر	4
6	جناب محمد عاقب ذوالفقار	5
7	جناب شہزاد احمد ملک	5



## لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019

کمپنی نے ڈائریکٹرشپس کی تعداد کے سلسلے میں کوڈ کے تقاضوں کی تعمیل کی ہے۔  
بورڈ نے اسٹیک ہولڈرز کے اعتماد کو فروغ دینے کے لئے، اپنے آپریشنز میں شفافیت کے حصول کے مد نظر، اچھے کارپوریٹ گورننس کو شامل اور عملدرآمد کرنے پر بہت زور دیا ہے۔

## کمپنی کے ڈائریکٹرز کے نام:

مالی سال 2025 کے دوران، مندرجہ ذیل افراد نے کمپنی کے ڈائریکٹرز کی حیثیت سے خدمات سرانجام دی ہیں:

نمبر شمار	نام ڈائریکٹر
1	میاں حسن منشا
2	جناب غضنفر حسین مرزا
3	محترمہ ملیحہ ہمایوں بگٹش
4	جناب ہمایوں مقبول
5	جناب محمود اختر
6	جناب محمد عاقب ذوالفقار
7	جناب شہزاد احمد ملک

## بورڈ کی ترتیب:

### ڈائریکٹرز کی کل تعداد

6	(a) مرد
1	(b) عورت

## ترتیب

2	(i) آزاد ڈائریکٹرز
3	(ii) دیگر نان ایگزیکٹو
2	(iii) ایگزیکٹو

## بورڈ کی کمیٹیاں

### بورڈ کی آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب ہمایوں مقبول (آزاد ڈائریکٹر) چیئر مین
2	ملیحہ ہمایوں بگٹش (آزاد ڈائریکٹر)
3	جناب محمد عاقب ذوالفقار (نان ایگزیکٹو ڈائریکٹر)

## ہیومن ریسورس اینڈ ریمیزیشن کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	ملیجہ ہمایوں نگلش (آزاد ڈائریکٹر) چیئر پرسن
2	میاں حسن منشا (نان ایگزیکٹو ڈائریکٹر)
3	جناب غضنفر حسین مرزا (ایگزیکٹو ڈائریکٹر)

## ڈائریکٹرز کا مشاہرہ:

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ کوئی مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے گئے مشاہرہ کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 31 میں منکشف کی گئی ہے۔

## کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کے مطابق مکمل طور پر عمل کیا ہے۔ اس اثر کا بیان رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

## حصص داری کا نمونہ:

بمطابق 30 جون 2025 نمونہ حصص داری کا بیان منسلک ہے۔

## تنوع، مساوات اور شمولیت (DEI)

سال کے دوران، کمپنی نے بھرتی کے منصفانہ طریقوں کو اپناتے ہوئے، آگاہی کے سیشنز کا انعقاد، اور تمام ملازمین کی ترقی کے لیے یکساں مواقع کو تقویت دے کر DEI پالیسی کو منظور اور نافذ کیا۔ مزید برآں، ایک باعزت اور معاون کام کے ماحول کو یقینی بنانے کے لیے کمپنی کی اینٹی ہراسمنٹ پالیسی برقرار ہے۔

## کمپنی کے حصص میں ٹریڈنگ:

30 جون 2025 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے زوج اور نابالغ بچوں کی طرف سے لسٹڈ کمپنی کے حصص میں کی گئی تمام تجارت اس سالانہ رپورٹ کے ہمراہ منسلک ہے۔

## متعلقہ پارٹیاں:

متعلقہ پارٹیوں کے درمیان لین دین بے قابو قیوتوں کے موازنہ کے طریقہ کار کے مطابق قابل رسائی قیمتیں مقرر کر کے کیا گیا۔ کمپنی ایکٹ اور کوڈ میں موجود منتقلی پرائسنگ کے بہترین طریقوں پر عمل پیرا ہے۔

## چیئر مین کا جائزہ

چیئر مین کا جائزہ بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مؤثر کردار سے متعلق ہے۔ ڈائریکٹرز جائزہ کے مواد کی تصدیق کرتے ہیں۔

### اوور ہالنگ ریزرو:

تریمی معاہدے کے مطابق، کمپنی نے دستیاب برقرار آمدنی میں سے 3,722 ملین روپے کی رقم اوور ہالنگ کے لئے محفوظ رکھی ہے۔ بورڈ کا خیال ہے کہ اس ریزرو کو سمجھداری سے برقرار رکھا گیا ہے اور یہ پاور پلانٹ کی مرمت اور دیکھ بھال کی ضروریات کو پورا کرنے کے لیے کافی ہے۔

### محاسب:

موجودہ محاسب میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے اہل ہونے کی بناء پر سال 2025-26 کے لئے دوبارہ تعیناتی کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے محاسب کی دوبارہ تقرری کی سفارش کی ہے۔

### مستقبل کا نقطہ نظر:

بجلی کے شعبے کے لیے تیزی سے سولرائزیشن، گھریلو اور صنعتی سطح پر، قومی گرڈ پر انحصار کو مسلسل کم کر رہی ہے، جس کے نتیجے میں ملک میں دستیاب پیداواری صلاحیت کا استعمال کم ہو رہا ہے۔

کم صلاحیتی استعمال کے باوجود، پلانٹ اپنے گیارہ ("11") ریپروسیٹنگ انجنوں اور ایک ("01") سٹیم ٹربائن کے ساتھ سسٹم کی ضروریات کو پورا کرنے کے لیے مکمل طور پر تیار رہا، جس سے مختصر وقت میں مطلوبہ بجلی پیدا کی گئی اور سال بھر نیشنل گرڈ کو مدد فراہم کی گئی۔

مزید برآں، کمپنی کے بورڈ/حصص داروں نے الیکٹرک وہیکل (EV) بنانے والی کمپنی NexGen میں کافی سرمایہ کاری کی منظوری دی ہے۔ یہ اسٹرٹجک اقدام کمپنی کے تنوع کے سفر میں ایک اہم قدم کی نشاندہی کرتا ہے، جو صاف نقل و حرکت اور گرین توانائی کے عالمی رجحانات کے ساتھ ہم آہنگ ہے۔ EV سیکٹر میں توسیع کرتے ہوئے، کمپنی کا مقصد نہ صرف ایک ابھرتی ہوئی ترقی کی منڈی میں شامل ہونا ہے بلکہ اپنے موجودہ توانائی کے پورٹ فولیو کو ایسے اقدامات کے ساتھ مکمل کرنا ہے جو پائیدار اور ماحولیاتی طور پر ذمہ دارانہ ترقی کی حمایت کرتے ہیں۔

### اظہار تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اسٹیک ہولڈرز کے اعتماد اور مسلسل حمایت کا شکریہ ادا کرتا ہے، بورڈ ماہرین اور انجینئرز کی ایک بہت ہی سرشار ٹیم کے حصہ کو تسلیم کرتا ہے جس نے جوش و خروش سے کمپنی کی خدمت کی، اور امید کرتا ہے کہ مستقبل میں کمپنی کے لئے یہی جذبہ برقرار رکھیں گے۔



ڈائریکٹر



چیف ایگزیکٹو

لاہور: 29 ستمبر 2025ء

# PATTERN OF HOLDINGS

OF THE SHARES HELD BY THE SHAREHOLDERS  
OF NISHAT POWER LIMITED AS AT 30 JUNE 2025

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
887	1	100	27,468	0.0078
1444	101	500	615,752	0.1739
527	501	1,000	482,641	0.1363
975	1,001	5,000	2,425,746	0.6851
352	5,001	10,000	2,414,517	0.6819
193	10,001	15,000	1,472,128	0.4158
96	15,001	20,000	1,761,534	0.4975
79	20,001	25,000	1,862,025	0.5259
37	25,001	30,000	1,057,520	0.2987
28	30,001	35,000	917,919	0.2592
20	35,001	40,000	772,283	0.2181
16	40,001	45,000	685,124	0.1935
46	45,001	50,000	2,265,112	0.6397
11	50,001	55,000	575,640	0.1626
11	55,001	60,000	648,990	0.1833
8	60,001	65,000	508,424	0.1436
4	65,001	70,000	277,000	0.0782
6	70,001	75,000	443,210	0.1252
10	75,001	80,000	780,770	0.2205
6	80,001	85,000	496,500	0.1402
11	85,001	90,000	966,000	0.2728
1	90,001	95,000	94,704	0.0267
27	95,001	100,000	2,686,996	0.7588
3	100,001	105,000	309,185	0.0873
2	105,001	110,000	218,000	0.0616
3	110,001	115,000	335,600	0.0948
12	115,001	120,000	1,426,315	0.4028
5	120,001	125,000	622,000	0.1757
7	125,001	130,000	900,887	0.2544
5	130,001	135,000	663,100	0.1873
3	140,001	145,000	429,801	0.1214
9	145,001	150,000	1,345,057	0.3799
4	150,001	155,000	605,300	0.1709
4	155,001	160,000	635,700	0.1795
4	160,001	165,000	649,288	0.1834
2	165,001	170,000	332,500	0.0939
8	170,001	175,000	1,393,956	0.3937
3	175,001	180,000	535,014	0.1511
1	180,001	185,000	183,920	0.0519
3	185,001	190,000	564,727	0.1595
2	190,001	195,000	384,563	0.1086

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
11	195,001	200,000	2,200,000	0.6213
2	205,001	210,000	419,459	0.1185
4	210,001	215,000	853,000	0.2409
1	215,001	220,000	220,000	0.0621
3	220,001	225,000	661,848	0.1869
2	225,001	230,000	455,635	0.1287
1	230,001	235,000	232,011	0.0655
6	245,001	250,000	1,495,690	0.4224
3	250,001	255,000	758,178	0.2141
1	260,001	265,000	265,000	0.0748
2	265,001	270,000	534,500	0.1510
1	275,001	280,000	277,624	0.0784
2	285,001	290,000	574,697	0.1623
11	295,001	300,000	3,294,260	0.9303
1	300,001	305,000	303,270	0.0856
1	315,001	320,000	318,000	0.0898
2	320,001	325,000	647,500	0.1829
1	325,001	330,000	327,753	0.0926
1	330,001	335,000	332,802	0.0940
3	335,001	340,000	1,012,041	0.2858
1	340,001	345,000	343,035	0.0969
1	345,001	350,000	350,000	0.0988
2	355,001	360,000	712,800	0.2013
2	385,001	390,000	773,018	0.2183
8	395,001	400,000	3,200,000	0.9037
1	400,001	405,000	404,000	0.1141
1	405,001	410,000	405,500	0.1145
1	415,001	420,000	418,000	0.1180
1	440,001	445,000	444,947	0.1257
1	445,001	450,000	447,477	0.1264
2	470,001	475,000	947,777	0.2677
1	475,001	480,000	476,705	0.1346
1	480,001	485,000	482,300	0.1362
1	490,001	495,000	490,400	0.1385
9	495,001	500,000	4,500,000	1.2709
1	515,001	520,000	520,000	0.1469
1	530,001	535,000	532,100	0.1503
1	545,001	550,000	545,914	0.1542
1	550,001	555,000	554,844	0.1567
1	560,001	565,000	565,000	0.1596
2	565,001	570,000	1,137,781	0.3213
1	585,001	590,000	586,438	0.1656
3	595,001	600,000	1,800,000	0.5083
1	600,001	605,000	603,500	0.1704
1	615,001	620,000	619,681	0.1750
1	645,001	650,000	650,000	0.1836
1	655,001	660,000	660,000	0.1864

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
1	665,001	670,000	667,000	0.1884
1	675,001	680,000	676,500	0.1911
1	700,001	705,000	705,000	0.1991
1	750,001	755,000	751,000	0.2121
1	810,001	815,000	812,255	0.2294
2	850,001	855,000	1,702,579	0.4808
1	895,001	900,000	900,000	0.2542
1	920,001	925,000	923,500	0.2608
1	1,000,001	1,005,000	1,001,627	0.2829
1	1,120,001	1,125,000	1,125,000	0.3177
1	1,155,001	1,160,000	1,156,125	0.3265
1	1,160,001	1,165,000	1,163,113	0.3285
1	1,180,001	1,185,000	1,182,205	0.3339
1	1,250,001	1,255,000	1,253,000	0.3539
1	1,305,001	1,310,000	1,308,949	0.3697
2	1,495,001	1,500,000	3,000,000	0.8472
1	1,585,001	1,590,000	1,586,959	0.4482
1	1,590,001	1,595,000	1,590,612	0.4492
1	1,720,001	1,725,000	1,725,000	0.4872
1	1,820,001	1,825,000	1,825,000	0.5154
1	1,825,001	1,830,000	1,827,058	0.5160
1	1,845,001	1,850,000	1,847,000	0.5216
1	1,895,001	1,900,000	1,897,507	0.5359
4	1,995,001	2,000,000	8,000,000	2.2593
1	2,005,001	2,010,000	2,009,387	0.5675
1	2,570,001	2,575,000	2,570,018	0.7258
1	2,760,001	2,765,000	2,761,144	0.7798
1	2,895,001	2,900,000	2,900,000	0.8190
2	2,995,001	3,000,000	6,000,000	1.6945
1	3,045,001	3,050,000	3,048,000	0.8608
1	3,170,001	3,175,000	3,174,000	0.8964
1	3,370,001	3,375,000	3,372,500	0.9524
1	3,825,001	3,830,000	3,826,488	1.0807
1	4,290,001	4,295,000	4,292,463	1.2123
1	4,565,001	4,570,000	4,566,245	1.2896
1	4,625,001	4,630,000	4,626,204	1.3065
1	5,015,001	5,020,000	5,019,151	1.4175
1	5,595,001	5,600,000	5,598,355	1.5811
1	6,980,001	6,985,000	6,985,000	1.9727
1	180,585,001	180,590,000	180,585,155	51.0000
<b>5,028</b>			<b>354,088,500</b>	<b>100.0000</b>



