



NISHAT  
CHUNIAN  
POWER LTD.

**Annual Report**

**2023**



# BRIEF PROFILE

**2009**

Listed on  
KSE & LSE

**2011**

First year of  
profitable operations

**2007**

Incorporated  
as a public  
limited  
company

**2010**

Started  
commercial  
operations





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# Company Information

## BOARD OF DIRECTORS:

**Mr. Muhammad Ashraf**

Chairman

**Mr. Farrukh Ifzal**

Chief Executive Officer

**Mr. Aftab Ahmad Khan** (Resigned on 29-05-2023)

Director

**Mr. Muhammad Azam**

Director

**Mr. Babar Ali Khan**

Director

**Mr. Rehmat Naveed Elahi**

Director

**Mr. Mustaqeem Talish**

Director

**Ms. Samina Aslam** (Resigned on 29-08-2023)

Director

**Sheikh Muhammad Iqbal** (Appointed on 21-08-2023)

Director

## AUDIT COMMITTEE AND HR & R COMMITTEE:

**Mr. Muhammad Azam**

Chairman

**Mr. Aftab Ahmad Khan** (Resigned on 29-05-2023)

Director

**Mr. Rehmat Naveed Elahi**

Member

**Sheikh Muhammad Iqbal** (Appointed on 21-08-2023)

Member

## CHIEF EXECUTIVE OFFICER:

**Mr. Farrukh Ifzal**

## CHIEF FINANCIAL OFFICER:

**Mr. Muhammad Bilal**

## COMPANY SECRETARY:

**Mr. Syed Tasawar Hussain**



**BANKERS TO THE COMPANY:**

Al Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Pak Oman Investment Company Limited  
Pak Libya Holding Company Limited  
The Bank of Punjab  
United Bank Limited

**AUDITORS:**

**Riaz Ahmad & Co.**  
Chartered Accountants

**LEGAL ADVISERS:**

**Ahmad & Pansota**  
Advocates & Solicitors

**REGISTERED & HEAD OFFICE:**

31-Q, Gulberg II, Lahore, Pakistan.  
Ph: 042-35761730  
Fax: 042-35878696-97  
[www.nishat.net](http://www.nishat.net)

**SHARE REGISTRAR:**

Hameed Majeed Associates (Pvt) Limited  
1st Floor, H.M. House 7 - Bank Square, Lahore  
Ph: 042-37235081-2  
Fax: 042-37358817

**PLANT:**

66-Km, Multan Raod, Pattoki Kasur.



# Notice of Annual General Meeting



Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the Shareholders of Nishat Chunian Power Limited (the “Company”) will be held on Monday, September 25, 2023 at 10:00 AM at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

## **ORDINARY BUSINESS:**

1. To confirm the minutes of the 15<sup>th</sup> Annual General Meeting held on September 06, 2022.
2. To receive, consider and adopt audited financial statements of the Company for the year ended June 30 2023 together with Chairman Review, Directors’ and Auditors’ reports thereon.
3. To appoint auditors for the year ending June 30, 2024, and to fix their remuneration. The present Auditors M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for reappointment.
4. To transact any other business with the permission of the Chair.

**Lahore**  
**Dated: September 04, 2023**

**By order of the Board**

**Syed Tasawar Hussain**  
**Company Secretary**





## NOTES:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from September 18, 2023 to September 25, 2023 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House 7-Bank Square, The Mall, Lahore by the close of business on September 17, 2023 will be considered in time to attend and vote at the meeting.

### 2. Participation in the Annual General Meeting

A member eligible to attend and vote at this meeting may appoint any other member as a proxy to attend and vote in the meeting. The proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time for holding the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid by the Securities and Exchange Commission of Pakistan.

#### A. For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

#### B. For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses, and CNIC Numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- v. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

### 3. Video Conference Facility

- i. In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid-up share capital may demand the facility of video-link for participating in the annual general meeting. The request for a video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting.
- ii. In compliance with the guidelines issued by the Securities & Exchange Commission of Pakistan vide circulars No. 6 of 2021 issued on March 03, 2021 the company has arranged a video link facility for shareholders to participate in the meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities. Shareholders interested in attending the meeting through video link are requested to register by submitting their following particulars at the Company Secretary's email (tasawar@nishat.net) not later than 48 hours before the time for holding the meeting. The link to participate in the meeting will be sent to the shareholders on the email address provided by them. Shareholders are requested to fill the particulars as per the below table:



| Name of Shareholder | CNIC No. | Folio / CDC Account No. | No. of Shares held | Cell No. | Email address |
|---------------------|----------|-------------------------|--------------------|----------|---------------|
|                     |          |                         |                    |          |               |

The login facility will be opened at 10:00 a.m. on September 25, 2023 enabling the participants to join the proceedings.

#### **4. Circulation of Annual reports through Digital Storage**

Pursuant to the SECP's notification S.R.O 471(I)/2016 dated 31st May 2016, the shareholders of Nishat Chunian Power Limited in its 9th AGM of the Company had accorded their consent for the transmission of annual reports including audited annual accounts, notices of AGM, and other information contained therein of the Company through a CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form provided in the annual report and is also available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand. The shareholders who also intend to receive the annual report including the notice of meetings via email are requested to provide their written consent on the standard request form provided in the annual report and also available on the Company's website.

#### **5. 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, 7-Bank Square, Lahore. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

#### **6. Change of Address**

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

#### **7. Conversion of Physical Shares into CDS**

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company shall be required to replace his/her physical shares with bookentry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

#### **8. Payment of Cash Dividend through Electronic Mode**

The provisions of Section 242 of the Companies Act, 2017 require listed companies that dividend payable in cash is only to be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Accordingly, the shareholders holding shares in CDC are requested to provide complete bank account details to their respective CDS participants for updating and forwarding to the company. Shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on the Company's website.

Members are requested to submit a declaration (CZ-50) as per Zakat & Usher Ordinance 1980, for Zakat exemption.







# Chairman's Review Report



I am pleased to present the annual report for 2023, another successful year for Nishat Chunian Power Limited ('NCPL'). NCPL was able to achieve this success with solid performance, a committed workforce, and positive results. NCPL is currently in the thirteenth year of its twenty-five-year and seventy-five days Power Purchase Agreement with Central Power Purchasing Agency Guarantee Limited ('Power Purchaser').

The board remained pivotal in NCPL's success by ensuring a diligent governance framework for the effective and prudent management of business matters. The board is always keen to implement improvements in the light of global best practices. The board ensured that adequate policies were in place that enhanced the professional standards and corporate values. The board rooted a corporate culture that promotes sincerity among the Board, senior management, and other employees.

The company was able to amicably resolve the matters with the Power Purchaser which will avoid unnecessary litigations and costs and laid the foundation for a smooth operating environment with the Power Purchaser. The company has also received both installments of receivables under the Master Agreement. The proceeding of the Arbitration as agreed with the GOP under the Arbitration Submission Agreement has been initiated.

The Board comprises of eight (8) members, that were elected at the Annual General Meeting held on October 23, 2020, for the next term of three years, under the provisions of Section 159 of the Companies Act, 2017. The board comprises members with vast experience and diversified knowledge that led to an effective decision-making process. The Board together with its committees was fully involved in the planning process and in developing the vision for the Company.

The board of directors met four times during the year to review the overall performance, appraise financial results, and the overall effectiveness of the role played by the board in achieving the company's objectives. Meeting agendas and supporting papers were received in a timely manner for the Board meetings.

On behalf of the Board, I wish to acknowledge the contribution of all our employees to the success of the company

**Mr. Muhammad Ashraf**  
Chairman



## چیمبرمین کی جائزہ رپورٹ

میں لکھا ہے جو اس پور لوہڈ (این سی بی ایل) کے ایک اور کامیاب مالی سال 2023 کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ این سی بی ایل نے ضوں کارکردگی، بے موسم المرومی قوت اور مثبت نتائج کے ساتھ یہ کامیابی حاصل کی ہے۔ این سی بی ایل سنٹرل پاور پراجیکٹ، کھنسی گاربی لہڈ (کلی ٹریڈر) کے ساتھ اپنے کلیم سال اور چھ دن کے کلی ٹریڈ معاہدے کے تیرہویں سال میں ہے۔

کاروباری معاملات کے سوشل لوہڈ انکام کے لیے مستعد گورننس فریم ورک کو یقینی بناتے ہوئے پورا نے کھنسی کی کامیابی میں اہم کردار ادا کیا۔ پورا ہمیشہ بہترین مالی طریقوں کی روشنی میں بہترین کو نافذ کرنے کا طرز مشق ہے۔ پورا نے اس بات کو یقینی بنایا کہ مناسب پالیسیاں موجود ہیں جو پیشہ ورانہ معیارات اور کارپوریٹ اقدار کو برقرار رکھتی ہیں۔ پورا نے کارپوریٹ گورننس اور پورا ایسٹریٹجیٹ اور دوسرے ملازمین کے مابین اعتماد کو فروغ دیا ہے۔

این سی بی ایل کلی ٹریڈر کے ساتھ معاملات کو خوش سلوٹی سے حل کرنے میں کامیاب رہی ہے۔ اس کامیابی کی وجہ سے کھنسی غیر ضروری واجبات اور الیاجبات سے بچنے کی اور کلی ٹریڈر کے ساتھ ممبر اور خوشگوار ماحول کی بنیاد چسکی۔ کھنسی نے ماسٹر انگریسٹ کے تحت واجبات کی دہوں اقتصاد بھی حاصل کر لی ہیں۔ خالی معاہدے کے تحت کی ادائیگی کے ساتھ حقداری کی کارروائی شروع کر دی گئی ہے۔

پورا (8) ممبروں پر مشتمل ہے اور یہ 23 اکتوبر 2020 کو ہی ہونے والی سالانہ جنرل میٹنگ میں کیبنڈر ایکٹ، 2017 کے سیکشن 159 کی دلدات کے تحت اگلی جن سالانہ کے لیے منتخب ہوا ہے۔ پورا جن ممبروں پر مشتمل ہے ان میں دستی گورنر اور مشورع طم موجود ہے جس کے نتیجے میں فیصلہ سازی کا ایک طرز عمل ہوتا ہے۔ پورا اپنی کیبنڈر کے ماحول کو منسوب بندی کے عمل میں اور کھنسی کے لئے ڈیٹن کو فروغ دینے میں پوری طرح شامل تھا۔

پورا آف ڈائریکٹرز نے سال کے دوران مجموعی کارکردگی کا جائزہ لینے، مالیاتی نتائج کو دیکھنے، اور پورا کے ذریعہ کھنسی کے مقاصد کے حصول میں ادا کردہ کردار کی مجموعی جائزہ لینے کے لیے چار بار ملاقات کی۔ پورا کے اجلاسوں کے لئے پینٹنگ ایجنڈے اور ماحول کا انتخاب بروہت حاصل کیے گئے۔

پورا کی جانب سے، میں کھنسی کی کامیابی میں ادارے تمام ملازمین کی شراکت کو تسلیم کرنا چاہتا ہوں۔

محمد امجد شرف  
چیمبرمین

# Directors' Report

## DEAR SHAREHOLDERS,

The Board is pleased to present financial statements for the year ending on June 30, 2023. During the fiscal year, 2023 turnover was PKR 18.2 billion (2022: PKR 25.42 billion) with an after-tax profit of PKR 3.95 billion (2022: PKR 2.50 billion) and an Earning Per Share (EPS) of PKR 10.77 (2022: PKR 6.82).

## PERFORMANCE

During the year ended June 30, 2023, the capacity factor of the plant was 22.52% (2022: 51.47%) with an availability factor of 91.40% (2022: 91.54%) and the Company dispatched 386,127 MWH (2021: 882,443 MWH) to Power Purchaser.

The revenue of the company has decreased due to lower generation demand from Power Purchaser as compared to last year, correspondingly decreasing the cost of raw materials. The thermal efficiency and O&M cost components in our tariff are levelized over 25 years. As maintenance costs in the initial years are low, consequently our profits in the initial years will be higher than the average.

Receivables impact the profitability of the company as under the Power Purchase Agreement (PPA) the Power Purchaser's default in making timely payments of the invoices entitles the company to Delay Payment mark-up. Since the Power Purchaser is in continuous default of making timely payments therefore Delay Payment markup contributes to the bottom line of the company.

## SIGNIFICANT DEVELOPMENTS

On February 11, 2021, the Company along with other IPPs signed the Amendment to the Power Purchase Agreement (PPA) and Master Agreement (the Agreements) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G/Power Purchaser) whereby certain concessions have been given to the Power Purchasers that are subject to fulfillment of certain terms and conditions. A mechanism was agreed for the settlement of long outstanding receivables in two installments of 40% and 60% comprising one-third each of cash, PIBs,

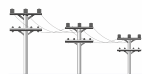


and Sukuk. The first installment was received on January 06, 2022, while the second installment was received on 30 June 2022. The PIBs and Sukuk received in the first installment were disposed of in the same year whereas the PIBs and Sukuk received in the second installment were disposed of during the year.

In accordance with the Arbitration Submission Agreement ('ASA'), the IPPs under the 2002 Power Policy and GOP have nominated their Arbitrators, and these two nominated Arbitrators have appointed the third Arbitrators who is the former President of the UK Supreme Court. The Arbitration Tribunal so constituted has initiated the arbitration proceedings. However formal adaptation of the terms of reference is in process. We believe that there are strong grounds that the matter will ultimately be decided in Company's favour. For further details, please refer to note 10.1.1(viii) of the accompanying financial statements.

## CIRCULAR DEBT

Circular debt has always been a major issue for companies operating in the power sector. Liquidity management remained challenging during the year. The company continues to take up the matter of overdue receivables not only with the Power Purchaser but also with the Ministry of Water and Power through the Private Power & Infrastructure Board (PPIB) by giving notices of default pursuant to provisions of Power Purchase and Implementation Agreements. As of June 30, 2023, our total receivables from Power Purchaser are PKR 13.97 billion, out of which PKR 8.54 billion are overdue.





## RISK MANAGEMENT AND CONTROLS

Financial risks to the company are mostly catered for in the tariff. Apart from liquidity risk (circular debt), the other major financial risk the company is exposed to is the interest rate. Any fluctuation in the interest rate can impact the profits of the company. As part of risk management, the company has designed and implemented adequate internal financial controls, manual as well as automated, that are communicated to staff via various policies and procedural guidelines. The Board of Directors ensures that sufficient adequate internal control exists in the company. These controls are also periodically monitored by the Internal Audit Function.

## CORPORATE SOCIAL RESPONSIBILITY

The Company along with its sponsors and other philanthropists has set up a state-of-the-art, not-for-profit hospital, Saleem Memorial Hospital (SMH). This 350-bed hospital which is constructed on 39 kanals of land is one of the nation's largest, multi-specialty private hospitals. The hospital intends to offer quality medical services to all members of the community without discrimination on the basis of social or economic standing. SMH is based on a cross-subsidy mechanism; patients who can afford will be charged while those who need assistance will be subsidized.

The company is keen on preserving the environment and nature. For this purpose, our power plant is

equipped with machinery to ensure that the National Environmental Quality Standards are always complied with. The Company has also taken an initiative towards plantation and has planted trees inside the power plant premises and the surrounding vicinity.

## DIVIDENDS

The company's ability to pay dividends depends on the recoverability of the receivables from Power Purchaser. The Power Purchaser consistently failed to make timely payments to the Company, consequently, our receivables have amplified to PKR 13.97 billion with grave uncertainty on the future cashflows from the Power Purchaser. Furthermore, NCPL is relying on the short term borrowings from banks to fund its operations which is extremely expensive due to high borrowing rates. Therefore due to mounting receivables, high cost of borrowing and in the best interest of the company the Board has recommended not to declare dividend at this moment.

## AUDITORS

The retiring auditors' M/s Riaz Ahmad & Co. Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the Company for the year 2023-24.

## PATTERN OF SHAREHOLDING

The pattern of shareholding as of June 30, 2023, is annexed with the Annual Report.





# Board of Directors and its Committees

During the year under review, four (4) meetings were held. Attendance and composition of the board are as follows:

| Name of Director                                     | Category      | Committee                                | Attendance |
|--|---------------|--|------------|
| Mr. Farrukh Ifzal (CEO)                              | Executive     |  | 4          |
| Mr. Muhammad Ashraf                                  | Non-Executive |  | 4          |
| Mr. Aftab Ahmad Khan<br>(Resigned on May 29, 2023)   | Non-Executive | Audit and HR &<br>Remuneration Committee | 4          |
| Mr. Muhammad Azam                                    | Independent   | Audit and HR &<br>Remuneration Committee | 4          |
| Mr. Rehmat Naveed Elahi                              | Independent   | Audit and HR &<br>Remuneration Committee | 3          |
| Mr. Babar Ali Khan                                   | Non-executive |  | 2          |
| Mr. Mustaqeem Talish                                 | Non-executive |  | 4          |
| Mrs. Samina Aslam<br>(Resigned on Aug 29, 2023)      | Non-executive |  | 4          |
| Sheikh Muhammad Iqbal<br>(Appointed on Aug 21, 2023) | Non-executive |  | 0          |

The company has 1 female and 6 male directors as at June 30, 2023.

## DIRECTORS' REMUNERATION

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fees which are determined by the Board as per the Companies Act, 2017 & the Listed Companies (Code of Corporate Governance) Regulations 2019.

The aggregate amount of remuneration paid to executive and non-executive directors has been disclosed in note 30 of the annexed financial statements.



# Acknowledgement



The Directors would take this opportunity to thank our valued shareholders who have trust in our Company and also like to express their deep appreciation for the services, loyalty, and efforts rendered by the employees of the Company and hope that they will continue to do so in the future.

**Chief Executive Officer**

**Director**



## مجلس نظامیہ رپورٹ

### محرم خصص دارین

یہ 30 جون 2023 کو ختم ہونے والے سال کے دوران، مالی پائنت پر غور کرنے پر غور ہے۔ مالی سال کے دوران، وصولی 18.2 ارب (2022-25.42 ارب) ٹیکس کے بعد منافع 3.95 ارب (2022-12.50 ارب) اور فی شیئر آمدنی 10.77 (2022-6.82) ارب ہے۔

### کارکردگی

30 جون 2023 کو ختم ہونے والے سال کے دوران، پائنت کی صلاحیت کا منظر 22.52 لیٹر (2022-51.47 لیٹر) تھا جبکہ پائنت کا بجلی کی پیداوار کے لئے موجود رہنے کا منظر 91.40 لیٹر (2022-91.54 لیٹر) تھا۔ سال کے دوران بجلی نے 386,127 میگا واٹ (2022-882,443 میگا واٹ) بجلی خریدی اور کو بی۔

گزشتہ سال کے مقابلے بجلی خریداری کی جانب سے کم پیداواری طلب کی وجہ سے کھپائی کی آمدنی میں کمی آئی ہے، جس کی وجہ سے خام مال کی قیمت میں کمی بھی آئی ہے۔ ہمارے بھرتی میں قرض کارکردگی اور O&M کا گت کے 22 اگوست 25 سالوں میں برابر کیا جاتا ہے۔ چونکہ ابتدائی سالوں میں دیکھ بھال کے اخراجات کم ہیں، لہذا ابتدائی سالوں میں ہمارا منافع منصوبے کی باقی زندگی کے وسط سے زیادہ ہوگا۔

کھپائی کے منافع پر پانچ سے وصولی کی انوکھی اثر انداز ہوتی ہیں جیسا کہ پاور خریداری معاہدے (پی پی اے) کے تحت انوکھ کی بروقت اجراء کرنے میں پاور خریداری کا کامیابی کھپائی کو پانچ سے حصول اجراء کے ساتھ شامل ہے۔ پاور خریداری بروقت اجراء کرنے میں مستقل کام ہے اور کھپائی کی وصولی کنندہ سے وصولیوں میں بڑی تعداد میں اضافہ ہوا ہے جس کی وجہ سے کھپائی کی پانچ سے حصول اجراء کی آمدنی اور نتیجے میں خاص منافع میں اضافہ ہوا ہے۔