## Categories of Shareholders as at 30 June 2025

Sr. #	Categories	No. of Shareholders	Shares Held	Percentage
1	Directors, CEO their Spouse and Minor Children	7	23,501	0.0066
2	Associates Companies, Undertakings and Related Parties	2	180,632,955	51.0135
3	Banks, Development Financial Institutions and Non Banking Financial Institutions	11	15,692,828	4.4319
4	Insurance Companies	4	4,950,153	1.398
5	Modarabas and Mutual Funds	14	14,406,157	4.0685
6	General Public (Local)	4,925	122,923,840	34.7156
7	Funds	18	3,488,819	0.9853
8	Investment Companies	6	856,808	0.242
9	Joint Stock Companies	29	9,922,684	2.8023
10	Others	12	1,190,755	0.3363
<b>GRAND TOTAL:</b>		<b>5,028</b>	<b>354,088,500</b>	<b>100.0000</b>

# CATEGORIES OF SHAREHOLDERS

AS ON 30 JUNE 2025

## Categories of Shareholders

### Associated Companies, Undertaking and Related Parties

NISHAT MILLS LIMITED

NISHAT MILLS LIMITED

## Shares Held

## Percentage

47,800	0.0135
180,585,155	51.0000
180,632,955	51.0135

## Mutual Funds

CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND  
 CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND  
 CDC - TRUSTEE AKD INDEX TRACKER FUND  
 CDC - TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND  
 CDC - TRUSTEE UBL STOCK ADVANTAGE FUND  
 CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND  
 CDC - TRUSTEE LAKSON EQUITY FUND  
 CDC - TRUSTEE UBL ASSET ALLOCATION FUND  
 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND  
 CDC - TRUSTEE LAKSON TACTICAL FUND  
 CDC - TRUSTEE ALLIED FINERGY FUND  
 CDC - TRUSTEE GOLDEN ARROW STOCK FUND  
 CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN  
 CDC - TRUSTEE ALHOF-DIVIDEND STRATEGY PLAN

6,985,000	1.9727
1,825,000	0.5154
58,000	0.0164
135,000	0.0381
1,586,959	0.4482
100,000	0.0282
1,163,113	0.3285
150,000	0.0424
225,635	0.0637
41,450	0.0117
33,000	0.0093
200,000	0.0565
1,253,000	0.3539
650,000	0.1836
14,406,157	4.0686

## Directors and their spouses and Minor Children

Mian Hassan Mansha  
 Muhammad Aqib Zulifqar  
 Shahzad Ahmad Malik  
 Ghazanfar Husain Mirza  
 Mahmood Akhtar  
 Maleeha Humayun Bangash  
 Humayun Maqbool

1	0.0000
500	0.0001
500	0.0001
1,000	0.0003
1,000	0.0003
500	0.0001
20,000	0.0056
23,501	0.0065

## Executives

Nil	Nil
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## Public Sector Companies and Corporations

Joint Stock Companies

9,922,684	2.8022
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## Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds

Banks, DFIs and NBFIs  
 Insurance Companies  
 Pension Funds/ Providend Funds etc.  
 Trusts/Foundation etc.

16,549,636	4.6739
4,950,153	1.3981
3,648,819	1.0305
1,030,755	0.2912
26,179,363	7.3937

## Shareholders holding 5% or more voting rights:

NISHAT MILLS LIMITED

180,632,955	51.0135
-------------	---------



## INFORMATION UNDER LISTING REGULATION NO. 5.6.1(D) OF PSX RULE BOOK AS ON 30 JUNE 2025

There are no trading in shares of the Company, carried out by its Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, Other Employees and their spouses and minor children during the year 01 July, 2024 to 30 June, 2025.

For the purpose of this clause, Board of directors have set threshold for Other Employees, which includes all of the employees covered under any of the following categories:

- i) Employees at General Manager position and above,
- ii) Employees from Finance Department, Accounts Department, Internal Audit Department and Corporate Department
- iii) Any employee receiving annual gross salary of Rs. 3 million or above.

# GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO. 10 OF 2025 OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**Name of company : Nishat Power Limited**  
**Year ending : 30 June 2025**

Following is the gender pay gap calculated for the year ended 30 June, 2025:

- (i) Mean Gender pay gap: 6%
- (ii) Median Gender pay gap: -24%
- (iii) Any other data/details as deemed relevant: The Company offers its employees equitable compensation based on their individual profile and performance without any discrimination with respect to their gender.

For and on behalf of the Board of Directors of the Company



**Chief Executive Officer**

Lahore: 29 September 2025

# STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**Name of company : Nishat Power Limited**

**Year ending : 30 June 2025**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of Directors are seven (07) as per the following:

- a. Male: 06
- b. Female: 01

2. The composition of the Board is as follows:

Independent Director	Mr. Humayun Maqbool Ms. Maleeha Humayun Bangash (Female Director)
Non-executive Director	Mian Hassan Mansha Mr. Shahzad Ahmad Malik Mr. Muhammad Aqib Zulfiqar
Executive Directors	Mr. Ghazanfar Husain Mirza (Chief Executive Officer) Mr. Mahmood Akhtar

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

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. Following Directors have attained the directors training program certification:

<b>Names of Directors</b>
Ms. Maleeha Humayun Bangash
Mr. Mahmood Akhtar
Mr. Shahzad Ahmad Malik
Mr. Muhammad Aqib Zulfiqar
Mr. Ghazanfar Husain Mirza

Following Director meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence is exempt from Directors' training program:

Name of Director
Mr. Humayun Maqbool

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

Names	Designation held
Mr. Humayun Maqbool	Chairman
Ms. Maleeha Humayun Bangash	Member
Mr. Muhammad Aqib Zulfiqar	Member

**b) HR and Remuneration Committee**

Names	Designation held
Ms. Maleeha Humayun Bangash	Chairperson
Mian Hassan Mansha	Member
Mr. Ghazanfar Hussain Mirza	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

**a) Audit Committee:**

Four meetings were held during the financial year ended 30 June 2025.

**b) HR and Remuneration Committee**

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2025.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;



17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	<b>Responsibilities of the Board and its members</b> The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
2	<b>Role of the Board and its members to address Sustainability Risks and Opportunities</b> The Board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities, and targets to create long-term corporate value.	The Securities and Exchange Commission of Pakistan (SECP) introduced a new Regulation 10A in the Regulations on 12 June 2024. The implications of this amendment are currently under review by management. Compliance, where applicable, will be ensured in due course.	10(A)
3	<b>Directors' Training</b> It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Five directors of the Company have acquired Directors' Training Program certification and one director is exempt from Directors' Training Program due to 14 years of education and 15 years of experience on Boards of listed companies. The Company has planned to arrange Directors' Training Program certification for remaining one director.	19(1)
4	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for a female executive in next few years.	19(3)
5	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)

Sr No.	Requirement	Explanation of Non-Compliance	Regulation Number
6	<b>Nomination Committee</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
7	<b>Risk Management Committee</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.	30
8	<b>Disclosure of significant policies on website</b> The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35

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



**Mian Hassan Mansha**  
Chairman

Lahore: 29 September 2025

# INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF NISHAT POWER LIMITED

## REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat Power Limited (the Company) for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.



**RIAZ AHMAD & COMPANY**

Chartered Accountants

Lahore

**Date: 30 September 2025**

**UDIN: CR202510132tkJSbZypn**

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025



# INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Power Limited  
Report on the Audit of the Financial Statements

## Opinion

We have audited the annexed financial statements of Nishat Power Limited (the Company), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of matter

We draw attention to note 1.4 to the financial statements which highlights the signing of Amendment Agreement to alter certain contractual arrangements for sale and purchase of electricity and to amicably resolve the disputes between the Parties. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1	<p><b>Contingencies</b></p> <p>As disclosed in note 9.1.1 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> <p>Contingencies require management to make 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 Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> <p>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.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Contingent liabilities [note 2.1(c) and note 2.15 to the financial statements].</li> <li>- Contingencies [note 9.1.1 to the financial statements].</li> </ul>	<p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed detail of the pending matters and discussed the same with the Company's management;</li> <li>• Reviewed the correspondence of the Company 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;</li> <li>• Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the pending tax cases and other contingencies;</li> <li>• Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters;</li> <li>• Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</li> </ul>



Sr. No.	Key audit matter	How the matter was addressed in our audit
2	<p data-bbox="248 289 766 357"><b>Impacts of ‘Amendment Agreement’ to amend Power Purchase Agreement (PPA)</b></p> <p data-bbox="248 402 766 729">During the year ended 30 June 2025, the Company entered into negotiations with relevant authorities to amend its PPA. After several rounds of discussions, the Company consented for amendment of its PPA through an ‘Amendment Agreement’ with effect from 01 November 2024. Consequently, the Company has recognized adjustments to the amounts of relevant assets and liabilities.</p> <p data-bbox="248 776 766 880">Further, the ‘Amendment Agreement’ necessitated the recognition of capital reserve for overhauling of plant.</p> <p data-bbox="248 927 766 1144">Furthermore, the ‘Amendment Agreement’ also necessitated the Company to evaluate the potential impact on the carrying amount of its tangible fixed assets. Accordingly, the management performed an impairment assessment of its tangible fixed assets.</p> <p data-bbox="248 1191 766 1408">The signing of ‘Amendment Agreement’ was a significant event during the year. Considering its significance and the judgements involved in estimating the recoverable amount of tangible fixed assets, we have considered this as a key audit matter.</p> <p data-bbox="248 1455 766 1485">For further information, refer to the following:</p> <ul data-bbox="248 1532 766 1893" style="list-style-type: none"> <li>- Impacts of ‘Amendment Agreement’ to amend Power Purchase Agreement (PPA) (note 1.4) to the financial statements.</li> <li>- Impairment of non-financial assets (note 2.26) to the financial statements.</li> <li>- Adjustments to balance payable by CPPA-G (note 26) to the financial statements.</li> </ul>	<p data-bbox="801 402 1361 470">Our audit procedures among others included the following:</p> <ul data-bbox="801 517 1361 1596" style="list-style-type: none"> <li>• Evaluated the management’s assessment of the related impacts relating to assets and liabilities in light of the ‘Amendment Agreement’;</li> <li>• Obtained an understanding of the management’s process to determine adjustments relating to assets and liabilities and recoverable amount of tangible fixed assets;</li> <li>• Obtained an understanding of the management’s assessment for the establishment of capital reserve;</li> <li>• Evaluated the appropriateness of the methodology used to estimate the recoverable amount for impairment assessment of tangible fixed assets;</li> <li>• Checked the mathematical accuracy of the adjustments relating to assets, liabilities, capital reserve and the recoverable amount of tangible fixed assets; and</li> <li>• Assessed the adequacy of the related disclosures in the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



**RIAZ AHMAD & COMPANY**

Chartered Accountants

Lahore

**Date: 30 September 2025**

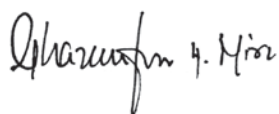
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# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2025

	Note	2025 (Rupees in thousand)	2024
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 500,000,000 (2024: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital	4	3,540,885	3,540,885
Capital reserve - maintenance reserve		-	2,113,957
Capital reserve - overhauling reserve	5.1	3,722,257	-
Revenue reserve - un-appropriated profit		20,712,026	26,962,082
<b>TOTAL EQUITY</b>		27,975,168	32,616,924
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITY</b>			
		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	309,614	2,179,673
Accrued mark-up / profit on short term borrowings		351	11,842
Short term borrowings	7	719,898	2,959,948
Unclaimed dividend		29,035	26,262
Taxation and levy - net	8	116,300	102,156
		1,175,198	5,279,881
<b>TOTAL LIABILITIES</b>		1,175,198	5,279,881
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		29,150,366	37,896,805