### اہم پیشرفت

11 فروری 2021 کو، کھپائی نے دیگر آئی پی پے کے ساتھ مل کر مشنل پاور پر چیز تک ایجنسی (کارڈی) ایچ پی پی پی اے (پی پی اے) کے ساتھ معاہدہ اور پی پی اے سے ترمیمی معاہدہ پر دستخط کیے تھے جس کے ذریعے بجلی خریداری کو گھوم گھوم کر معاہدوں کو ایچ پی پی اے اور پی پی اے میں ہیکو شرائط وضوح کی تکمیل سے شروع تھی۔ 40% اور 60% کی دو اقتصاد میں طویل مدتی چار وصولیوں کے تصدیق کے لئے ایک طریقہ کار پر اتفاق کیا گیا جس میں ایک چھٹی نقد ایک چھٹی پی پی اے اور ایک چھٹی سکوک شامل ہیں۔ پہلی قسط 06 جنوری 2022 کو وصول ہوئی تھی جبکہ دوسری قسط 30 جون 2022 کو وصول ہوئی تھی۔ پہلی قسط میں وصول ہونے والے پی پی اے خریداری سکوک کو اسی سال چھ دیا گیا تھا جبکہ دوسری قسط میں وصول ہونے والے پی پی اے خریداری سکوک کو سال کے دوران چھ دیا گیا۔

حالیہ معاہدے کے مطابق 2002 کی پاور پالیسی کے تحت آئی پی بی اور GOP نے اپنے اہلکاروں کو معاہدہ کیا ہے اور ان دنوں انہوں نے تیسرے ہالٹ کو حتم کر دیا ہے

ہر برطانیہ کی ہر ایم گورنٹ کے سماجی صدور ہیں۔ تشکیل کردہ عائلی لابیوں نے عائلی کی کارروائی شروع کر دی ہے۔ جہاں لبرل آف د پبلس کی باضابطہ مشاورت کا عمل جاری ہے۔ ایسے یقین ہے کہ اس بات کی مشورہ خواہشیں ہیں کہ اس معاملے کا فیصلہ باقاعدگی کے تحت ہی ہوگا۔ مزید تفصیلات مابین بیانات کے نوٹ (viii) 10.1.1 میں بیان کی گئی ہیں۔

### گروٹی قرضے

گروٹی قرضے بجلی کے شعبے میں کام کرنے والی کمپنیوں کے لئے ہیڈ ایک اہم مسئلہ ہے ہیں۔ سال کے دوران لیکویٹی کی پیمائشیں رہا۔ کئی ڈائنامک امور و موبیلوں کے معاملے کو بجلی قرضہ اور پرائیویٹ پاور انٹرا سٹرکچر (بی بی آئی بی) کے ساتھ بجلی قرضہ اور معاوضے (بی بی آئی) اور ٹرانز معاوضے (آئی آئی) کے تحت دے جاتے والے بیانات ڈسک کے ذریعے اٹھائے ہوئے ہے۔ 30 جون، 2023 تک، پاور لیریڈ سے ہمارے معاملات 13.97 ارب ہو چکے ہیں، جن میں سے 8.54 ارب روپے ڈائنامک معاوضہ ہیں۔

### ریٹک جنٹ

کئی کو لاحق ہونے والے زیادہ تر مالی خطرات کا حصول میں احاطہ کیا جاتا ہے۔ لیکویٹی کی ریٹک (گروٹی قرضے) کے علاوہ، کئی کو جو دیگر بڑے مالی خطرات لاحق ہے اس میں سودی ٹریڈ ہے۔ سودی ٹریڈ میں کوئی اجراء حاصل کئی کے نتائج کو متاثر کر سکتا ہے۔ ریٹک جنٹ کے ایک حصے کے طور پر، کئی نے مناسب داخلی مالی کنٹرول، دستی اور خود کار طریقے سے ڈیٹا جان کیا ہے اور اس پر عمل درآمد کیا ہے، جو مختلف پالیسیوں اور طریقہ کار کے ذریعہ خطوط کے ذریعے عمل کو متاثر جاتا ہے۔ ہر آف ڈائنامک ٹریڈ اس بات کو یقینی بناتا ہے کہ کئی میں مناسب اندرونی کنٹرول موجود ہے۔ یہ کنٹرول ہمارے اندرونی آڈٹ فنکشن کے ذریعے مالی نوٹوں بھی مانٹریکے جاتے ہیں۔

### کارپوریٹ سٹاک اسٹوری

کئی نے اپنے سپانسرز اور دیگر ایگزیکٹو حضرات کے ساتھ مل کر ایک جدید ترین، غیر منافع بخش ہسپتال، سلیم ہسپتال (SMH) قائم کیا ہے۔ یہ 350 بستروں پر مشتمل ہسپتال ہے 39 کنال مریضی پر تعمیر کیا گیا ہے اور ملک کے سب سے بڑے طبی کونسلٹی پرائیویٹ ہسپتالوں میں سے ایک ہے۔ ہسپتال سٹاک یا معاشرتی حیثیت کی بنیاد پر ہسپتال کے ملے گئے ہیں کے تمام افراد کو معاشرتی حیثیت سے متعلق کرنے کا ارادہ رکھتا ہے۔ SMH ایک گراں قیمت کی سرمایہ کاری ہے جو مریضی سے متعلق ہے۔ اس سے متعلقہ ہیں ان سے نفس حصول کی جاتے گی جبکہ جن کو آمدنی کی ضرورت ہے ان کو سہائی دی جائے گی۔

کئی ماحول اور خطرات کو تخمینہ فراہم کرنے میں گہری دلچسپی رکھتی ہے۔ اس مقصد کے لئے ہمارے پاور پلانٹ ایسی مشینری سے ایس ہیں جو قومی یا ماحولیاتی معیارات پر عمل کو یقینی بناتی ہیں۔ کئی نے ٹھیک کاری کے بھی اقدامات کئے ہیں اور پاور پلانٹ کے احاطے میں اور اور گروپ دے لگائے ہیں۔

### تصریحات

کئی کی ڈی پی ڈی اور کرنے کی صلاحیت کا انحصار بجلی قرضہ سے وصولیوں پر ہے۔ بجلی قرضہ اور کئی کو بروقت وصولی کرنے میں مسلسل تاخیر کا مہم رہے۔ نتیجتاً، بجلی قرضہ سے

داری و سولیاں 13.97 ارب تک ہو گئی ہیں اور مستقبل کی سولیاں (کیٹس ٹکرا) پر بھی شرحہ لیر یعنی صورت حال ہے۔ مزید برآں مایوسی ٹی ایل اسپے آپریشنز کے لیے ٹیکوں سے لیکل وائی قرضوں پر انحصار کر رہا ہے جو کہ بلند شرح سود کی وجہ سے انتہائی مشکل ثابت ہو رہے ہیں۔ اس لیے برصغیر ہونے والیوں قرضے لینے کی زیادہ اگست اور کئی کے بہترین مفاد میں ہونے کے اس وقت ڈیم پوز کا اعلان نہ کرنے کی سفارش کی ہے۔

#### حساب

ریٹائرڈ حساب میسرز ریٹائرڈ حساب میں چار ماہہ کئی، چار ماہہ اکاؤنٹس، ایل ہونے کی بناء پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کئی کے سال 2023-24 کے لئے کئی کے حساب کی حیثیت سے ان کی دوبارہ تقرری کی منظوری دی ہے۔

#### صورتِ حاضری

30 جون 2023 کے مطابق صورتِ حاضری سالانہ رپورٹ کے مراہض تک کیا گیا ہے۔

#### تفصیلی نمونہ اور اس کی کاپیاں

ذیل چار نمونہ سال کے دوران چار (4) ماہوں مشفق ہونے۔ ہر ایک حاضری اور ترتیب حسب ذیل ہے:

| نام ڈائریکٹر                             | کلیگری   | کئی           | تعداد حاضری |
|--|----------|---------------|-------------|
| جناب قریش انصاری                         | ایگزیکٹو | -             | 4           |
| جناب محمد شرف                            | ایگزیکٹو | -             | 4           |
| جناب آفتاب احمد خان (مستعفی مئی 2023-29) | ایگزیکٹو | آڈٹ اینڈ HR&R | 4           |
| جناب محمد اعظم                           | آڈٹ      | آڈٹ اینڈ HR&R | 4           |
| جناب دست نواز امی                        | آڈٹ      | آڈٹ اینڈ HR&R | 3           |
| جناب ابرار علی خان                       | ایگزیکٹو | -             | 2           |
| جناب مستنجم ہاشم                         | ایگزیکٹو | -             | 4           |
| میزر علیہ مسلم (مستعفی اگست 2023-29)     | ایگزیکٹو | -             | 4           |
| شیخ محمد اقبال (تقرری: اگست 2023-21)     | ایگزیکٹو | -             | 0           |

30 جون 2023 پر کئی میں اٹھارہ ماہہ مراہض ڈائریکٹر ہیں۔

کمپنی اپنے ان ایگزیکٹو اور ڈائریکٹرز کو سوائے ملاقات کی فیسوں کے جو بورڈ کے ذریعہ ایگزیکٹو ایکٹ 2017 اور کمپنی کے (کارپوریٹ گورننس) ایکٹ 2019 کے مطابق ملے گی جاتی ہے کوئی ایوانگی نہیں کرتی ہے۔

ایگزیکٹو بورڈ ان ایگزیکٹو اور ڈائریکٹرز کو ایوانگی کرنے والی فیس کی مجموعی رقم منسلک ایوانگی بیانات کے نوٹ 30 میں ظاہر کی گئی ہے۔

#### ادنیٰ ہدف

ڈائریکٹرز اس موقع پر ہمارے قابل قدر شیئر ہولڈرز کا شکریہ ادا کریں گے جو ہماری کمپنی پر ہر سہ ماہی میں ہمارے کمپنی کے کارکنوں کی خدمات، اقداری، اور کوششوں کے لیے ان سے ادنیٰ ہدف کرنا چاہتے ہیں اور امید کرتے ہیں کہ وہ اس کام کو مستقبل میں جاری رکھیں گے۔

ڈائریکٹرز

نیفا بیکریو

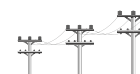
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# Financial Highlights

Rupees in Millions

|   | 2017/18     | 2018/19     | 2019/20     | 2020/21     | 2021/22     | 2022/23     |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Result of Operations</b>                 |             |             |             |             |             |             |
| Net Sales                                   | 16,594      | 15,021      | 13,023      | 11,643      | 25,416      | 18,221      |
| Gross Profit                                | 4,640       | 5,076       | 6,756       | 3,770       | 3,558       | 5,058       |
| Operating Income                            | 4,453       | 4,759       | 6,640       | 3,494       | 3,389       | 4,825       |
| Financial Charges                           | (1,046)     | (1,342)     | (2,034)     | (984)       | (844)       | (868)       |
| Tax (Taxation) / Reversal                   | -           | -           | -           | -           | (1)         | (1)         |
| Net Income                                  | 3,406       | 3,417       | 4,606       | 2,509       | 2,504       | 3,957       |
| <b>Financial Position at Year-end:</b>      |             |             |             |             |             |             |
| Capital                                     | 3,673       | 3,673       | 3,673       | 3,673       | 3,673       | 3,673       |
| Accumulated profit                          | 8,556       | 10,687      | 15,292      | 17,802      | 20,305      | 20,589      |
| Net Worth                                   | 12,229      | 14,360      | 18,966      | 21,475      | 23,979      | 24,262      |
| Fixed Assets                                | 11,387      | 11,495      | 10,572      | 9,857       | 9,461       | 9,479       |
| Long Term Deposits & Advances               | 4           | 3           | 3           | 2           | 1           | 1           |
| Current Assets                              | 15,015      | 18,073      | 20,376      | 23,237      | 26,621      | 18,308      |
| Total Assets                                | 26,406      | 29,571      | 30,951      | 33,095      | 36,083      | 27,787      |
| Long Term Liabilities                       | 3,327       | 716         | 729         | 17          | -           | -           |
| Current Liabilities                         | 10,850      | 14,494      | 11,254      | 11,603      | 12,104      | 3,525       |
| Net Interest-Bearing Debt                   | 13,230      | 14,094      | 10,993      | 10,072      | 10,869      | 975         |
| Per Share Net Income                        | 9.27        | 9.30        | 12.54       | 6.83        | 6.82        | 10.77       |
| Cash Dividends                              | 1.00        | 2.00        | -           | -           | -           | 10.00       |
| Dividend payout ratio                       | 11%         | 22%         | 0%          | 0%          | 0%          | 93%         |
| <b>Financial Measures</b>                   |             |             |             |             |             |             |
| ROE   | 27.85%      | 23.79%      | 24.28%      | 11.68%      | 10.44%      | 16.31%      |
| Shareholders' Equity Ratio                  | 46.31%      | 48.56%      | 61.28%      | 64.89%      | 66.46%      | 87.31%      |
| Net Debt Equity Ratio (times)               | 1.08        | 0.98        | 0.58        | 0.47        | 0.45        | 0.04        |
| Current Ratio                               | 1.38        | 1.25        | 1.81        | 2.00        | 2.20        | 5.19        |
| <b>Common Stock</b>                         |             |             |             |             |             |             |
| Number of Shares Outstanding<br>at Year-End | 367,346,939 | 367,346,939 | 367,346,939 | 367,346,939 | 367,346,939 | 367,346,939 |





# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019

**Name of Company:** Nishat Chunian Power Limited  
**Year ended:** June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are Eight (8) as per the following:
  - a. Male: 7
  - b. Female: 1\*

\* Ms. Samina Aslam (Female Director) resigned as director of the company w.e.f. 29 August 2023.

2. The composition of board is as follows:

| Category                | Names   |
|-------------------------|---|
| Independent Directors   | Mr. Muhammad Azam<br>Mr. Rehmat Naveed Elahi  |
| Non-Executive Directors | Mr. Muhammad Ashraf<br>Mr. Babar Ali Khan<br>Mr. Mustaqeem Talish<br>Mr. Sheikh Muhammad Iqbal (Appointed as Director with effect from 21 August 2023 in place of Mr. Aftab Ahmad Khan who resigned as Director with effect from 29 May 2023)<br>Ms. Samina Aslam (Female Director)** |
| Executive Director      | Mr. Farrukh Ifzal (Chief Executive Officer)   |

\*\* Ms. Samina Aslam (Female Director) resigned as director of the company w.e.f 29 August 2023.

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

| Names of Directors |
|--------------------|
| Mr. Farrukh Ifzal  |
| Mr. Muhammad Azam  |



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**

| <b>Names</b>   | <b>Designation held</b> |
|--|-------------------------|
| Mr. Muhammad Azam  | Chairman                |
| Mr. Sheikh Muhammad Iqbal (Appointed as Director with effect from 21 August 2023 in place of Mr. Aftab Ahmad Khan who resigned as Director with effect from 29 May 2023) | Member                  |
| Mr. Rehmat Naveed Elahi  | Member                  |

**b) HR and Remuneration Committee**

| <b>Names</b>   | <b>Designation held</b> |
|--|-------------------------|
| Mr. Muhammad Azam  | Chairman                |
| Mr. Sheikh Muhammad Iqbal (Appointed as Director with effect from 21 August 2023 in place of Mr. Aftab Ahmad Khan who resigned as Director with effect from 29 May 2023) | Member                  |
| Mr. Rehmat Naveed Elahi  | 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 2023.

**b) HR and Remuneration Committee**

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2023.

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><br>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>Directors' Training</b><br>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. | Two directors of the Company have acquired Directors' Training Program certification. The Company has planned to arrange Directors' Training Program certification for remaining directors before 30 June 2024. | 19(1)             |
| 3       | <b>Directors' Training</b><br>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)             |
| 4       | <b>Nomination Committee</b><br>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                |
| 5       | <b>Risk Management Committee</b><br>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                |
| 6       | <b>Disclosure of significant policies on website</b><br>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.

**MUHAMMAD ASHRAF**

Chairman

August 30, 2023

Lahore



# INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Nishat Chunian 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 Chunian Power Limited (the Company) for the year ended 30 June 2023 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 2023.

### **RIAZ AHMAD & COMPANY**

Chartered Accountants

Lahore

Date: 30 August 2023

UDIN: CR202310158KxLu5tm2C



# INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the annexed financial statements of Nishat Chunian Power Limited (the Company), which comprise the statement of financial position as at 30 June 2023, 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 summary of significant accounting policies 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 2023 and of the profit, 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 10.1.1(viii) to the accompanying financial statements which describes that the matter will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and Government of Pakistan (GoP). Our opinion is not modified in respect of this matter.

### Key Audit Matter

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 matters  | How the matters were addressed in our audit   |
|---------|--|---|
| 1.      | <p><b>Contingencies</b></p> <p>As disclosed in note 10.1.1 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>- Summary of significant accounting policies, Contingent liabilities [note 2.1(c) and note 2.19 to the financial statements].</li> <li>- Contingent liabilities (note 10.1.1) 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> |

### 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) 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 Mubashar Mehmood.

### **RIAZ AHMAD & COMPANY**

Chartered Accountants

Lahore

Date: 30 August 2023

UDIN: AR2023101580NCbo1VeF





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# STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

|  | Note | 2023<br>(Rupees in thousand) | 2022              |
|--|------|------------------------------|-------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                              |                   |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |                              |                   |
| Authorized share capital<br>385,000,000 (2022: 385,000,000)<br>ordinary shares of Rupees 10 each |      | 3,850,000                    | 3,850,000         |
| Issued, subscribed and paid-up share capital   | 3    | 3,673,469                    | 3,673,469         |
| Revenue reserve - un-appropriated profit   |      | 20,588,588                   | 20,305,494        |
| <b>Total equity</b>  |      | <b>24,262,057</b>            | <b>23,978,963</b> |
| <b>LIABILITIES</b>   |      |                              |                   |
| <b>NON-CURRENT LIABILITIES</b>   |      |                              |                   |
| Long term financing - secured  | 4    | -                            | -                 |
| Deferred income - Government grant   | 5    | -                            | -                 |
|  |      | -                            | -                 |
| <b>CURRENT LIABILITIES</b>   |      |                              |                   |
| Trade and other payables   | 6    | 2,341,437                    | 1,015,745         |
| Accrued mark-up / profit   | 7    | 174,095                      | 202,300           |
| Short term borrowings  | 8    | 975,099                      | 10,851,726        |
| Current portion of non-current liabilities   | 9    | -                            | 17,291            |
| Unclaimed dividend   |      | 34,531                       | 16,563            |
|  |      | 3,525,162                    | 12,103,625        |
| <b>TOTAL LIABILITIES</b>   |      | <b>3,525,162</b>             | <b>12,103,625</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>   | 10   |                              |                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>27,787,219</b>            | <b>36,082,588</b> |

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

CHIEF EXECUTIVE OFFICER



|  | Note | 2023<br>(Rupees in thousand) | 2022              |
|--|------|------------------------------|-------------------|
| <b>ASSETS</b>  |      |                              |                   |
| <b>NON-CURRENT ASSETS</b>                                    |      |                              |                   |
| Property, plant and equipment                                | 11   | 9,478,782                    | 9,461,004         |
| Intangible assets  | 12   | -                            | -                 |
| Long term loan to an employee                                | 13   | 288                          | 981               |
| Long term security deposit                                   |      | 100                          | 100               |
|  |      | 9,479,170                    | 9,462,085         |
| <b>CURRENT ASSETS</b>  |      |                              |                   |
| Stores and spares  | 14   | 628,913                      | 445,586           |
| Inventories  | 15   | 808,922                      | 2,254,688         |
| Trade debts  | 16   | 13,747,743                   | 13,718,135        |
| Loans, advances, deposits, prepayments and other receivables | 17   | 1,308,745                    | 1,510,198         |
| Advance income tax - net of provision for taxation           | 18   | 45,597                       | 61,314            |
| Short term investments                                       | 19   | 361,770                      | 8,609,548         |
| Bank balances  | 20   | 1,406,359                    | 21,034            |
|  |      | 18,308,049                   | 26,620,503        |
| <b>TOTAL ASSETS</b>  |      | <b>27,787,219</b>            | <b>36,082,588</b> |