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

	Note	2025 (Rupees in thousand)	2024
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	10	7,621,052	8,281,097
Intangible asset	11	-	-
Long term investment	12	-	-
Long term loans to employees	13	6,987	7,029
		<u>7,628,039</u>	<u>8,288,126</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	14	802,815	828,353
Inventories	15	810,657	2,558,609
Trade debts	16	1,661,908	14,425,555
Loans, advances, deposits, prepayments and other receivables	17	27,369	1,234,669
Short term investments	18	18,106,521	4,264,954
Cash and bank balances	19	113,057	6,296,539
		<u>21,522,327</u>	<u>29,608,679</u>
<b>TOTAL ASSETS</b>		<u><u>29,150,366</u></u>	<u><u>37,896,805</u></u>



CHIEF FINANCIAL OFFICER



## STATEMENT OF PROFIT OR LOSS

### FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 (Rupees in thousand)	2024
Revenue from contract with customer	20	7,057,714	22,505,489
Cost of sales	21	(4,399,559)	(17,365,234)
Gross profit		2,658,155	5,140,255
Administrative expenses	22	(543,637)	(482,393)
Other expenses	23	(67,445)	(9,068)
		(611,082)	(491,461)
Other income	24	1,471,099	1,078,822
Profit from operations		3,518,172	5,727,616
Finance cost	25	(43,411)	(33,643)
		3,474,761	5,693,973
Adjustments to balance payable by CPPA-G	26	(3,850,458)	-
(Loss) / Profit before levy and taxation		(375,697)	5,693,973
Levy	27	(5,576)	(84,876)
(Loss) / Profit before taxation		(381,273)	5,609,097
Taxation	28	(365,509)	(219,523)
(Loss) / Profit after taxation		(746,782)	5,389,574
(Loss) / Earnings per share - basic and diluted (Rupees)	29	(2.11)	15.22

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



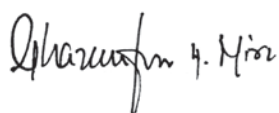
CHIEF FINANCIAL OFFICER

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2025

	2025 (Rupees in thousand)	2024
<b>(LOSS) / PROFIT AFTER TAXATION</b>	(746,782)	5,389,574
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b>	<b>(746,782)</b>	<b>5,389,574</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



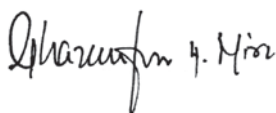
CHIEF FINANCIAL OFFICER

# STATEMENT OF CHANGES IN EQUITY

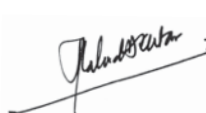
## FOR THE YEAR ENDED 30 JUNE 2025

	SHARE CAPITAL	RESERVES			TOTAL RESERVES	TOTAL EQUITY
		CAPITAL		REVENUE		
		MAINTENANCE RESERVE	OVERHAULING RESERVE	UN-APPROPRIATED PROFIT		
(Rupees in thousand)						
Balance as at 30 June 2023	3,540,885	2,636,469	-	23,705,660	26,342,129	29,883,014
Transactions with owners:						
Final dividend for the year ended 30 June 2023 @ Rupees 3 per share	-	-	-	(1,062,266)	(1,062,266)	(1,062,266)
First interim dividend for the half year ended 31 December 2023 @ Rupees 2.5 per share	-	-	-	(885,221)	(885,221)	(885,221)
Second interim dividend for the period ended 31 March 2024 @ Rupees 2 per share	-	-	-	(708,177)	(708,177)	(708,177)
	-	-	-	(2,655,664)	(2,655,664)	(2,655,664)
Transfer of maintenance reserve	-	(522,512)	-	522,512	-	-
Profit for the year ended 30 June 2024	-	-	-	5,389,574	5,389,574	5,389,574
Other comprehensive income for the year ended 30 June 2024	-	-	-	-	-	-
Total comprehensive income for the year ended 30 June 2024	-	-	-	5,389,574	5,389,574	5,389,574
Balance as at 30 June 2024	3,540,885	2,113,957	-	26,962,082	29,076,039	32,616,924
Transactions with owners:						
Final dividend for the year ended 30 June 2024 @ Rupees 5 per share	-	-	-	(1,770,444)	(1,770,444)	(1,770,444)
First interim dividend for the quarter ended 30 September 2024 @ Rupees 2 per share	-	-	-	(708,177)	(708,177)	(708,177)
Second interim dividend for the half year ended 31 December 2024 @ Rupees 2 per share	-	-	-	(708,177)	(708,177)	(708,177)
Third interim dividend for the quarter ended 31 March 2025 @ Rupees 2 per share	-	-	-	(708,177)	(708,177)	(708,177)
	-	-	-	(3,894,975)	(3,894,975)	(3,894,975)
Loss for the year ended 30 June 2025	-	-	-	(746,782)	(746,782)	(746,782)
Other comprehensive income for the year ended 30 June 2025	-	-	-	-	-	-
Total comprehensive loss for the year ended 30 June 2025	-	-	-	(746,782)	(746,782)	(746,782)
Transfer of maintenance reserve	-	(25,591)	-	25,591	-	-
Extinguishment of maintenance reserve for the purpose of creating the overhauling reserve pursuant to the Amendment Agreement	-	(2,088,366)	-	2,088,366	-	-
Transfer to overhauling reserve (Note 5.1)	-	-	3,722,257	(3,722,257)	-	-
Balance as at 30 June 2025	3,540,885	-	3,722,257	20,712,026	24,434,283	27,975,168

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 (Rupees in thousand)	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operation</b>	30	12,750,440	5,111,723
Finance cost paid		(54,900)	(26,902)
Net (increase) / decrease in long term loans to employees		(1,603)	392
Income tax paid		(356,942)	(143,781)
<b>Net cash generated from operating activities</b>		12,336,995	4,941,432
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on fixed assets		(28,647)	(522,689)
Short term investments made		(75,790,376)	(327,068,753)
Interest received		117,124	268,010
Proceeds from sale of short term investments		63,304,491	323,542,192
Proceeds from disposal of operating fixed assets		9,183	67,326
<b>Net cash used in investing activities</b>		(12,388,225)	(3,713,914)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(3,892,202)	(2,651,640)
<b>Net cash used in financing activities</b>		(3,892,202)	(2,651,640)
<b>Net decrease in cash and cash equivalents</b>		(3,943,432)	(1,424,122)
<b>Cash and cash equivalents at the beginning of the year</b>		3,336,591	4,760,713
<b>Cash and cash equivalents at the end of the year</b>		(606,841)	3,336,591
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	19	113,057	6,296,539
Short term borrowings	7	(719,898)	(2,959,948)
		(606,841)	3,336,591

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2025

### 1. THE COMPANY AND ITS ACTIVITIES

**1.1** Nishat Power Limited (the 'Company') is a public Company limited by shares incorporated in Pakistan on 23 February 2007 under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The Company is a subsidiary of Nishat Mills Limited. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited.

**1.2** The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 53-A, Lawrence Road, Lahore. The address of the head office of the Company is 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The Company had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty five years which commenced from 09 June 2010. On 12 February 2021, the Company entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, the Company entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on 08 June 2021 was extended by sixty eight (68) days to 15 August 2021.

**1.3** Geographical location and addresses of all business units are as follows:

Registered office	53-A, Lawrence Road, Lahore
Head office	1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore
Power station	Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab
Sub-office	Unit-2, 17-B, Aziz Avenue, Canal Road, Gulberg V, Lahore

### **1.4 Impacts of 'Amendment Agreement' to amend Power Purchase Agreement (PPA)**

During the year ended 30 June 2025, Prime Minister of Pakistan constituted a Task Force to amend the Power Purchase Agreement, Implementation Agreement and to revise tariff of the Company. After several rounds of discussions with the Task Force, the Company consented to amend the Power Purchase Agreement, Implementation Agreement and to convert the existing tariff to 'Hybrid Take and Pay' model as proposed by the Task Force. On 04 December 2024, Board of Directors of the Company approved the execution of the Amendment Agreement with the Government of Pakistan ('GoP') and the Power Purchaser to implement the proposed amendments with effect from 01 November 2024. As a result, following significant amendments in Power Purchase Agreement and Implementation Agreement have been agreed and taken place:

- Quarterly indexation for local fixed O&M and local variable O&M has been revised which shall be lower of 5% per annum or actual average National Consumer Price Index ('NCPI') for the preceding twelve months. Whereas, existing indexation mechanism for foreign fixed O&M and foreign variable O&M shall continue provided that PKR/USD depreciation will be allowed for up to 70% of the actual annual depreciation. Whereas the benefit of appreciation in PKR/USD, shall be passed on to the Power Purchaser on 100% basis;
- The cost of the working capital component has been rebased and revised working capital components shall be indexed at KIBOR + 1% in future;

- Return on Equity and Return on Equity during construction, tariff component has been revised to be paid in a 'Hybrid Take and Pay' model;
- Insurance component of CPP has been capped at 0.9% of allowed EPC cost as per existing mechanism;
- The Company has agreed to waive off delayed payment mark-up invoices and delayed payment mark-up accrued with respect to payments that have been made by the Power Purchaser upto 31 October 2024; (Note 26.1)
- Rate of markup on delayed payments by the Power Purchaser has been reduced to 3 months KIBOR + 1%;
- Power Purchaser shall pay Rupees 9,632.682 million payable as on 31 October 2024 to the Company as full and final settlement of all past payables and claims within 90 days from the date of approval by the Cabinet;
- Annual estimated O&M costs for reserve established for all overhauls shall be recognized in the financial statements;
- GoP shall unconditionally and irrevocably withdraw and extinguish all claims against the Company under the Arbitration Submission Agreement as more fully explained in note 9.1.1(v) to these financial statements;
- LCIA Arbitration clause in PPA has been substituted with the Arbitration under local laws with the venue of Arbitration to be Islamabad;
- Fuel savings and O&M savings as mutually agreed, shall be shared with the Power Purchaser under the Amendment Agreement.

During the year ended 30 June 2025, the Parties have started complying with the conditions stipulated in the above-mentioned Amendment Agreement and the same has formally been executed.

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 2.1 Basis of preparation

#### a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ('IFRS') issued by the International Accounting

Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

**b) Accounting convention**

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

**c) Critical accounting estimates and judgments**

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

**Income tax and levy**

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

**Useful lives, pattern of economic benefits and impairment**

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

**Provisions**

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

**Revenue from contract with customer involving sale of electricity (Note 2.23)**

**Contingencies**

The Company reviews the status of all pending litigations and claims against the Company. Based

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

### **Classification of investments**

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' – Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' – Non-current liabilities with covenants;
- Amendments to IFRS 16 'Leases' – Lease liability in a sale and leaseback transaction; and
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' – Supplier finance arrangements

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

#### **f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify 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 a 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.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

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

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

## **2.2 Property, plant and equipment**

### **2.2.1 Operating fixed assets**

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at cost less any recognized impairment loss. Residual values and estimated useful lives are reviewed at each reporting date, with the effect of changes in estimate accounted for on prospective basis.

Depreciation on operating fixed assets, other than identifiable capital spares in plant and machinery, is charged to the statement of profit or loss on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 10 after taking into account their residual values. Depreciation on identifiable capital spares in plant and machinery is charged on the basis of number of hours used. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

### **2.2.2 Capital work-in-progress**

Capital work-in-progress is stated at cost less any identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried

under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

### 2.2.3 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

## 2.3 Leases - Exemption from requirements of IFRS 16 to the extent of Power Purchase Agreement (PPA)

Securities and Exchange Commission of Pakistan (SECP) vide SRO 986(I)/2019 dated 02 September 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before 01 January 2019. Therefore, the standard will not have any impact on the Company's financial statements to the extent of its PPA. For the remaining leases, the Company has assessed that the application of this standard does not have any material impact on these financial statements.

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. The 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 the Company were to follow IFRS 16 with respect to its PPA, the effect on the financial statements would be as follows:

	2025 (Rupees in thousand)	2024
De-recognition of fixed assets	(7,333,790)	(7,924,842)
Recognition of lease debtor	4,205,716	7,015,563
De-recognition of trade debts	(956,337)	(3,650,695)
Decrease in un-appropriated profit at the beginning of the year	(4,598,504)	(4,509,502)
Increase / (Decrease) in profit for the year	475,564	(89,002)
Decrease in un-appropriated profit at the end of the year	(4,122,940)	(4,598,504)

## 2.4 Investments and other financial assets

### a) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other

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

## **b) Measurement**

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

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

### **Debt instruments**

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

#### **Amortised cost**

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

#### **Fair value through other comprehensive income (FVTOCI)**

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

#### **Fair value through profit or loss (FVTPL)**

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

## Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2). Fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

### Fair value through other comprehensive income (FVTOCI)

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

### Fair value through profit or loss (FVTPL)

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

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

## 2.5 Financial liabilities – classification and measurement

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

## 2.6 De-recognition of financial assets and financial liabilities

### a) Financial assets

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

### b) Financial liabilities

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

## 2.7 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term loans;
- Loans, deposits and other receivables;
- Short term investment; and
- Bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of borrowers; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognises an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

## 2.8 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 1784(I)/2024 dated 04 November 2024 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to



application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2025 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

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

## **2.9 Offsetting of financial assets and financial liabilities**

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

## **2.10 Investment in associate - (with significant influence)**

Associate is an entity over which the Company has significant influence but not control or joint control. Investment in associate is accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognized as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also eliminated unless the



transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the Company.

Investment in equity method accounted for associate is tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'.

## **2.11 Foreign currency transactions and translation**

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

## **2.12 Inventories**

Inventories, except for that in transit, are valued principally at lower of cost and net realizable value. Cost is determined using First in First Out method for furnace oil while weighted average method is used for the remaining items. Inventories in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value.

## **2.13 Stores, spares and loose tools**

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

Provision for obsolescence of stores and spare parts wherever required, is made on the basis of management's best estimate of usability of items and considering the ageing analysis prepared on an item by item basis.

## **2.14 Provisions**

Provisions are recognized when the Company has a present 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

## **2.15 Contingent liabilities and assets**

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed

only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized. A contingent liability is disclosed unless the possibility of an outflow is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised. An asset remains contingent until such time as the inflow of economic benefits becomes virtually certain. When it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income is recognised in the financial statements in the period in which the change occurs (that is, when the future event occurs and confirms the asset's existence or, if earlier, when it becomes virtually certain that the future event will confirm the asset's existence and it is virtually certain that the asset will be realised).

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or
- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

## 2.16 Taxation and levy

### 2.16.1 Current

The profits and gains of the Company derived from electric power generation are exempt from tax in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein.

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, provision for current tax and levy is made in the statement of profit or loss on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

### Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. However, the

deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. 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 statement of the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

## **2.17 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. Bank overdrafts are shown within trade and other payables in current liabilities.

## **2.18 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## **2.19 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as

the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

## **2.20 Contract asset and contract liability**

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

## **2.21 Trade debts**

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 2.23 and therefore are all classified as current. Trade debts are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

## **2.22 Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

## **2.23 Revenue recognition**

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

### **Sale of electricity**

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

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

Electrical Output (NEO) are delivered to CPPA-G.

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

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

#### **Interest**

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

#### **Dividend**

Dividend on equity investments is recognized when right to receive the dividend is established.

### **2.24 Finance income**

Finance income comprises interest income on funds invested (financial assets). Interest income is recognized as it accrues in profit or loss, using effective interest method.

### **2.25 Dividend and appropriation to reserves**

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

### **2.26 Impairment of non-financial assets**

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

## **3. SUMMARY OF OTHER ACCOUNTING POLICIES**

### **3.1 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortised using the straight line method over a period of five years. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

### 3.2 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 less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

### 3.3 Lease liabilities

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

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

### 3.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

### 3.5 Employee benefits

#### Short term obligation

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the

liabilities are settled.

### Post employment benefit - Defined contribution plan (Provident Fund)

There is an approved defined contributory provident fund for all employees. Equal monthly contributions are made both by the Company and employees to the fund at the rate of 10 percent of the basic salary subject to completion of minimum qualifying period of service as determined under the rules of the fund.

## 3.6 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

## 3.7 Earnings per share

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

## 4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2025 (NUMBER OF SHARES)	2024		2025 (Rupees in thousand)	2024
354,088,500	354,088,500	Ordinary shares of Rupees 10 each fully paid-up in cash	3,540,885	3,540,885

4.1 180,632,955 (2024: 180,632,955) ordinary shares of the Company are held by Nishat Mills Limited - holding company.

4.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

## 5 CAPITAL RESERVE - Overhauling Reserve

5.1 Pursuant to the 'Amendment Agreement' as more fully explained in note 1.4 to these financial statements, capital reserve amounting to Rupees 3,722.257 million has been recognized in these financial statements. This capital reserve is set aside from retained earnings for the purpose of repair and maintenance costs associated with overhauling of the plant. Any utilization of overhauling reserve is transferred to retained earnings in the period in which actual overhauling is carried out.

	2025	2024
	(Rupees in thousand)	
<b>6 TRADE AND OTHER PAYABLES</b>		
Creditors (Note 6.1)	230,100	1,648,763
Accrued liabilities	54,191	23,065
Payable to contractors	4,536	7,407
Workers' profit participation fund payable (Note 6.2)	-	267,805
Workers' welfare fund (Note 6.3)	1,342	232,521
Sales tax payable (Note 6.4)	19,210	-
Withholding income tax payable	235	112
	<u>309,614</u>	<u>2,179,673</u>
<b>6.1</b> These include amounts due to the following related parties:		
Hyundai Nishat Motor (Private) Limited	522	-
Nishat Hotels and Properties Limited	-	306
Security General Insurance Company Limited	-	60
Adamjee Insurance Company Limited	1,714	-
	<u>2,236</u>	<u>366</u>
<b>6.2 Workers' profit participation fund payable</b>		
Balance as at 01 July	267,805	204,954
Allocation for the year (Note 17.2)	-	267,805
	<u>267,805</u>	<u>472,759</u>
Payments made during the year	(267,805)	(204,954)
Balance as at 30 June	<u>-</u>	<u>267,805</u>
<b>6.3 Workers' welfare fund</b>		
Balance as at 01 July	232,521	299,475
Allocation for the year (Note 17.3)	1,342	113,879
	<u>233,863</u>	<u>413,354</u>
Payments made during the year	(232,521)	(180,833)
Balance as at 30 June	<u>1,342</u>	<u>232,521</u>
<b>6.4 Sales tax payable</b>		
Sales tax payable	19,210	-
Considered doubtful	1,241	-
Provision against doubtful sales tax receivable (Note 23)	(1,241)	-
	<u>-</u>	<u>-</u>
	<u>19,210</u>	<u>-</u>



**2025**                      **2024**  
(Rupees in thousand)

## 7 SHORT TERM BORROWINGS

From banking companies - secured

Running finances (Note 7.1)	309,989	499,958
Running musharaka finances (Note 7.2)	309,998	1,739,990
Term finances (Note 7.3)	99,911	720,000
	<u>719,898</u>	<u>2,959,948</u>

**7.1** These running finance facilities obtained from banking companies under mark-up arrangements aggregated to Rupees 3,445.520 million (2024: Rupees 5,101.520 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 2.0% (2024: one month to three months KIBOR plus 0.5% to 2.0%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranged from 11.83% to 23.99% (2024: 21.96% to 24.90%) per annum.

**7.2** These running musharaka facilities obtained from banking companies under profit arrangements aggregated to Rupees 3,550 million (2024: Rupees 4,450 million). These facilities are available at profit rates ranging from one month to three months KIBOR plus 0.1% to 0.5% (2024: one month to three months KIBOR plus 0.1% to 0.5%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The profit rate charged during the year on the outstanding balance ranged from 11.58% to 22.19% (2024: 21.56% to 23.16%) per annum.

**7.3** These term finance facilities are utilized from banking companies as sub-limits of running finance facilities (note 7.1) under mark-up arrangements aggregating to Rupees 3,445.520 million (2024: Rupees 3,601.520 million). These facilities are secured against first joint pari passu charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA -G. These facilities have been availed during the year at mark-up rates of one week to three months KIBOR plus 0.02% to 0.80% (2024: one week to three months KIBOR plus 0.02% to 0.80%) payable at the maturity of respective transaction. The mark-up rate charged during the year on the outstanding balance ranged from 11.60% to 21.63% (2024: 20.26% to 22.80%) per annum.

**7.4** The main facilities for letters of credit and guarantee aggregate to Rupees 1,350 million (2024: Rupees 1,850 million). The amount utilised at 30 June 2025, for letters of credit was Rupees Nil (2024: Rupees 14.857 million) and for letters of guarantee was Rupees 40.550 million (2024: Rupees 40.550 million). The aggregate facilities for letters of credit and guarantee are secured by charge on present and future current assets including fuel stocks/inventory of the Company and by lien over import documents.

	2025 (Rupees in thousand)	2024
<b>8 TAXATION AND LEVY - NET</b>		
<b>Provision for taxation - net</b>		
Provision for taxation	432,492	227,059
Less: Advance income tax	(359,116)	(160,076)
	<u>73,376</u>	<u>66,983</u>
<b>Levy - net</b>		
Levy payable	46,869	85,777
Less: Prepaid levy	(3,945)	(50,604)
	<u>42,924</u>	<u>35,173</u>
	<u>116,300</u>	<u>102,156</u>

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

#### 9.1.1 Contingent liabilities:

- i) On 19 August 2014, the department raised a demand of Rupees 1,722.811 million relating to apportionment of input sales tax under section 8 of the Sales Tax Act, 1990 for tax years 2010 to 2013. The disallowance was primarily made on the grounds that since revenue derived by the Company on account of 'capacity revenue' was not chargeable to sales tax, input sales tax claimed by the Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy revenue' admissible to the Company. The Company assailed the underlying proceedings before Honourable Lahore High Court, Lahore ('LHC') directly and in this respect, vide order dated 31 October 2016, LHC accepted the Company's stance and annulled the proceedings. The department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

In respect of tax periods from July 2016 to June 2017, Company's case was selected for 'audit' involving input sales tax amounting to Rupees 541.091 million, on the same grounds as explained above and Rupees 49.774 million on other matters. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) passed an order and provided partial relief to the Company. Being aggrieved with the order of CIR(A), the Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) who vide order dated 15 April 2022 decided the matter in favour of the Company. Against the order of CIR(A), the department has also filed an appeal in ATIR which is pending adjudication.

On 29 May 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order

relating to tax periods from July 2018 to June 2019 involving input sales tax on 'capacity purchase price' amounting to Rupees 530.024 million on the same grounds as explained above and disallowance of input sales tax on goods / services amounting to Rupees 6.107 million under various provisions of Sales Tax Act, 1990. The Company paid the impugned sales tax demand of Rupees 6.107 million in protest. However, recovery of input sales tax attributable to 'capacity purchase price' was held in abeyance till the decision of the case by Supreme Court of Pakistan as explained above. The Company preferred an appeal before CIR(A) on 24 June 2024 relating to disallowance of input sales tax on goods / services. On 27 February 2025, CIR(A) principally upheld the findings of the assessment order. Being aggrieved with the order of CIR(A), the Company has filed a reference application before the honourable Lahore High Court, Lahore which is pending adjudication. Based on the tax advisor opinion, there exists reasonable grounds to defend these cases. Therefore, no provision has been made in these financial statements.

- ii) On 16 April 2019, the Commissioner Inland Revenue (CIR) through an order raised a demand of Rupees 179.046 million against the Company, mainly on account of input sales tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period of June 2016. Being aggrieved with the order of CIR, the Company filed an appeal before CIR(A). On 07 May 2020, CIR(A) declared that the admissible forum of appeal against the order of CIR is ATIR. The Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted on 28 January 2021. Further, the Company has filed an appeal before ATIR against the order of CIR which is pending adjudication. Based on the tax advisor opinion, management has strong grounds to believe that the case will be decided in Company's favour. Therefore, no provision has been made in these financial statements.
- iii) On 27 February 2015, Additional Commissioner Inland Revenue (ACIR) created a demand of Rupees 282.377 million for tax year 2013 under section 122(5A) of the Income Tax Ordinance, 2001. Aggrieved with the order of the ACIR, the Company preferred an appeal before CIR(A) who granted partial relief to the Company, while upheld the decision of ACIR in certain matters aggregating to Rupees 31.355 million inter-alia on tax credit claimed by the Company under section 65B of the Income Tax Ordinance, 2001. The Company and tax department filed appeals before ATIR against the order of CIR(A). On 02 November 2017, ATIR restated the demand to Rupees 14.072 million. The Company filed application before ATIR for rectification of order dated 02 November 2017 on non-adjudication of issue of disallowance of tax loss on disposal of fixed assets. On 30 March 2021, ATIR passed the rectification order with certain legal disputes. On 24 January 2022, the Company filed another application for rectification of order dated 30 March 2021. On 06 May 2024, ATIR rectified the order passed on 30 March 2021 as per the request of Company. Being aggrieved with the order of ATIR, the Company and tax department have filed appeals before Honourable Lahore High Court, Lahore which are pending for adjudication. Based on the tax advisor opinion, management has strong grounds to believe that the case will be decided in Company's favour. Therefore, no provision has been made in these financial statements.
- iv) On 13 February 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause notice to the Company along with other Independent Power Producers to provide

rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against the Company by NEPRA on 18 March 2019. The Company challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on 01 April 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. On 27 May 2025, NEPRA has withdrawn and recalled the public notice and, hence, the suo moto proceedings stand closed. However, the Company is in the process to formally withdraw the application filed before IHC. Based on the facts and no provision has been made in these financial statements.