DIRECTOR



CHIEF FINANCIAL OFFICER

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

|   | NOTE | 2023<br>(Rupees in thousand) | 2022         |
|---|------|------------------------------|--------------|
| REVENUE FROM CONTRACT WITH CUSTOMER             | 21   | 18,220,811                   | 25,415,977   |
| COST OF SALES                                   | 22   | (13,162,851)                 | (21,858,305) |
| <b>GROSS PROFIT</b>                             |      | 5,057,960                    | 3,557,672    |
| ADMINISTRATIVE EXPENSES                         | 23   | (156,218)                    | (176,520)    |
| OTHER EXPENSES                                  | 24   | (189,404)                    | (152,763)    |
|   |      | (345,622)                    | (329,283)    |
| OTHER INCOME                                    | 25   | 113,139                      | 160,492      |
| <b>PROFIT FROM OPERATIONS</b>                   |      | 4,825,477                    | 3,388,881    |
| FINANCE COST                                    | 26   | (868,314)                    | (884,205)    |
| <b>PROFIT BEFORE TAXATION</b>                   |      | 3,957,163                    | 2,504,676    |
| TAXATION  | 27   | (600)                        | (943)        |
| <b>PROFIT AFTER TAXATION</b>                    |      | 3,956,563                    | 2,503,733    |
| EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES) | 28   | 10.77                        | 6.82         |

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 JUNE 30, 2023

|   | 2023                 | 2022      |
|---|----------------------|-----------|
|   | (Rupees in thousand) |           |
| <b>Profit After Taxation</b>                                  | 3,956,563            | 2,503,733 |
| <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 Income For The Year</b>                | 3,956,563            | 2,503,733 |

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 JUNE 30, 2023

|  | Share Capital | Revenue<br>Reserve:<br>Un-appropriated<br>Profits<br>(Rupees in thousand) | Total<br>Equity |
|--|---------------|---|-----------------|
| <b>Balance as at June 30, 2021</b>   | 3,673,469     | 17,801,761  | 21,475,230      |
| Profit for the year ended 30 June 2022   | -             | 2,503,733   | 2,503,733       |
| Other comprehensive income for the year ended 30 June 2022                                     | -             | -   | -               |
| Total comprehensive income for the year ended 30 June 2022                                     | -             | 2,503,733   | 2,503,733       |
| <b>Balance as at June 30, 2022</b>   | 3,673,469     | 20,305,494  | 23,978,963      |
| Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 10 per share | -             | (3,673,469)   | (3,673,469)     |
| Profit for the year ended 30 June 2023   | -             | 3,956,563   | 3,956,563       |
| Other comprehensive income for the year ended 30 June 2023                                     | -             | -   | -               |
| Total comprehensive income for the year ended 30 June 2023                                     | -             | 3,956,563   | 3,956,563       |
| <b>Balance as at June 30, 2023</b>   | 3,673,469     | 20,588,588  | 24,262,057      |

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 JUNE 30, 2023

|   | Note | 2023<br>(Rupees in thousand) | 2022         |
|---|------|------------------------------|--------------|
| <b>Cash Flows From Operating Activities</b>                                 |      |                              |              |
| <b>Cash generated from operations</b>                                       | 29   | 8,340,698                    | 8,656,255    |
| Finance cost paid   |      | (896,338)                    | (922,423)    |
| Net decrease in long term loan to an employee                               |      | 693                          | 693          |
| Income tax paid   |      | (21,852)                     | (9,355)      |
| Income tax refund received  |      | 36,969                       | -            |
| Profit on bank deposits received  |      | 28,404                       | 43,442       |
| <b>Net cash generated from operating activities</b>                         |      | 7,488,574                    | 7,768,612    |
| <b>Cash Flows From Investing Activities</b>                                 |      |                              |              |
| Capital expenditure on property, plant and equipment                        |      | (784,532)                    | (549,839)    |
| Short term investments made   |      | (307,263)                    | (7,757,078)  |
| Proceeds from disposal of short term investments                            |      | 2,731,004                    | 5,306,562    |
| Investment made in Pakistan Investment Bonds and Government Ijara Sukuks    |      | -                            | (9,746,123)  |
| Proceeds from sale of Pakistan Investment Bonds and Government Ijara Sukuks |      | 5,806,225                    | 3,879,151    |
| Proceeds from disposal of property, plant and equipment                     |      | 736                          | 29,265       |
| <b>Net cash from / (used in) investing activities</b>                       |      | 7,446,170                    | (8,838,062)  |
| <b>Cash Flows From Financing Activities</b>                                 |      |                              |              |
| Repayment of long term financing  |      | (17,291)                     | (34,615)     |
| Dividend paid   |      | (3,655,501)                  | (1,713)      |
| <b>Net cash used in financing activities</b>                                |      | (3,672,792)                  | (36,328)     |
| <b>Net increase / (decrease) in cash and cash equivalents</b>               |      | 11,261,952                   | (1,105,778)  |
| <b>Cash and cash equivalents at the beginning of the year</b>               |      | (10,830,692)                 | (9,724,914)  |
| <b>Cash and cash equivalents at the end of the year</b>                     |      | 431,260                      | (10,830,692) |
| <b>Cash and Cash Equivalents</b>  |      |                              |              |
| Bank balances   |      | 1,406,359                    | 21,034       |
| Short term borrowings   |      | (975,099)                    | (10,851,726) |
|   |      | 431,260                      | (10,830,692) |

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 JUNE 30, 2023

## 1 THE COMPANY AND ITS OPERATIONS

**1.1** Nishat Chunian 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 Companies Act, 2017). The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The Company was a subsidiary of Nishat (Chunian) Limited (NCL) that held 51.07% shares of the Company.

**1.2** The Board of Directors of NCL in its meeting held on 21 February 2022 has approved a Scheme of Compromises, Arrangement and Reconstruction (Under Sections 279 to 283 and 285 of the Companies Act, 2017) amongst NCL and its members and Nishat Chunian Properties (Private) Limited (subsidiary of NCL) and its members. One of the principal objects of the Scheme was to make NCL and Nishat Chunian Power Limited totally independent of each other by the transfer amongst the members of NCL of 187,585,820 ordinary shares of Nishat Chunian Power Limited owned by NCL. On 29 June 2022, the Honourable Lahore High Court, Lahore approved the aforesaid Scheme. The Effective Date of the Scheme for this purpose was the commencement date of book closure i.e. 10 August 2022 as announced by NCL in accordance with Pakistan Stock Exchange Limited Regulations. After the completion of necessary corporate and legal formalities in this regard, the Company ceased to be the subsidiary of NCL with effect from 10 August 2022.

**1.3** The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 31-Q, Gulberg II, Lahore. On 13 November 2007, the Company entered into a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty-five years which commenced from 21 July 2010. On 11 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 20 July 2021 was extended by seventy five (75) days to 04 October 2021. Therefore, the existing term of the PPA Agreement has been extended by seventy five days to twenty five years and seventy five days ending on 04 October 2035.

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

| <b>Business units</b>     | <b>Address</b>                                       |
|---------------------------|--|
| Registered office         | 31-Q, Gulberg II, Lahore                             |
| Office (under renovation) | House No. 59, Shadman Colony-II, Lahore              |
| Power station             | Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab |

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

**b) Accounting convention**

These financial statements have been prepared on historical cost basis, except as otherwise stated in 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**

In making the estimates for income tax 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 2.28)

### 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.

#### 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 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use;
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract which amended IAS 1 'Presentation of Financial Statements';
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases';
- 'Reference to the Conceptual Framework (Amendment to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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 2022 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) **Amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its



'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

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

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

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.

The above 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 2023 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 any identified impairment loss. Freehold land is stated at cost less any identified 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 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 11.1 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 included in the statement of profit or loss and other comprehensive income 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 identified impairment losses, 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 standby 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.

### **2.2.4 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 amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

## **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:



|   | <b>2023</b>          | <b>2022</b> |
|---|----------------------|-------------|
|   | (Rupees in thousand) |             |
| De-recognition of property, plant and equipment                 | (8,756,042)          | (9,152,742) |
| Recognition of lease debtor                                     | 5,993,442            | 4,255,616   |
| De-recognition of trade debts                                   | (2,377,037)          | (556,913)   |
| Decrease in un-appropriated profit at the beginning of the year | (5,454,039)          | (5,843,387) |
| Increase in profit for the year                                 | 314,402              | 389,348     |
| Decrease in un-appropriated profit at the end of the year       | (5,139,637)          | (5,454,039) |

## 2.4 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.

## 2.5 Lease liabilities

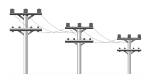
A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the 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.

## 2.6 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:

#### **Amortized 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), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

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

Where the 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 and 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.

## **2.7 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.

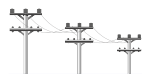
## **2.8 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables other than those due from the Government of Pakistan, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## **2.9 Financial assets due from the Government of Pakistan**

Financial assets due from the Government of Pakistan include trade debts and other receivables due from Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') under the PPA that also includes accrued amounts. SECP through SRO 67(I)/2023 dated 20 January 2023 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 2024 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 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 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 profit or loss.

## **2.10 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.

## **2.11 Offsetting of financial instruments**

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

## **2.12 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 thousands of Pak Rupees.

### **2.13 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.

### **2.14 Employee benefits**

#### **Short term obligations**

Liabilities for wages and salaries including non-monetary benefits 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. The liabilities are presented as current employee benefit obligations in the statement of financial position.

#### **Defined contribution plan**

The Company operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 8.33% of basic salary of employees.

### **2.15 Inventories**

Inventories except for those in transit and furnace oil are valued principally at lower of weighted average cost and net realizable value. Materials in transit are stated at cost comprising invoice value plus other charges paid thereon. Furnace oil is valued at lower of cost based on First-In First-Out (FIFO) method and net realizable value.

Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. Provision for obsolete and slow moving inventories is made based on management's estimate.

### **2.16 Stores and spares**

Stores and spares are valued principally at weighted average cost except for items in transit which are stated at invoice plus other charges paid thereon till the reporting 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.

### **2.17 Provisions**

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



reporting date and adjusted to reflect the current best estimate.

## **2.18 Contingent assets**

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

## **2.19 Contingent liabilities**

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

## **2.20 Taxation**

### **2.20.1 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, full provision 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.

### **2.20.2 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. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the 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.

## **2.21 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts



are shown within borrowings in current liabilities on the statement of financial position.