- v) On 16 March 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The Company rejected such claims, and discussions were made with the GoP to resolve the dispute. On 12 February 2021, the Company under the 'Master Agreement', agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP. On 15 June 2022, the Company and the GoP signed the 'Arbitration Submission Agreement'. During the year ended 30 June 2023, Arbitration Tribunal was constituted under the terms of 'Arbitration Submission Agreement'. On 29 September 2023, mutually agreed Terms of Reference were formally adapted and proceedings under these terms of Reference were initiated. During the year ended 30 June 2025, the Government of Pakistan ('GoP') through 'Amendment Agreement' has unconditionally and irrevocably agreed to withdraw and extinguish all claims against the Company under the 'Arbitration Submission Agreement' after its formal approval from the Cabinet. After the execution of the 'Amendment Agreement', the 'Arbitration Submission Agreement' stands terminated. However, both parties shall issue a joint communication to the tribunal established under the 'Arbitration Submission Agreement' requesting its termination and the relinquishment of arbitration. Based on the facts stated above, no provision in respect of this matter has been made in these financial statements.
  
- vi) On 28 April 2022, National Electric Power Regulatory Authority (NEPRA) issued a notice of hearing to all the RFO based IPPs under the 2002 Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. The 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 the Company, NEPRA held its hearing on 17 May 2022 and verbally directed to the Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, the Company filed a petition in Honourable Lahore High Court, Lahore (LHC) on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. LHC vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although CV adjustment is computed on the basis of average of two CV results, the said CV adjustment shall be subject to the final outcome of the suit pending before LHC. NEPRA has set out further amendment (change of one of the labs) in methodology for CV adjustment, however the

Company has replied to NEPRA that aforementioned matter, being similar in nature, is sub-judice before LHC. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of the Company. Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these financial statements.

vii) On 31 August 2016, Additional Commissioner Inland Revenue (ACIR) passed an amendment order under section 122(5A) of the Income Tax Ordinance, 2001 relating to tax year 2014 whereby tax demand aggregating to Rupees 107.822 million has been raised on various issues. Being aggrieved with the order of ACIR, the Company preferred an appeal before CIR(A) on 23 September 2016. CIR(A) passed an order on 29 November 2016 whereby relief was granted on various issues whereas matter relating to disallowance of tax credit under section 65B of the Income Tax Ordinance, 2001 was decided against the Company. Being aggrieved with the order of CIR(A), both department and the Company preferred appeals before ATIR on 11 December 2016 and 18 January 2017 respectively. On 12 October 2023, ATIR dismissed the department appeal on the issues taken up by the department. Whereas, on 14 September 2023, ATIR passed an order on Company's appeal and remanded back the case to assessing officer for fresh consideration. However, there were certain apparent factual/legal omissions in the order dated 14 September 2023. The Company filed a rectification application before ATIR. On 08 April 2024, ATIR passed rectification order with the directions to assessing officer to proceed strictly in accordance with the ratio settled by ATIR on the matter in case of another taxpayer as prayed by the Company. Further, the department filed an appeal before Honourable Lahore High Court, Lahore on 04 April 2024 against the order passed by ATIR dated 12 October 2023 which is pending for hearing. On 29 June 2025, remand back proceedings were concluded wherein tax credit under section 65B of the Income Tax Ordinance, 2001 has again been disallowed whilst the relief allowed by CIR(A) initially was also disregarded inadvertently creating a demand of Rupees 107.822 million. On 03 July 2025, subsequent to the reporting period, the Company filled a rectification application. On 23 July 2025, subsequent to the reporting period, the aforesaid order has been rectified. However, in the matter of disallowance of tax credit, the Company has preferred an appeal before CIR(A) which has not been taken up for hearing yet. Based on the advice of tax advisor, the management is confident of favourable outcome of the matter. Therefore, no provision has been made in these financial statements.

viii) On 27 November 2024, Additional Commissioner Inland Revenue ('ACIR') passed an order for tax year 2023 under section 122(5A) of the Income Tax Ordinance, 2001 raising a tax demand of Rupees 32.527 million. On 20 December 2024, being aggrieved with the order, the Company has filed an appeal before Appellate Tribunal Inland Revenue ('ATIR') which is pending for adjudication. Based on the advice of tax advisor, the management expects favorable outcome of the matter. Accordingly, no provision has been recognized in these financial statements.

ix) On 06 February 2013, National Electric Power Regulatory Authority ('the Authority') determined an amount of Rupees 290.423 million to be payable on account of calorific value adjustment. Being aggrieved with the order of the Authority, the Company filed writ petition before Honourable Islamabad High Court who vide its order dated 14 April 2016 upheld the decision of the Authority. On 20 June 2016, the Company filed writ petition before Honourable Supreme Court of Pakistan which is pending adjudication. The management, based on the advice of legal

counsel, is confident of favourable outcome of the matter. Therefore, no provision thereagainst has been made in these financial statements.

x) The banks have issued the following on behalf of the Company:

a) Guarantees of Rupees 11.5 million (2024: Rupees 11.5 million) and Rupees 27.55 million (2024: Rupees 27.55 million) are given by the bank of the Company in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.

b) Guarantee of Rupees 1.5 million (2024: Rupees 1.5 million) is given by the bank of the Company in favour of Punjab Revenue Authority, Lahore under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for levy of infrastructure cess.

	2025 (Rupees in thousand)	2024
<b>9.2 Commitments</b>		
i) For other than capital expenditure	-	14,857
<b>10 FIXED ASSETS</b>		
Operating fixed assets (Note 10.1)	7,545,495	8,078,596
Capital work-in-progress (Note 10.2)	5,800	132,744
Major spare parts and standby equipment (Note 10.3)	69,757	69,757
	<u>7,621,052</u>	<u>8,281,097</u>

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

Description	Freehold land	Buildings and roads on freehold land	Plant and machinery	Improvements on leasehold property	Electric installations	Computer equipment	Furniture and fixtures	Office equipment	Vehicles	Total
<b>At 30 June 2023</b>										
Cost	178,832	240,666	16,637,661	40,909	1,044	42,938	14,066	55,585	335,189	17,546,890
Accumulated depreciation	-	(111,022)	(9,012,803)	(40,909)	(817)	(38,718)	(10,761)	(45,548)	(200,333)	(9,455,911)
Net book value	178,832	129,644	7,624,858	-	227	9,220	3,305	10,037	134,856	8,090,979
<b>Year ended 30 June 2024</b>										
Opening net book value	178,832	129,644	7,624,858	-	227	9,220	3,305	10,037	134,856	8,090,979
Additions	-	1,878	697,635	-	-	6,011	85	341	96,694	802,634
Disposals / derecognitions:										
Cost	-	-	(487,716)	-	-	(1,622)	(44)	(316)	(66,452)	(556,150)
Accumulated depreciation	-	-	487,716	-	-	1,446	36	316	38,101	527,615
	-	-	-	-	-	(176)	(9)	-	(28,351)	(28,535)
Depreciation charge for the year	-	(10,737)	(697,267)	-	(38)	(5,232)	(767)	(2,426)	(70,015)	(786,462)
Closing net book value	178,832	120,785	7,625,226	-	189	9,823	2,615	7,952	133,174	8,078,596
<b>At 30 June 2024</b>										
Cost	178,832	242,544	16,847,590	40,909	1,044	47,327	14,107	55,610	365,421	17,793,374
Accumulated depreciation	-	(121,759)	(9,222,354)	(40,909)	(855)	(37,504)	(11,492)	(47,658)	(232,247)	(9,714,778)
Net book value	178,832	120,785	7,625,226	-	189	9,823	2,615	7,952	133,174	8,078,596
<b>Year ended 30 June 2025</b>										
Opening net book value	178,832	120,785	7,625,226	-	189	9,823	2,615	7,952	133,174	8,078,596
Additions	-	-	-	-	-	5,067	365	1,277	148,882	155,591
Disposals / derecognitions:										
Cost	-	-	(13,169)	-	-	(9,810)	-	-	(24,199)	(41,178)
Accumulated depreciation	-	-	13,169	-	-	3,394	-	-	15,471	32,034
	-	-	-	-	-	(416)	-	-	(8,728)	(9,144)
Written off:										
Cost	-	-	-	-	-	(559)	(11)	(755)	-	(1,325)
Accumulated depreciation	-	-	-	-	-	559	11	755	-	1,325
Depreciation charge for the year	-	(10,737)	(590,314)	-	(38)	(5,381)	(660)	(2,376)	(80,042)	(679,548)
Closing net book value	178,832	110,048	7,044,912	-	151	9,093	2,320	6,853	133,286	7,545,495
<b>At 30 June 2025</b>										
Cost	178,832	242,544	16,834,411	40,909	1,044	48,025	14,461	56,132	490,104	17,906,462
Accumulated depreciation	-	(132,496)	(9,789,499)	(40,909)	(893)	(38,932)	(12,141)	(49,279)	(296,818)	(10,360,967)
Net book value	178,832	110,048	7,044,912	-	151	9,093	2,320	6,853	133,286	7,545,495
<b>Annual rate of depreciation (%)</b>										
	-	3.94 to 8.28	3.94 to 7.06	and number of hours used	10	33	10	10	20	

### 10.1.1

Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particular of purchasers
<b>Vehicles</b>								
Hyundai Tucson	1	5,292	4,234	1,058	1,058	-	Company policy	Muhammad Nawaz, Company's employee, Lahore.
Toyota Corolla Grande	1	2,944	2,355	589	589	-	Company policy	Javid Iqbal, Company's employee, Lahore.
Suzuki Swift GLX	1	4,651	543	4,108	4,108	-	Company policy	Tahir Mehmood Malik, Company's employee, Lahore.
Suzuki Cultus VXR	1	1,817	999	818	818	-	Company policy	Munawar Ali, Company's employee, Lahore.
Honda City	1	3,317	1,603	1,714	1,714	-	Company policy	Noman Umar, Company's employee, Lahore.
		18,021	9,734	8,287	8,287	-		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		9,988	9,131	857	896	39		
		28,009	18,865	9,144	9,183	39		



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

Description	Address	Area of land	Covered area of buildings
Power Station	Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab	137,879 Square Meters	85,407 Square Meters
Commercial Plot (Site for head office)	Plot No. 7, Block Q, Phase 8C, Defence Housing Authority, Lahore	7,200 Square Feet	-

**10.1.3** Fixed assets having cost of Rupees 1,009.320 million (2024: Rupees 894.984 million) which are fully depreciated but still in the use of the Company.

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

	2025 (Rupees in thousand)	2024
Cost of sales (Note 21)	603,383	720,239
Administrative expenses (Note 22)	76,165	66,243
	<u>679,548</u>	<u>786,482</u>
<b>10.2 Capital work-in-progress</b>		
Advance for purchase of vehicle	<u>5,800</u>	<u>132,744</u>

**10.2.1** Movement in capital work in progress is as follows:

	Buildings and roads on freehold land	Office equipment	Furniture and fixtures	Computer equipment	Advances for purchase of vehicles	Total
	(Rupees in thousand)					
<b>As at 30 June 2023</b>	1,878	-	-	-	75,000	76,878
Add: Additions during the year	-	331	85	1,485	132,744	134,645
Less: Transferred to operating fixed assets during the year	(1,878)	(331)	(85)	(1,485)	(75,000)	(78,779)
<b>As at 30 June 2024</b>	1,878	-	-	-	132,744	132,744
Add: Additions during the year	-	654	-	1,550	12,752	14,956
Less: Transferred to operating fixed assets during the year	-	(654)	-	(1,550)	(139,696)	(141,900)
<b>As at 30 June 2025</b>	-	-	-	-	5,800	5,800

	2025 (Rupees in thousand)	2024
<b>10.3 Major spare parts and standby equipment</b>		
The reconciliation of the carrying amount is as follows:		
Balance as at 01 July	69,757	405,568
Add: Additions during the year	-	361,824
	69,757	767,392
Less: Transferred to operating fixed assets	-	(697,635)
Balance as at 30 June	69,757	69,757
<b>11 INTANGIBLE ASSET - Computer software</b>		
Cost as at 30 June	7,542	7,542
Accumulated amortization	(7,542)	(7,542)
Net book value as at 30 June	-	-
Annual rate of amortization	20%	20%

**11.1** Intangible asset having cost of Rupees 7.542 million is fully amortized and is still in use.

	2025 (Rupees in thousand)	2024
<b>12 LONG TERM INVESTMENT</b>		
<b>12.1 Investment in Nishat Energy Limited</b>		
<b>12.2 Associated company - under equity method</b>		
Nishat Energy Limited - unquoted 250,000 (2024: 250,000) fully paid ordinary shares of Rupees 10 each Equity held 25% (2024: 25%) at cost	2,500	2,500
<b>Share of reserve</b>		
Opening balance	(1,658)	(1,658)
Less: Share of loss	-	-
Closing balance	(1,658)	(1,658)
Less: Impairment loss	(842)	(842)
Carrying amount under equity method	-	-

Summary of financial information of associated company as per un-audited financial statements for the year:

	2025 (Rupees in thousand)	2024
Non-current assets	-	-
Current assets	47	47
Total assets	47	47
Liabilities	525	450
Net assets	(478)	(403)
Loss for the year (Note 12.3)	(75)	(75)

**12.3** Nishat Energy Limited (NEL) is a public limited company incorporated in Pakistan. The registered office of NEL is situated at 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore. The principal activity of NEL was to build, own, operate and maintain coal power station. NEL had submitted an upfront tariff petition which was pending for receipt of Purchase Acquisition Request from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). On 14 October 2016, existing upfront tariff for power generation on imported / local coal expired and National Electric Power Regulatory Authority (NEPRA) has decided not to extend the existing upfront tariff beyond 14 October 2016. In view of the aforesaid reasons, NEL is not considered a going concern. Therefore, investment of the Company in NEL has been fully impaired in these financial statements.