## **2.22 Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance cost to the extent of the amount remaining unpaid.

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

## **2.23 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.

## **2.24 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 2.28 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.

## **2.25 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.

## **2.26 Trade and other payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortised cost using the effective interest method.

## **2.27 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.



## 2.28 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.

## 2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

## 2.30 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.

## 2.31 Dividend and other appropriations

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.



### 3 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| 2023               | 2022        |   | 2023                 | 2022      |
|--------------------|-------------|---|----------------------|-----------|
| (Number of shares) |             |   | (Rupees in thousand) |           |
| 367,346,939        | 367,346,939 | Ordinary shares of Rupees 10 each fully paid-up in cash | 3,673,469            | 3,673,469 |

**3.1** Nil (2022: 187,585,820) ordinary shares of the Company are held by Nishat (Chunian) Limited - associated company. Nishat (Chunian) Limited ceased to be the holding company with effect from 10 August 2022 as fully explained in note 1.2 to these financial statements.

#### 3.2 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 or issue new shares. 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 total borrowings including current and non-current borrowings, as disclosed in notes 4 and 8 to these financial statements, less bank balances as disclosed in note 20 to these financial statements. Total capital employed includes equity as shown in the statement of financial position, plus net borrowings.

| Note                             | 2023                 | 2022       |
|----------------------------------|----------------------|------------|
|                                  | (Rupees in thousand) |            |
| Long term financing              | -                    | 17,291     |
| Short term borrowings            | 975,099              | 10,851,726 |
| Less: Bank balances              | 1,406,359            | 21,034     |
| Net (bank balances) / borrowings | (431,260)            | 10,847,983 |
| Equity                           | 24,262,057           | 23,978,963 |
| Capital and net borrowings       | 23,830,797           | 34,826,946 |
| Gearing ratio                    | 0%                   | 31.15%     |

### 4 LONG TERM FINANCING - SECURED

#### From banking company

|  |     |   |          |
|--|-----|---|----------|
| Loan under State Bank of Pakistan (SBP) Refinance Scheme | 4.1 | - | 17,110   |
| Less: Current portion shown under current liabilities    | 9   | - | (17,110) |
|  |     | - | -        |



- 4.1** This term finance facility, aggregating to Rupees 68.866 million (2022: Rupees 68.866 million) was obtained by the Company from Bank Alfalah Limited under SBP refinance scheme for payment of wages and salaries to workers and employees of business concerns. This facility was secured against joint ownership of diminishing musharaka assets of the Company to the tune of Rupees 81.264 million, first joint parri passu charge on all the present and future current assets including fuel stocks, inventories, capacity and energy price payment receivables from CPPA-G and demand promissory notes by the Company. This finance facility was payable in 8 equal quarterly instalments commenced from 04 January 2021 and ended on 19 October 2022. Profit was payable quarterly at the rate of SBP refinance rate plus 1.5% and 3.00% per annum. This loan was recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment was recognized at discount rates ranged from 10.25% to 11.18% (2022: 10.25% to 11.18%) per annum.

|   | Note | 2023<br>(Rupees in thousand) | 2022    |
|---|------|------------------------------|---------|
| <b>5 DEFERRED INCOME - GOVERNMENT GRANT</b>     |      |                              |         |
| Opening balance                                 |      | 181                          | 2,497   |
| Amortized during the year                       | 25   | (181)                        | (2,316) |
|   |      | -                            | 181     |
| Current portion shown under current liabilities | 9    | -                            | (181)   |
|   |      | -                            | -       |

- 5.1** The State Bank of Pakistan (SBP), through its Circular No. 06 of 2020 dated 10 April 2020 introduced a temporary refinance scheme for payment of wages and salaries to the workers and employees of business concerns (the Refinance Scheme). The refinance scheme was funded by SBP. Borrowers could obtain loans from the banks and ease their cash flow constraints to avoid layoffs. One of the key feature of the refinance scheme was that borrowers could obtain loan at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Company obtained this loan as disclosed in note 4 to the financial statements. In accordance with IFRS 9 'Financial Instruments' loan obtained under the refinance scheme was initially recognised at its fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit was accounted for and presented as deferred grant in accordance with IAS 20. The grant has been amortised in the statement of profit or loss, in line with the recognition of interest expense the grant was compensating.

|  | Note | 2023<br>(Rupees in thousand) | 2022      |
|--|------|------------------------------|-----------|
| <b>6 TRADE AND OTHER PAYABLES</b>          |      |                              |           |
| Creditors                                  |      | 1,075,191                    | 86,245    |
| Accrued liabilities                        |      | 67,341                       | 81,795    |
| Workers' profit participation fund payable | 6.1  | 849,699                      | 651,841   |
| Workers' welfare fund                      | 6.2  | 271,538                      | 192,395   |
| Income tax deducted at source              |      | 1,563                        | 3,389     |
| Sales tax payable                          |      | 76,025                       | -         |
| Others                                     |      | 80                           | 80        |
|  |      | 2,341,437                    | 1,015,745 |



|  | Note | 2023<br>(Rupees in thousand) | 2022       |
|--|------|------------------------------|------------|
| <b>6.1 Workers' profit participation fund payable</b>              |      |                              |            |
| Balance as at 01 July  |      | 651,841                      | 526,607    |
| Allocation for the year  | 17.1 | 197,858                      | 125,234    |
|  |      | 849,699                      | 651,841    |
| Payments made during the year                                      |      | -                            | -          |
| Balance as at 30 June  |      | 849,699                      | 651,841    |
| <b>6.2 Workers' welfare fund</b>                                   |      |                              |            |
| Balance as at 01 July  |      | 192,395                      | 142,301    |
| Provision for the year   | 17.2 | 79,143                       | 50,094     |
|  |      | 271,538                      | 192,395    |
| Payments made during the year                                      |      | -                            | -          |
| Balance as at 30 June  |      | 271,538                      | 192,395    |
| <b>7 ACCRUED MARK-UP / PROFIT</b>                                  |      |                              |            |
| Short term borrowings - secured                                    |      | 174,095                      | 202,300    |
| <b>8 SHORT TERM BORROWINGS</b>                                     |      |                              |            |
| <b>From banking companies and financial institutions - secured</b> |      |                              |            |
| Running finances   | 8.1  | -                            | 6,177,017  |
| Term finances  | 8.2  | -                            | -          |
| Running musharakah and murabaha                                    | 8.3  | 975,099                      | 4,674,709  |
|  |      | 975,099                      | 10,851,726 |

**8.1** These running finance facilities are obtained from commercial banks under mark-up arrangements amounting to Rupees 7,335.113 million (2022: Rupees 7,340 million) which remained unutilized at the end of reporting period. These facilities carry mark-up rates ranging from one month to three months KIBOR plus 0.00% to 2.00% (2022: one month to three months KIBOR plus 0.00% to 2.00%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the Company including fuel stocks, inventories and total receivables from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranged from 12.72% to 23.98% (2022: 7.70% to 15.31%) per annum.

**8.2** The term finance facilities are obtained from financial institutions under mark-up arrangement amounting to Rupees 900 million (2022: Rupees 900 million) which remained unutilised at the end of the reporting period. These facilities are secured against first joint pari passu charge on present and future current assets of the Company including fuel stocks, inventories and total receivables from CPPA-G. These facilities carry at mark-up rates of three months KIBOR plus 2.00% (2022: three months KIBOR plus 2.00% to 2.50%) payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance was 19.06% (2022: 9.45% to 12.52%) per annum.

**8.3** These murabaha and musharaka facilities are obtained from Islamic banks aggregating to Rupees 5,749.210 million (2022: Rupees 5,324.562 million) at profit rates ranging from one month to six months KIBOR plus 0.05% to 1.50% (2022: one month to six months KIBOR plus 0.15% to 1.50%) per annum.



Profit on murabaha is payable at the maturity of the respective murabaha transaction, whereas, the profit on musharaka is payable monthly / quarterly on the balance outstanding. These facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the Company comprising of fuel stocks, inventories and total receivables from CPPA-G. The profit rate charged during the year on the outstanding balance ranges from 14.31% to 22.98% (2022: 7.76% to 15.16%) per annum.

|                                    | Note  | 2023<br>(Rupees in thousand) | 2022   |
|------------------------------------|---|------------------------------|--------|
| <b>9</b>                           | <b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b> |                              |        |
| Long term financing                | 4   | -                            | 17,110 |
| Deferred income - Government grant | 5   | -                            | 181    |
|                                    |   | -                            | 17,291 |

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

#### 10.1.1 Contingent liabilities:

i) Assistant Commissioner Inland Revenue ('ACIR') has raised a demand of Rupees 1,161.548 million through its order dated 28 November 2013 by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of 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 purchase price' admissible to the Company.

Against the aforesaid order, the Company preferred an appeal on 09 December 2013 before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, CIR(A) did not adjudicate upon the Company's other grounds of appeal. Consequently, the Company preferred an appeal on 17 March 2014 before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Federal Board of Revenue ('tax department') also preferred an appeal on 08 May 2014 before the ATIR against the CIR(A)'s order. The ATIR decided the case in favour of the Company on 11 September 2018. However, the tax department filed a sales tax reference with Honourable Lahore High Court, Lahore against the decision. On 31 March 2022, the Honourable Lahore High Court, Lahore set aside the ATIR's judgment and remanded back the case to determine whether payments made against capacity purchase price constitute a taxable or non-taxable supply and to treat the input sales tax adjustment accordingly. Being aggrieved by the decision of the Honourable Lahore High Court, Lahore, the Company filed leave for appeal before the Honourable Supreme Court of Pakistan on 20 May 2022. On 30 September 2022, Honourable Supreme Court of Pakistan accepted the application of leave for appeal, stayed the impugned judgment of Honourable Lahore High Court, Lahore and restricted the tax department to take any adverse action against the Company till the disposal of appeal which is pending adjudication.

Furthermore, the Deputy Commissioner Inland Revenue ('DCIR') issued a show cause notice on 12 November 2014 whereby intentions were shown to raise a sales tax demand of Rupees 1,093.262 million by disallowing input sales tax claimed by the Company for the tax periods from July 2010 to June 2012 on similar grounds as explained above. The Company agitated the initiation of such proceedings through institution of a writ petition before the Honourable Lahore High Court, Lahore on 23 July 2015. The Honourable Lahore High Court disposed of the petition in the Company's favour through its order dated 31 October 2016, by stating that there is no supply being made against capacity purchase price, hence, there is no existence of an "exempt supply". Accordingly, the Company is free to reclaim or deduct input





tax under the relevant provisions of Sales Tax Act, 1990. However, the tax department filed a review petition before the Honourable Lahore High Court on 09 January 2017 and an appeal before the Honourable Supreme Court of Pakistan on 24 November 2017 against the aforementioned Honourable Lahore High Court's order, both of which are pending adjudication.

For the period July 2013 to June 2014, Company's case was selected for audit by the tax department, which selection was objected to, on jurisdictional basis, by Company by way of filing a writ petition before the Honourable Lahore High Court on 20 November 2015. While, the Honourable Lahore High Court has allowed the tax department to proceed with audit proceedings, it has been directed that no adjudication order, consequent to conduct of audit, shall be passed after confronting the audit report. The audit proceedings were completed by the tax department during the financial year 2016 and audit report thereof was submitted to the Company seeking explanations in regard to the issues raised therein. In the subject audit report, an aggregate amount of Rupees 631.769 million primarily including a disallowance of input sales tax of Rupees 622.263 million has been confronted on same grounds as explained above. The Honourable Lahore High Court through its order dated 09 January 2017 has allowed initiation of adjudication proceedings after issuance of audit report. On 17 May 2017, the DCIR issued a showcause notice as to why sales tax of the aforesaid amount of Rupees 631.769 million alongwith default surcharge should not be recovered from the Company. The Company filed a representation in this regard with the Chairman, Federal Board of Revenue. The Chairman, Federal Board of Revenue disposed of the case on the grounds that it did not invoke any provision of section 7 of the FBR Act 2007 as no issue of misadministration is involved therein. The Company then challenged the show cause notice before the Honourable Lahore High Court. The Honourable Lahore High Court declared on 09 November 2018 that the show cause notice was issued without having jurisdiction.

The tax department filed appeal before the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan decided the appeal in favour of tax department. On 21 January 2021, DCIR issued notice to the Company requiring to submit reply of the show cause notice. The Company duly submitted its reply to the show cause notice. On 03 June 2021, DCIR passed an order wherein aggregate demand of Rupees 1,326.682 million including penalty and default surcharge was raised. The Company being aggrieved with the order of DCIR, preferred an appeal before the CIR(A). On 31 December 2021, CIR(A) passed an order wherein the disallowance of input sales tax amounting to Rupees 1.164 million has been confirmed and the remaining amount involved has been annulled / deleted. Being aggrieved by the decision of CIR(A), the Company has filed an appeal before ATIR. No further notice has been served by the department against the order passed by CIR(A). The management based on the advice of its legal counsel, has strong grounds to believe that the cases will be decided in favour of the Company. Therefore, no provision has been made in these financial statements.

ii) During the year ended 30 June 2019, the Commissioner Inland Revenue ('CIR') has raised a demand of Rupees 104.977 million against the Company through his order dated 16 April 2019, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the various tax periods and sales tax default on account of suppression of sales related to various tax periods. The Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted. Further, the Company has filed appeals before CIR(A) and ATIR against the order. The ATIR decided the case against the Company vide its order dated 06 May 2020. The Company has filed sales tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication. During the year ended 30 June 2021, the Honourable Lahore High Court, Lahore on an application of the Company has provided interim relief by restricting tax department from taking any coercive action against the Company subject to furnishing of the bank guarantee of disputed amount, that was duly provided by the Company. 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. Therefore, no provision has been made in these financial statements.

iii) An amendment order dated 31 August 2017 was issued by the DCIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2014 whereby income tax of Rupees 191.536 million was levied on other income, interest on delayed payments from CPPA-G, minimum tax on capacity sales, scrap sales and sale proceeds of fixed assets' disposal, and workers' welfare fund (WWF) was also levied of Rupees



12.946 million. Against the aforesaid order, the Company preferred an appeal on 25 September 2017 before the CIR(A) and the learned CIR(A) passed an order on 02 February 2018, declaring that the levy of income tax on interest on delayed payments from CPPA-G and minimum tax on capacity sales is not justified, while directing the Company to pay income tax aggregating to Rupees 1.466 million on profit on debt, miscellaneous income, capital gain on disposal of securities, minimum tax on scrap sales and fixed assets' disposal and WWF of Rupees 4.552 million. The Company and tax department both have filed appeals on 08 March 2018 and 26 March 2018 respectively, before the ATIR against the order of CIR(A). ATIR decided the case in favour of tax department and dismissed Company's appeal to grant relief. Further, all relieves granted by CIR(A) have been vacated and original order of DCIR has been upheld. The Company, being aggrieved by the ATIR's decision, filed income tax reference before the Honourable Lahore High Court, Lahore which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated 25 January 2021 provided interim relief to the Company and suspended the order of ATIR subject to furnishing of the bank guarantee of disputed amount that was duly provided by the Company.

Further, another amendment order dated 15 December 2014 was issued by Additional Commissioner Inland Revenue (ACIR) under section 122 of the Income Tax Ordinance, 2001 for tax year 2013 whereby income tax of Rupees 25.340 million was levied on interest income and minimum tax on capacity sales and disallowed the tax credit under section 65B of the Income Tax Ordinance, 2001 amounting to Rupees 4.027 million. Against the aforesaid order, the Company preferred an appeal before CIR(A) on 23 January 2015 and the learned CIR(A) passed an order on 03 April 2015, declaring that income tax on interest income and minimum tax on capacity sales is not justified, while upheld to disallow the tax credit under section 65B of the Income Tax Ordinance, 2001. The Company and tax department both filed appeals before the ATIR against the order of CIR(A). ATIR vide its order dated 24 February 2023 remanded back the case, in the matter of tax credit to the ACIR, whereas upheld the decision of CIR(A) in remaining matters. No remand back proceedings have been initiated by the ACIR. No further notice has been served by the department against the order passed by ATIR.

Moreover, another amendment order dated 13 June 2018 was issued by the ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2012 and subsequently, rectification order dated 27 June 2018 under section 221 of the Income Tax Ordinance, 2001 was issued whereby income tax of Rupees 50.063 million was levied mainly comprising minimum tax on capacity sales. The Company filed an appeal on 26 July 2018 before the CIR(A) against the aforesaid orders. The CIR(A), through its order dated 12 September 2018, decided the case in favour of the Company. However, the tax department has filed an appeal before the ATIR against the order of the CIR(A) which is pending adjudication.

An amendment order dated 31 January 2023 was issued by the ACIR under section 122 of the Income Tax Ordinance, 2001 for tax year 2019 whereby income tax of Rupees 63.606 million was levied on account of minimum tax on capacity sales. On 10 February 2023, the Company has filed an appeal before the CIR(A) against the aforesaid order which is pending adjudication.

The management considers that there exist meritorious grounds to defend the Company's stance and the ultimate decision from the appellate authorities would be in the Company's favour. Consequently, no provision has been made in these financial statements.

iv) For the period from July 2015 to June 2016, the Company's case was selected for sales tax audit by the tax department. The tax department conducted the audit and the Deputy Commissioner Inland Revenue - Audit [DCIR (Audit)] issued the audit report on 18 September 2019 in which observations involving sales tax amounting to Rupees 530.207 million were raised and comments were sought thereon from the management of the Company. The main observation was apportionment of sales tax which is already decided in favour of the Company by the Honourable Lahore High Court, Lahore in the previous case. The Company submitted detailed reply on all the observations. DCIR (Audit) has further issued a show cause notice to the Company on 08 October 2019 with the same amount. The Company submitted detailed reply of the show cause notice but DCIR (Audit) issued final order on 27 November 2019 involving sales tax amounting to Rupees 530.207 million. The Company filed an appeal before CIR(A) against the



above mentioned order of the DCIR (Audit). The CIR(A) vide its order dated 04 March 2020 accepted the stance of the Company on main observation of apportionment of sales tax and remanded back the case for rest of observations to DCIR (Audit). However, no remand back proceedings have been initiated by DCIR (Audit).

v) On 19 April 2021, DCIR issued show cause notice to the Company involving Rupees 223.773 million on account of input sales tax on capacity purchase price claimed by the Company for the period from July 2017 to January 2021. The Company challenged the jurisdiction of DCIR to issue show cause notice before the Honourable Lahore High Court, Lahore. On 31 May 2021, the Honourable Lahore High Court, Lahore directed the Company to file the reply of show cause notice issued by DCIR and ordered the DCIR to first determine the jurisdiction as raised by the Company. The Company filed its reply to show cause notice to DCIR. DCIR determined its jurisdiction to be lawful. On 03 August 2021, the DCIR passed an order whereby a demand of Rupees 223.773 million was raised against the Company. Against the aforesaid order of DCIR, the Company preferred an appeal before CIR(A). In its order dated 10 November 2021, CIR(A) remanded back the case to DCIR. Since the CIR(A) remanded back the case without hearing the merits, therefore, the Company has also filed an appeal before ATIR which is pending adjudication. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of the Company. Therefore, no provision has been made in these financial statements.