**12.4** NEL is an unlisted company therefore, no quoted market price is available for its shares.

**12.5** There are no contingent liabilities relating to the Company's interest in NEL.

**12.6** Provision for taxation is Nil in the financial statements of NEL.

	2025 (Rupees in thousand)	2024
<b>13 LONG TERM LOANS TO EMPLOYEES</b>		
<b>Considered good:</b>		
Executives (Note 13.1)	8,064	5,546
Other employees (Note 13.1)	3,975	4,890
	12,039	10,436
Current portion shown under current assets (Note 17)		
Executives	(3,455)	(1,771)
Other employees	(1,597)	(1,636)
	(5,052)	(3,407)
	6,987	7,029

- 13.1** These long term loans to employees represent interest free loans given to employees, receivable in maximum 60 monthly instalments in accordance with the Company's policy. These loans are secured against registration of cars in the joint name of the Company and the employee and against the accumulated provident fund balance of the relevant employee. 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.

	2025 (Rupees in thousand)	2024
<b>14 STORES, SPARES AND LOOSE TOOLS</b>		
Stores	16,408	18,285
Spares (Note 14.1)	782,776	806,045
Loose tools	3,631	4,023
	<u>802,815</u>	<u>828,353</u>

- 14.1** These include spare in transit of Rupees 4.278 million (2024: Rupees 4.249 million).

- 14.2** Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2025 (Rupees in thousand)	2024
<b>15 INVENTORIES</b>		
Furnace oil	793,387	2,525,590
Diesel	5,021	4,531
Lubricating oil	12,249	28,488
	<u>810,657</u>	<u>2,558,609</u>
<b>16 TRADE DEBTS</b>		
Other than related parties - considered good	<u>1,661,908</u>	<u>14,425,555</u>

- 16.1** These represent trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan (GOP) under the Implementation Agreement and are in the normal course of business and interest free. Pursuant to the 'Amendment Agreement' as more fully explained in note 1.4 to these financial statements, rate of delayed payment mark-up has been reduced to three months KIBOR plus 1.00% per annum without compounding in case amounts are not paid within due dates. Further, delayed payment mark-up invoices and delayed payment mark-up accrued with respect to payments that have been made by the Power Purchaser upto 31 October 2024 have been waived off by the Company and written off in these financial statements (Note 26). The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 12.14% to 22.99% (2024: 20.31% to 27.98%) per annum.

**2025**                      **2024**  
(Rupees in thousand)

**17 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS  
AND OTHER RECEIVABLES**

Advances to employees:		
-against salary	4,673	1,081
-for expenses	248	1,248
Advances to suppliers (Note 17.1)	8,580	14,327
Current maturity of long term loans to employees (Note 13)	5,052	3,407
Customs duty recoverable	129	252
Sales tax receivable	-	324,245
Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 17.2)	-	463,840
Workers' welfare fund (Note 17.3)	-	413,208
Interest receivable (Note 17.4)	313	7,680
Security deposits	3,464	1,575
Bank guarantee margins (Note 17.5)	-	448
Prepayments (Note 17.6)	3,440	1,889
Other receivables	1,470	1,469
	<b>27,369</b>	<b>1,234,669</b>

**17.1** This include amounts of Rupees 0.042 million (2024: Rupees Nil) due from Security General Insurance Limited, related party.

**2025**                      **2024**  
(Rupees in thousand)

**17.2 Workers' profit participation fund**

Opening balance	463,840	366,543
Allocation for the year (Note 6.2)	-	267,805
	<b>463,840</b>	<b>634,348</b>
Amount received during the year	(426,790)	(161,586)
Written off during the year (Note 23)	(37,050)	(8,922)
Closing balance	-	463,840

**17.3 Workers' welfare fund**

Opening balance	413,208	299,475
Allocation for the year (Note 6.3)	-	113,879
	<b>413,208</b>	<b>413,354</b>
Amount received during the year	(385,396)	-
Written off during the year (Note 23)	(27,812)	(146)
Closing balance	-	413,208

- 17.4** This includes interest receivable from MCB Islamic Bank Limited - related party, amounting to Rupees 0.030 million (2024: Rupees 6.434 million).
- 17.5** This represent bank guarantee margin with MCB Islamic Bank Limited - related party, amounting to Rupees Nil (2024: Rupees 0.448 million).
- 17.6** These include amounts prepaid to Adamjee Life Assurance Company Limited, related party, on account of insurance amounting to Rupees 1.722 million (2024: Rupees 0.881 million).

	2025 (Rupees in thousand)	2024
<b>18 SHORT TERM INVESTMENTS</b>		
Equity instruments (Note 18.1)	18,106,521	4,264,954
<b>18.1 Equity instruments</b>		
<b>At fair value through profit or loss</b>		
<b>Quoted - related party:</b>		
Alhamra Daily Dividend Fund Nil (2024: 32,351,855) units	-	3,235,185
MCB DCF Fixed Return Plan I Nil (2024: 10,297,678) units	-	1,029,769
MCB Cash Management Optimizer 38,705,184 (2024: Nil) units	3,954,815	-
MCB Pakistan Sovereign Fund 57,642,941 (2024: Nil) units	3,163,445	-
MCB Government Securities Plan I 65,226,894 (2024: Nil) units	6,535,493	-
MCB Investment Savings Plan I 44,173,618 (2024: Nil) units	4,422,623	-
	18,076,376	4,264,954
Unrealized gain on remeasurement of investments at fair value through profit or loss	30,144	-
	18,106,521	4,264,954

- 18.1.1** The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the Asset Management Company.

**2025**                      **2024**  
(Rupees in thousand)

**19 CASH AND BANK BALANCES**

Cash with banks on:

Saving accounts (Note 19.1 and 19.2)	96,165	4,528,602
Current accounts (Note 19.2)	945	1,224
Pay order in hand	97,110	4,529,826
Term Deposit Receipts (Note 19.3 and 19.4)	15,500	1,766,500
Cash in hand	447	213
	<u>113,057</u>	<u>6,296,539</u>

**19.1** Saving accounts carry profit at the rates ranging from 3.85% to 19.00% (2024: 12.00% to 20.50%) per annum.

**19.2** These include Rupees 94.019 million (2024: Rupees 4,516.805 million) in MCB Bank Limited and Rupees 2.012 million (2024: Rupees 11.813 million) in MCB Islamic Bank Limited, both related parties.

**19.3** These represent Term Deposit Receipts with original maturity period of 1 month and carry profit rates ranging from 9% to 18% (2024: 16.50% to 21.75%) per annum.

**19.4** These include Term Deposit Receipts of Rupees Nil (2024: Rupees 1,151 million) held with MCB Islamic Bank Limited - a related party.

**2025**                      **2024**  
(Rupees in thousand)

**20 REVENUE FROM CONTRACT WITH CUSTOMER**

Energy purchase price revenue - net (Note 20.1)	2,804,844	16,069,151
Capacity purchase price revenue	3,178,235	3,884,690
Delayed payment mark-up	1,074,635	2,551,648
	<u>7,057,714</u>	<u>22,505,489</u>

**20.1** Energy purchase price revenue is net of sales tax amounting to Rupees 515.647 million (2024: Rupees 2,943.712 million).

**2025**                      **2024**  
**(Rupees in thousand)**

**21 COST OF SALES**

Raw materials consumed	2,561,230	14,733,874
Salaries and other benefits (Note 21.1)	409,253	422,926
Repairs and maintenance	29,775	31,350
Stores, spares and loose tools consumed	99,158	733,333
Electricity consumed in-house	82,595	79,797
Insurance (Note 21.2)	466,845	455,188
Travelling and conveyance	43,652	61,276
Printing and stationery	425	990
Postage and telephone	792	848
Vehicle running expenses	10,590	11,772
Entertainment	1,344	3,055
Depreciation on operating fixed assets (Note 10.1.4)	603,383	720,239
Fee and subscription	9,404	7,003
Miscellaneous (Note 21.3)	81,113	103,583
	<u>4,399,559</u>	<u>17,365,234</u>

**21.1** Salaries and other benefits include Rupees 26.827 million (2024: Rupees 26.485 million) in respect of provident fund contribution by the Company.

**2025**                      **2024**  
**(Rupees in thousand)**

**21.2** This includes insurance expense charged by the following related parties:

Security General Insurance Company Limited	310,969	448,316
Adamjee Insurance Company Limited	148,495	5,296
Adamjee Life Assurance Company Limited	7,381	1,576
	<u>466,845</u>	<u>455,188</u>

**21.3** These include wages of contractual employees aggregating Rupees 48.719 million (2024: Rupees 55.962 million).



**2025**                      **2024**  
**(Rupees in thousand)**

**22. ADMINISTRATIVE EXPENSES**

Salaries and other benefits (Note 22.1)	195,546	166,999
Travelling and conveyance (Note 22.2)	170,002	169,964
Entertainment	2,006	2,028
Rent, rates and taxes	9,848	6,698
Printing and stationery	1,049	2,545
Postage and telephone	944	694
Vehicle running expenses	18,107	15,314
Legal and professional charges (Note 22.3)	29,937	29,333
Insurance (Note 22.4)	9,894	7,982
Advertisement	462	793
Fee and subscription	4,764	3,095
Depreciation on operating fixed assets (Note 10.1.4)	76,165	66,243
Miscellaneous	24,913	10,705
	<u>543,637</u>	<u>482,393</u>

**22.1** Salaries and other benefits include Rupees 13.082 million (2024: Rupees 10.436 million) in respect of provident fund contribution by the Company.

**22.2** This includes Rupees 139.825 million (2024: Rupees 152.380 million) in respect of aviation services from Pakistan Aviators and Aviation (Private) Limited, a related party.

**2025**                      **2024**  
**(Rupees in thousand)**

**22.3 Auditor's remuneration**

Statutory audit	2,329	2,118
Half yearly review	1,114	1,114
Certifications required by various regulations	542	197
Out of pocket expenses	266	242
	<u>4,251</u>	<u>3,671</u>

**22.4** This includes insurance expense charged by the following related parties:

Adamjee Life Assurance Company Limited	745	644
Adamjee Insurance Company Limited	2,627	2,296
Security General Insurance Company Limited	6,522	5,042
	<u>9,894</u>	<u>7,982</u>

	2025 (Rupees in thousand)	2024
<b>23 OTHER EXPENSES</b>		
Provision against sales tax receivable	1,241	-
Workers' profit participation fund written off (Note 17.2)	37,050	8,922
Workers' welfare fund (Note 6.3)	1,342	-
Workers' welfare fund written off (Note 17.3)	27,812	146
	<u>67,445</u>	<u>9,068</u>
<b>24 OTHER INCOME</b>		
<b>Income from financial assets:</b>		
Profit on bank deposits (Note 24.1)	76,099	141,309
Profit on Term Deposit Receipts (Note 24.2)	33,658	121,823
Gain on disposal of Government Treasury Bills	-	74,474
Gain on disposal of Pakistan Investment Bonds	714	326,066
Dividend income (Note 24.3)	15,782	337,853
Gain on disposal of investment in mutual funds (Note 24.4)	1,309,042	-
Unrealized gain on remeasurement of investments at fair value through profit or loss	30,144	-
<b>Income from non-financial assets:</b>		
Gain on disposal of operating fixed assets	39	38,791
Exchange gain	1,347	5,471
Scrap sales	4,274	33,035
	<u>1,471,099</u>	<u>1,078,822</u>

**24.1** This includes profit of Rupees 75.510 million (2024: Rupees 123.446 million) in respect of bank deposits from MCB Bank Limited and Rupees 0.571 million (2024: Rupees 16.817 million) from MCB Islamic Bank Limited, both related parties.

**24.2** This includes profit of Rupees 23.440 million (2024: Rupees 114.504 million) from MCB Islamic Bank Limited, a related party.

**24.3** This represents dividend income from mutual funds of MCB Investment Management Limited, a related party.

**24.4** This represents capital gain income from mutual funds of MCB Investment Management Limited, a related party.

	2025 (Rupees in thousand)	2024
<b>25. FINANCE COST</b>		
Mark-up / profit on:		
Short term borrowings	42,659	32,284
Bank charges and commission	752	1,359
	<u>43,411</u>	<u>33,643</u>
<b>26 ADJUSTMENTS TO BALANCE PAYABLE BY CPPA-G</b>		
Delayed payment mark-up written off - net	1,367,937	-
Sharing of prior years' earnings (fuel and O&M) - net	2,482,521	-
	<u>3,850,458</u>	<u>-</u>

- 26.1** Pursuant to the amendments in PPA through 'Amendment Agreement' as more fully explained in note 1.4 to these financial statements, the Company has agreed to waive off delayed payment mark-up invoices and delayed payment mark-up accrued with respect to payments that have been made by the Power Purchaser upto 31 October 2024. Further, the Company has also agreed on sharing of prior years' earnings relating to fuel and O&M upto 30 June 2023, with the Power Purchaser.

	2025 (Rupees in thousand)	2024
<b>27. LEVY</b>		
Final tax on dividend	3,945	50,678
Minimum tax on scrap sales	53	413
Super tax	1,578	33,785
	<u>5,576</u>	<u>84,876</u>
<b>28 TAXATION</b>		
Current tax - for the year	220,543	153,156
Super tax	144,966	66,367
	<u>365,509</u>	<u>219,523</u>

- 28.1** Total income of the Company except other income is exempt from levy of income tax under Clause 132 of Part I and Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Other income is calculated in accordance with the relevant provisions of the Income Tax Ordinance, 2001. The numerical reconciliation between the average tax rate and the applicable tax rate has been given as follows:

	2025 (Rupees in thousand)	2024
Relationship between levy, tax expense and accounting (loss) / profit		
(Loss) / profit before taxation and levy	(375,697)	5,693,973
Applicable tax rate	29%	29%
Tax on accounting profit	-	1,651,252
Tax effect of amounts that are:		
Exempt as referred to in note 28.1	-	(1,565,042)
Net interest income attributable to finance cost	19,458	66,946
Capital gain	201,085	-
Final tax on dividend	3,945	50,678
Minimum tax	53	413
Super tax	146,544	100,152
Current tax liability and levy as per applicable tax laws	371,085	304,399
Taxation (Note 28)	(365,509)	(219,523)
Levy (Note 27)	(5,576)	(84,876)
	-	-

## 29 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss) / earnings per share which is based on:

(Loss) / profit attributable to ordinary shareholders  
(Rupees in thousand)

Weighted average number of shares (Number)

(Loss) / earnings per share - basic and diluted (Rupees)

2025	2024
(746,782)	5,389,574
354,088,500	354,088,500
(2.11)	15.22

**2025**                      **2024**  
(Rupees in thousand)

**30 CASH GENERATED FROM OPERATIONS**

(Loss) / profit before levy and taxation	(375,697)	5,693,973
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets (Note 10.1)	679,548	786,482
Profit on bank deposits (Note 24)	(76,099)	(141,309)
Exchange gain (Note 24)	(1,347)	(5,471)
Profit on Term Deposit Receipts (Note 24)	(33,658)	(121,823)
Finance cost (Note 25)	43,411	33,643
Delayed payment interest written off (Note 26)	1,367,937	-
Sharing of prior years earnings (fuel and O&M) - net (Note 26)	2,482,521	-
Gain on disposal of operating fixed assets (Note 24)	(39)	(38,791)
Provision for sales tax receivable (Note 23)	1,241	-
Workers' profit participation fund written off (Note 23)	37,050	8,922
Workers' welfare fund written off (Note 23)	27,812	146
Workers' welfare fund (Note 6.3)	1,342	-
Gain on disposal of Government Treasury Bills (Note 24)	-	(74,474)
Gain on disposal of Pakistan Investment Bonds (Note 24)	(714)	(326,066)
Dividend income (Note 24)	(15,782)	(337,853)
Gain on disposal of investment in mutual funds (Note 24)	(1,309,042)	-
Unrealized gain on remeasurement of investments at fair value through profit or loss (Note 24)	(30,144)	-
Working capital changes (Note 30.1)	9,952,100	(365,656)
	<b>12,750,440</b>	<b>5,111,723</b>

**30.1 Working capital changes**

(Increase) / decrease in current assets:		
Stores, spares and loose tools	25,538	159,339
Inventories	1,747,952	(1,011,923)
Trade debts	8,913,189	(273,449)
Loans, advances, deposits, prepayments and other receivables	1,135,475	46,495
	<b>11,822,154</b>	<b>(1,079,538)</b>
(Decrease) / increase in trade and other payables	(1,870,054)	713,882
	<b>9,952,100</b>	<b>(365,656)</b>

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

	<b>Liabilities from financing activities</b>
	<b>Unclaimed dividend</b>
	<b>(Rupees in thousand)</b>
Balance as at 01 July 2023	22,238
Dividends declared	2,655,664
Dividends paid	(2,651,640)
Balance as at 30 June 2024	26,262
Dividends declared	3,894,975
Dividends paid	(3,892,202)
Balance as at 30 June 2025	<b>29,035</b>

### REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Non - Executive Directors		Executive Director		Executives	
	2025	2024	2025	2024	2025	2024	2025	2024
	----- (Rupees in thousand) -----							
Managerial remuneration	26,329	24,311	-	-	11,002	-	319,906	298,617
Bonus	4,624	5,734	-	-	-	-	22,969	48,423
Allowances								
Medical allowance and reimbursements	192	181	-	-	77	-	12,117	12,768
Leave encashment	-	1,842	-	-	-	-	19,402	18,933
Overtime	-	-	-	-	-	-	4,309	9,627
Others	-	-	-	-	-	-	13,158	120
Meeting fee	175	-	1,190	1,160	175	-	-	-
Contribution to provident fund trust	2,394	2,210	-	-	1,000	-	28,861	27,033
	33,714	34,278	1,190	1,160	12,254	-	420,722	415,521
<b>Number of persons</b>	1	1	5	5	1	-	109	104

**31.1** Certain executives are provided with Company maintained vehicle.

## 32. TRANSACTIONS WITH RELATED PARTIES

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

(i)	Nature of Relationship	Nature of transactions	2025	2024
			(Rupees in thousand)	
	<b>Holding company</b>			
	Nishat Mills Limited	Dividend paid	1,986,963	1,354,747
	<b>Associated companies</b>			
	Nishat Hotels and Properties Limited	Boarding and lodging	2,944	3,242
	Hyundai Nishat Motor (Private) Limited	Purchase of vehicles	14,730	17,139
		Vehicle repair charges	3,317	1,342
	Nishat Hospitality (Private) Limited	Expenses paid	70	1,641
	Lalpir Power Limited	Purchase of goods	2,878	-
	Pakgen Power Limited	Purchase of goods	265	-
	<b>Key management personnel</b>			
	Chief executive officer	Dividend paid	11	8
	Chief executive officer and non-executive directors (Note 31)	Remuneration	34,904	35,438
	<b>Other related parties</b>			
	Mutual funds of MCB Investment Management Limited	Dividend received	15,782	302,831
	Mian Hassan Mansha	Dividend paid	-*	-
	Mr. Mahmood Akhtar	Dividend paid	11	8
	Mr. Shahzad Ahmad Malik	Dividend paid	6	4
	Ms. Maleeha Humayun Bangash	Dividend paid	6	4
	Mr. Humayun Maqbool	Dividend paid	220	169
	Mr. Muhammad Aqib Zulfiqar	Dividend paid	6	4
	<b>Post employment benefit plan</b>	Company's contribution to provident fund trust	39,909	36,921

\* Dividend of Rupees 11 has been paid to Mian Hassan Mansha.

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

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year		Percentage of shareholding held in the Company
		2025	2024	
Nishat Mills Limited	Holding Company	Yes	Yes	51.01%
Adamjee Insurance Company Limited	Associated company of holding company	Yes	Yes	0.26%
Security General Insurance Company Limited	Common Directorship	Yes	Yes	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	Yes	Yes	None
Nishat Hotels and Properties Limited	Common Directorship	Yes	Yes	None
Hyundai Nishat Motor (Private) Limited	Common Directorship	Yes	Yes	None
Lalpir Power Limited	Common Directorship	Yes	No	None
Pakgen Power Limited	Common Directorship	Yes	No	None
MCB Bank Limited	Associated company of holding company	Yes	Yes	None
Adamjee Life Assurance Company Limited	Associated company of holding company	Yes	Yes	None
Nishat Energy Limited	Associated company	No	No	None
MCB Islamic Bank Limited	Group Company	Yes	Yes	None
MCB Investment Management Limited	Group Company	Yes	Yes	None
Nishat Hospitality (Private) Limited	Common Directorship	Yes	Yes	None
Nishat Power Limited - Employee Provident Fund	Post employment benefit plan	Yes	Yes	None
Mian Hassan Mansha	Director	Yes	Yes	0.0000%
Mr. Mahmood Akhtar	Director	Yes	Yes	0.0003%
Mr. Shahzad Ahmad Malik	Director	Yes	Yes	0.0001%
Ms. Maleeha Humayun Bangash	Director	Yes	Yes	0.0001%
Mr. Ghazanfar Husain Mirza	Chief Executive Officer	Yes	Yes	0.0003%
Mr. Humayun Maqbool	Director	Yes	Yes	0.0056%
Mr. Muhammad Aqib Zulfiqar	Director	Yes	Yes	0.0001%

**2025**

**2024**

**33. NUMBER OF EMPLOYEES**

Number of employees as on 30 June

186

210

Average number of employees during the year

203

212

**2025  
MWH**

**2024  
MWH**

**34. CAPACITY AND PRODUCTION**

Installed capacity [based on 8,760 hours (2024: 8,784 hours)]

1,710,872

1,715,559

Actual energy delivered

86,664

453,692

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





## 35. FINANCIAL RISK MANAGEMENT

### 35.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

#### (a) Market risk

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). As on reporting date, the Company's foreign exchange risk exposure is restricted to payables only. The Company's exposure to currency risk was as follows:

	2025	2024
Trade and other payables		
- USD	-	(13,286)
Net exposure - USD	-	(13,286)

The following significant exchange rates were applicable during the year:

##### Rupees per US Dollar

Average rate	279.98	283.70
Reporting date rate	284.10	278.80

##### Sensitivity analysis

If the functional currency, at the reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on loss before levy and taxation for the year would have been Rupees Nil (2024: Profit before levy and taxation for the year would have been Rupees 0.185 million lower / higher), mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

## (ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risks.

## (iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from bank balances in saving accounts, Term Deposit Receipts, past due trade debts and short term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

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

	2025 (Rupees in thousand)	2024
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Trade debts - overdue	1,508,029	9,983,560
Bank balances - Term Deposit Receipts	15,500	1,766,500
<b>Financial liabilities</b>	-	-
	1,523,529	11,750,060
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	96,165	4,528,602
<b>Financial liabilities</b>		
Short term borrowings	(719,898)	(2,959,948)
	(623,733)	1,568,654
<b>Net exposure</b>	899,796	13,318,714

## Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

## Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, loss before levy and taxation for the year would have been Rupees 6.237 million (2024: Profit before levy and taxation would have been Rupees 15.687 million) mainly as a result of higher / lower interest expense / income on floating rate short term borrowings / bank balances. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

### (b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025 (Rupees in thousand)	2024
Long term loans to employees	12,039	10,436
Trade debts	1,661,908	14,425,555
Short term investments	18,106,521	4,264,954
Advances, deposits and other receivables	9,920	889,301
Bank balances	112,610	6,296,326
	<u>19,902,998</u>	<u>25,886,572</u>

Trade debts as at reporting date are neither past due nor impaired and past due but not impaired amounting to Rupees 1,508.029 million (2024: 9,983.560 million).

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

	Rating			2025	2024
	Short term	Long term	Agency	(Rupees in thousand)	
CPPA-G	Not available			1,661,908	4,441,995
Term Deposit Receipts					
Soneri Bank Limited	A1+	AA-	PACRA	15,500	615,500
MCB Islamic Bank Limited	A+	A1	PACRA	-	1,151,000

Rating			2025	2024
Short term	Long term	Agency	(Rupees in thousand)	

#### Banks

Allied Bank Limited	A1+	AAA	PACRA	5	23
Askari Bank Limited	A1+	AA+	PACRA	9	24
Bank Alfalah Limited	A1+	AAA	PACRA	14	15
BankIslami Pakistan Limited	A1	AA-	PACRA	3	2
Bank AL-Habib Limited	A1+	AAA	PACRA	4	-
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	1	1
Faysal Bank Limited	A1+	AA	PACRA	2	1
Habib Bank Limited	A1+	AAA	VIS	942	972
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	4	7
MCB Bank Limited	A1+	AAA	PACRA	94,019	4,516,804
MCB Islamic Bank Limited	A+	A1	PACRA	2,012	11,814
National Bank of Pakistan	A1+	AAA	PACRA	5	3
Meezan Bank Limited	A1+	AAA	VIS	5	5
Soneri Bank Limited	A1+	AA-	PACRA	-	74
The Bank of Punjab	A1+	AA+	PACRA	71	64
The Bank of Khyber	A1	A+	PACRA	5	5
United Bank Limited	A1+	AAA	VIS	9	12
				97,110	4,529,826
				1,774,518	10,738,321

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

#### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2025, the Company had Rupees 6,995.520 million (2024: Rupees 9,551.520 million) available borrowing limits from banking companies and Rupees 113.057 million (2024: Rupees 6,296.539 million) cash and bank balances to meet the short-term funding requirements due to delay in payments by CPPA-G. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including mark-up / profit payments. The amounts disclosed in the table are undiscounted cash flows:

**Contractual maturities of financial liabilities as at 30 June 2025:**

Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 Years
-----------------	------------------------	------------------	-------------	-----------	-------------------

**Non-derivative financial liabilities:**

Short term borrowings	719,898	719,898	719,898	-	-	-
Unclaimed dividend	29,035	29,035	29,035	-	-	-
Trade and other payables	288,827	288,827	288,827	-	-	-
Accrued mark-up / profit	351	351	351	-	-	-
	<u>1,038,111</u>	<u>1,038,111</u>	<u>1,038,111</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Contractual maturities of financial liabilities as at 30 June 2024:**

Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 Years
-----------------	------------------------	------------------	-------------	-----------	-------------------

**Non-derivative financial liabilities:**

Short term borrowings	2,959,948	2,959,948	2,959,948	-	-	-
Unclaimed dividend	26,262	26,262	26,262	-	-	-
Trade and other payables	1,679,235	1,679,235	1,679,235	-	-	-
Accrued mark-up / profit	11,842	11,842	11,842	-	-	-
	<u>4,677,287</u>	<u>4,677,287</u>	<u>4,677,287</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of mark-up / profit have been disclosed in note 7 to these financial statements.

## 35.2 Offsetting financial assets and financial liabilities

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

## 35.3 Financial instruments by categories

2025		
At amortized cost	At fair value through profit or loss	Total

------(Rupees in thousand)-----

### Financial assets

Long term loans to employees	12,039	-	12,039
Trade debts	1,661,908	-	1,661,908
Short term investments	-	18,106,521	18,106,521
Advances, deposits and other receivables	9,920	-	9,920
Cash and bank balances	113,057	-	113,057
	<u>1,796,924</u>	<u>18,106,521</u>	<u>19,903,445</u>

2024		
At amortized cost	At fair value through profit or loss	Total

------(Rupees in thousand)-----

#### Financial assets

Long term loans to employees	10,436	-	10,436
Trade debts	14,425,555	-	14,425,555
Short term investments	-	4,264,954	4,264,954
Advances, deposits and other receivables	889,301	-	889,301
Cash and bank balances	6,296,539	-	6,296,539
	<u>21,621,831</u>	<u>4,264,954</u>	<u>25,886,785</u>

#### Financial liabilities at amortised cost

2025                      2024  
(Rupees in thousand)

#### Financial liabilities

Short term borrowings	719,898	2,959,948
Trade and other payables	288,827	1,679,235
Unclaimed dividend	29,035	26,262
Accrued mark-up / profit	351	11,842
	<u>1,038,111</u>	<u>4,677,287</u>

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

2025		
Financial assets	Non-financial assets	Total as per statement of financial position

------(Rupees in thousand)-----

#### Assets

Long term loans to employees	6,987	-	6,987
Trade debts	1,661,908	-	1,661,908
Loans, advances, deposits, prepayments and other receivables	11,262	16,107	27,369
Short term investments	18,106,521	-	18,106,521
Cash and bank balances	113,057	-	113,057
	<u>19,899,735</u>	<u>16,107</u>	<u>19,915,842</u>

2025		
Financial assets	Non-financial assets	Total as per statement of financial position

------(Rupees in thousand)-----

#### Liabilities

Trade and other payables  
Accrued mark-up / profit  
Unclaimed dividend  
Short term borrowings

288,827	20,787	309,614
351	-	351
29,035	-	29,035
719,898	-	719,898
1,038,111	20,787	1,058,898

2024		
Financial assets	Non-financial assets	Total as per statement of financial position

------(Rupees in thousand)-----

#### Assets

Long term loans to employees  
Trade debts  
Loans, advances, deposits, prepayments and other receivables  
Short term investments  
Cash and bank balances

7,029	-	7,029
14,425,555	-	14,425,555
892,708	341,961	1,234,669
4,264,954	-	4,264,954
6,296,539	-	6,296,539
25,886,785	341,961	26,228,746

2024		
Financial assets	Non-financial assets	Total as per statement of financial position

------(Rupees in thousand)-----

#### Liabilities

Trade and other payables  
Accrued mark-up / profit  
Unclaimed dividend  
Short term borrowing

1,679,235	500,438	2,179,673
11,842	-	11,842
26,262	-	26,262
2,959,948	-	2,959,948
4,677,287	500,438	5,177,725

### 35.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure and make adjustments to it in the light of changes in

economic conditions, the Company may adjust the amount of dividends paid to shareholders. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity. Net borrowings are calculated as short term borrowings as disclosed in 7 to these financial statements less cash and bank balances as disclosed in note 19 to these financial statements. Total capital employed includes equity as shown in the statement of financial position plus net borrowings.

### 36. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

#### (i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
..... Rupees in thousand .....				

#### Financial assets

Financial assets at fair value through profit or loss	18,106,521	-	-	18,106,521
---	------------	---	---	------------

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3	Total
..... Rupees in thousand .....				

#### Financial assets

Financial assets at fair value through profit or loss	4,264,954	-	-	4,264,954
---	-----------	---	---	-----------

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 Company'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 equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

**(ii) Valuation techniques used to determine fair values**

Specific valuation technique used to value financial instruments is the use of Net Assets Value (NAV) of respective Asset Management Company.

**37. UNUTILIZED CREDIT FACILITIES**

	Non-funded		Funded	
	2025	2024	2025	2024
	..... Rupees in thousand .....			
Total facilities	1,350,000	1,850,000	6,995,520	9,551,520
Utilized at the end of the year	40,550	55,407	719,898	2,959,948
Unutilized at the end of the year	<u>1,309,450</u>	<u>1,794,593</u>	<u>6,275,622</u>	<u>6,591,572</u>

**38. PROVIDENT FUND**

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

**39. SEGMENT INFORMATION**

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

**DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH  
NON-PERMISSIBLE BUSINESS ACTIVITIES AS THEIR CORE BUSINESS ACTIVITIES**

	2025 (Rupees in thousand)	2024
<b>Description</b>		
<b>Financing (long-term, short-term, or lease financing) obtained as per Islamic mode</b>		
Short term borrowings (Note 7)	309,998	1,739,990
<b>Interest or mark-up accrued on any conventional loan or advance</b>	25,080	16,104
<b>Long-term and short-term Shariah compliant Investments</b>		
Short term investments (Note 18.1)	-	3,235,185
<b>Shariah-compliant bank deposits, bank balances, and TDRs</b>	2,082	1,162,879
<b>Revenue earned from a Shariah-compliant business segment (Note 20)</b>	5,983,079	19,953,841
Break-up of late payments or liquidated damages	-	-
<b>Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates</b>	-	-
<b>Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs</b>		
Profit on deposits with banks	580	16,828
Profit on TDRs	23,440	115,069
Exchange gain earned from actual currency (Note 24)	1,347	5,471
<b>Exchange gains earned using conventional derivative financial instruments</b>	-	-
<b>Profit paid on Islamic mode of financing</b>	24,406	12,721
<b>Total Interest earned on any conventional loan or advance</b>	-	-
<b>Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income</b>		
<b>Shariah-compliant</b>		
Profit on bank deposits	580	16,828
Profit on Term Deposit Receipts	23,440	115,069
Dividend received	12,462	256,489
Gain on disposal of investment in mutual funds	116,696	-
Gain on disposal of operating fixed assets (Note 24)	39	38,791
Exchange gain (Note 24)	1,347	5,471
Scrap sales (Note 24)	4,274	33,035
<b>Non compliant</b>		
Profit on bank deposits	75,519	124,481
Profit on Term Deposit Receipts	10,218	6,754
Gain on disposal of Government Treasury Bills	-	74,474
Gain on disposal of Pakistan Investment Bonds (Note 24)	714	326,066
Dividend received	3,320	81,364
Gain on disposal of investment in mutual funds	1,192,346	-
Unrealized gain on remeasurement of investments at fair value through profit or loss (Note 24)	30,144	-

**Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc**

Name	Relationship
MCB Islamic Bank Limited	Bank balance
Faysal Bank Limited	Bank balance and short term borrowings
Bank Islami Pakistan Limited	Bank balance
Dubai Islamic Bank Limited	Bank balance and short term borrowings
The Bank of Punjab	Bank balance and short term borrowings
Meezan Bank Limited	Bank balance and short term borrowings

**41 EVENTS AFTER THE REPORTING PERIOD**

**41.1** The Board of Directors of the Company has proposed final cash dividend for the year ended 30 June 2025 of Rupees Nil per share (2024: Rupee 5.0 per share). However, this event has been considered as non-adjusting event under IAS 10 'Events after Reporting Period' and has not been recognized in these financial statements.

**41.2** On 13 August 2025, subsequent to the reporting period, shareholders of the Company have accorded approval in their Extraordinary General Meeting (EOGM) to make long term investment upto Rupees 2,000 million by way of acquisition / subscription of ordinary shares of NexGen Auto (Private) Limited, associated company. Shareholders of the Company have also accorded approval for a period of one year to make investment in the form of working capital upto Rupees 500 million at the rate of 3 months KIBOR + 1% in NexGen Auto (Private) Limited, associated company.

**42 CORRESPONDING FIGURES**

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

**43 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 29 September 2025 by the Board of Directors of the Company.

**44 GENERAL**

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

## FORM OF PROXY

I/We, \_\_\_\_\_

of \_\_\_\_\_ CDC A/C NO. / FOLIO NO. \_\_\_\_\_

being a shareholder of the Nishat Power Limited (The Company) do hereby appoint.

Mr./Miss/Ms. \_\_\_\_\_

of \_\_\_\_\_ CDC A/C NO. / FOLIO NO. \_\_\_\_\_

and or failing him/her \_\_\_\_\_ of \_\_\_\_\_

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on on October 27, 2025 (Monday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore, and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally present at such meeting.

As witness my/our hands in this day of \_\_\_\_\_ 2025.

Signature \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Revenue  
Stamp  
of Rs. 50/-

No. of shares held \_\_\_\_\_

Witness:-

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

### IMPORTANT:

- This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at Nishat House, 53-A, Lawrence Road, Lahore not later than 48 hours before the time of holding the Annual General Meeting. For Appointing Proxies.
- Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished along with proxy form to the Company.



The Company Secretary

**NISHAT POWER LIMITED**

Nishat House,  
53 - A, Lawrence Road, Lahore.

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# پراکسی فارم (مختار نامہ)

میں / ہم \_\_\_\_\_  
کا / کے \_\_\_\_\_  
بحیثیت رکن نشاط پاور لمیٹڈ (دی کمپنی) سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر \_\_\_\_\_ بذریعہ ہذا  
محترم / محترمہ \_\_\_\_\_ کا / کی \_\_\_\_\_ سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر \_\_\_\_\_  
یا اسکی غیر موجودگی میں \_\_\_\_\_ کا / کے \_\_\_\_\_  
جو مذکورہ کمپنی کا حصص دار بھی ہے

کو اپنے / ہمارے ایماء پر \_\_\_\_\_ مورخہ 27 اکتوبر 2025ء بروز پیر صبح 11:30 بجے  
امپوریم مال، دی نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر، نزد ایکسپوسنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور پر  
بمقام: \_\_\_\_\_  
منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا  
ہوں / کرتے ہیں۔  
آج بروز ..... بتاریخ ..... 2025ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

پچاس روپے کی ریونیوسٹپ  
چسپاں کریں

## گواہان

1-	دستخط: _____	2-	دستخط: _____
نام: _____	نام: _____	نام: _____	نام: _____
پتہ: _____	پتہ: _____	پتہ: _____	پتہ: _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

## اہم نوٹ:

- پراکسی کی تقرری کے آلات، باقاعدہ مکمل شدہ، کمپنی کے رجسٹرڈ دفتر، نشاط ہاؤس، 53-A، لارنس روڈ لاہور میں سالانہ اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل پراکسیز مقرر کرنے کے لئے لازماً وصول ہو جانے چاہئیں۔
- بٹیفیشل اونرز کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔
- پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا۔
- بصورت کارپوریٹ ایٹنٹی، بورڈ کی قرارداد / مختار نامہ مع پراکسی ہولڈر کے دستخط پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

The Company Secretary

**NISHAT POWER LIMITED**

Nishat House,  
53 - A, Lawrence Road, Lahore.

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## **NISHAT POWER LIMITED**

53-A, Lawrence Road, Lahore.

Fax: 042-36367414 UAN: 042-111-11-33-33