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

vii) 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 on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although it is approving CV adjustment computed on the basis of average of two CV results, however, the said CV adjustment shall be subject to the final outcome of the suit pending before Honourable Lahore High Court, Lahore. 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.

viii) In March 2020, Committee for the Power Sector Audit, Circular Debt Resolution and Future Roadmap constituted by Ministry of Energy alleged that savings were made by the 'IPPs', including the Company, in the tariff components. On 11 February 2021, the Company and CPPA-G have signed "Master Agreement" and "PPA Amendment Agreement" wherein it has been agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP. On 15 November 2021, the Company has authorized GoP / CPPA-G to retain Rupees 8,360 million of its trade debts (note 16) until the Arbitration Tribunal renders the Award which shall be final and binding. During the year ended 30 June 2023, Arbitration Tribunal has been constituted under the terms of 'Arbitration Submission Agreement', however formal adaptation of mutually agreed Terms of



Reference is in process. Management believes that there are strong grounds that the matter will ultimately be decided in Company's favour. Furthermore, its financial impact cannot be reasonably estimated at this stage, hence, no provision in this respect has been made in these financial statements.

ix) Letter of guarantees of Rupees 345.179 million (2022: Rupees 339.774 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi under direction of Honourable Supreme Court of Pakistan in respect of suit filed for levy of infrastructure cess, Collector of Customs under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for custom duty, Federal Board of Revenue and Punjab Revenue Authority in respect of stay granted by various Courts of Pakistan pertaining to pending tax cases and infrastructure development cess respectively.

|  | Note | 2023<br>(Rupees in thousand) | 2022      |
|--|------|------------------------------|-----------|
| <b>10.2 Commitments</b>                                  |      |                              |           |
| Commitments in respect of other than capital expenditure |      | 418,877                      | 318,468   |
| <b>11 PROPERTY, PLANT AND EQUIPMENT</b>                  |      |                              |           |
| Operating fixed assets                                   | 11.1 | 8,792,326                    | 9,189,900 |
| Capital work-in-progress                                 | 11.2 | 44,308                       | 12,067    |
| Major spare parts and standby equipment                  | 11.3 | 642,148                      | 259,037   |
|  |      | 9,478,782                    | 9,461,004 |



### 11.1

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

| Description                      | Rupees in thousand |                            |                                |                        |                    |                               |           |          |  |  | TOTAL       |
|----------------------------------|--------------------|----------------------------|--------------------------------|------------------------|--------------------|-------------------------------|-----------|----------|--|--|-------------|
|                                  | Freehold land      | Buildings on freehold land | Plant and machinery            | Electric installations | Computer equipment | Office equipment and fixtures | Furniture | Vehicles |  |  |             |
| <b>At 30 June 2021</b>           |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Cost                             | 71,017             | 196,778                    | 17,486,648                     | 4,510                  | 16,459             | 37,530                        | 1,009     | 59,222   |  |  | 17,873,173  |
| Accumulated depreciation         | -                  | (82,263)                   | (8,060,785)                    | (3,326)                | (14,680)           | (36,974)                      | (952)     | (48,571) |  |  | (8,247,551) |
| Net book value                   | 71,017             | 114,515                    | 9,425,863                      | 1,184                  | 1,779              | 556                           | 57        | 10,651   |  |  | 9,625,622   |
| <b>Year ended 30 June 2022</b>   |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Opening net book value           | 71,017             | 114,515                    | 9,425,863                      | 1,184                  | 1,779              | 556                           | 57        | 10,651   |  |  | 9,625,622   |
| Additions                        | 153,228            | 12,769                     | 311,600                        | 394                    | 1,994              | 187                           | 226       | 28,965   |  |  | 509,363     |
| Disposals / derecognitions:      |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Cost                             | -                  | -                          | (121,291)                      | -                      | (1,126)            | -                             | -         | (37,204) |  |  | (159,621)   |
| Accumulated depreciation         | -                  | -                          | 121,291                        | -                      | 1,074              | -                             | -         | 37,158   |  |  | 159,523     |
| Depreciation charge for the year | -                  | (8,803)                    | (927,446)                      | (223)                  | (1,118)            | (100)                         | (32)      | (7,265)  |  |  | (944,987)   |
| Closing net book value           | 224,245            | 118,481                    | 8,810,017                      | 1,355                  | 2,603              | 643                           | 251       | 32,305   |  |  | 9,189,900   |
| <b>At 30 June 2022</b>           |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Cost                             | 224,245            | 209,547                    | 17,676,957                     | 4,904                  | 17,327             | 37,717                        | 1,235     | 50,983   |  |  | 18,222,915  |
| Accumulated depreciation         | -                  | (91,066)                   | (8,866,940)                    | (3,549)                | (14,724)           | (37,074)                      | (984)     | (18,678) |  |  | (9,033,015) |
| Net book value                   | 224,245            | 118,481                    | 8,810,017                      | 1,355                  | 2,603              | 643                           | 251       | 32,305   |  |  | 9,189,900   |
| <b>Year ended 30 June 2023</b>   |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Opening net book value           | 224,245            | 118,481                    | 8,810,017                      | 1,355                  | 2,603              | 643                           | 251       | 32,305   |  |  | 9,189,900   |
| Additions                        | -                  | -                          | 358,691                        | 295                    | 2,478              | 1,060                         | -         | 6,656    |  |  | 369,180     |
| Disposals / derecognitions:      |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Cost                             | -                  | -                          | (140,870)                      | -                      | (473)              | -                             | -         | (1,438)  |  |  | (142,781)   |
| Accumulated depreciation         | -                  | -                          | 140,870                        | -                      | 471                | -                             | -         | 1,186    |  |  | 142,527     |
| Depreciation charge for the year | -                  | (10,654)                   | (744,737)                      | (276)                  | (1,402)            | (210)                         | (26)      | (9,195)  |  |  | (766,500)   |
| Closing net book value           | 224,245            | 107,827                    | 8,423,971                      | 1,374                  | 3,677              | 1,493                         | 225       | 29,514   |  |  | 8,792,326   |
| <b>At 30 June 2023</b>           |                    |                            |                                |                        |                    |                               |           |          |  |  |             |
| Cost                             | 224,245            | 209,547                    | 17,894,778                     | 5,199                  | 19,332             | 38,777                        | 1,235     | 56,201   |  |  | 18,449,314  |
| Accumulated depreciation         | -                  | (101,720)                  | (9,470,807)                    | (3,825)                | (15,655)           | (37,284)                      | (1,010)   | (26,687) |  |  | (9,656,987) |
| Net book value                   | 224,245            | 107,827                    | 8,423,971                      | 1,374                  | 3,677              | 1,493                         | 225       | 29,514   |  |  | 8,792,326   |
| Annual rate of depreciation (%)  | -                  | 4 to 20                    | 3.96 to 10 and number of hours | 10                     | 30                 | 10 to 30                      | 10        | 20       |  |  |             |

**11.1.1** All items of operating fixed assets disposed of during the year had net book value of less than Rupees 500,000. Vehicles and computer equipment having net book value of Rupees 0.252 million and Rupees 0.002 million respectively have been sold at Rupees 0.584 million and Rupees 0.152 million respectively as per Company policy.

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

| Description               | Address   | Area of land                             | Covered area of buildings |
|---------------------------|---|--|---------------------------|
| Power station             | Jambar Kalan, Tehsil Pattoki,<br>District Kasur, Punjab | 99,527<br>Square Meters                  | 19,782<br>Square Meters   |
| Office (under renovation) | House No. 59, Shadman<br>Colony-II, Lahore              | 2 Kanal, 16 Marla<br>and 155 Square Feet | 4,486<br>Square Feet      |

**11.1.3** Fixed assets having cost of Rupees 899.069 million (2022: Rupees 795.938 million) which are fully depreciated but still in the use of the Company.

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

|                                      | Note | 2023<br>(Rupees in thousand) | 2022    |
|--------------------------------------|------|------------------------------|---------|
| Cost of sales                        | 22   | 758,106                      | 939,857 |
| Administrative expenses              | 23   | 8,394                        | 5,094   |
|                                      |      | 766,500                      | 944,951 |
| <b>11.2 Capital work-in-progress</b> |      |                              |         |
| Plant and machinery                  |      | -                            | 2,067   |
| Advance for purchase of vehicle      |      | 44,308                       | 10,000  |
|                                      |      | 44,308                       | 12,067  |

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

|   | Plant and machinery  | Advance for purchase of vehicle | Total     |
|---|----------------------|---------------------------------|-----------|
|   | (Rupees in thousand) |                                 |           |
| <b>As at 30 June 2021</b>                                   | 1,844                | -                               | 1,844     |
| Add: Additions during the year                              | 311,823              | 10,000                          | 321,823   |
| Less: Transferred to operating fixed assets during the year | (311,600)            | -                               | (311,600) |
| <b>As at 30 June 2022</b>                                   | 2,067                | 10,000                          | 12,067    |
| Add: Additions during the year                              | 259,037              | 44,308                          | 303,345   |
| Less: Adjustments during the year                           | (2,067)              | (10,000)                        | (12,067)  |
| Less: Transferred to operating fixed assets during the year | (259,037)            | -                               | (259,037) |
| <b>As at 30 June 2023</b>                                   | -                    | 44,308                          | 44,308    |



|  | Note | 2023<br>(Rupees in thousand) | 2022      |
|--|------|------------------------------|-----------|
| <b>11.3 Major spare parts and standby equipment</b>                    |      |                              |           |
| <b>11.3.1</b> The reconciliation of the carrying amount is as follows: |      |                              |           |
| Balance as at 01 July  |      | 259,037                      | 228,748   |
| Additions during the year  |      | 642,148                      | 341,889   |
|  |      | 901,185                      | 570,637   |
| Transferred to capital work-in-progress during the year                |      | (259,037)                    | (311,600) |
| Balance as at 30 June  |      | 642,148                      | 259,037   |

## 12 INTANGIBLE ASSETS - Computer software

|                                      |    |          |          |
|--------------------------------------|----|----------|----------|
| Balance as at 01 July                |    | -        | 604      |
| Amortization charged during the year | 22 | -        | (604)    |
| Balance as at 30 June                |    | -        | -        |
| Annual rate of amortization (%)      |    | 20%      | 20%      |
| <b>12.1 Cost as at 30 June</b>       |    | 23,952   | 23,952   |
| Accumulated amortization             |    | (23,952) | (23,952) |
| Net book value as at 30 June         |    | -        | -        |

**12.2** Intangible assets having cost of Rupees 23.952 million (2022: Rupees 23.952 million) are fully amortized and are still in use.

|  | Note | 2023<br>(Rupees in thousand) | 2022  |
|--|------|------------------------------|-------|
| <b>13 LONG TERM LOAN TO AN EMPLOYEE</b>    |      |                              |       |
| <b>Considered good:</b>                    |      |                              |       |
| Executive                                  | 13.1 | 981                          | 1,674 |
| Current portion shown under current assets | 17   | (693)                        | (693) |
|  |      | 288                          | 981   |

**13.1** Reconciliation of carrying amount of loan to chief executive officer:

|                                       | Note | 2023<br>(Rupees in thousand) | 2022  |
|---------------------------------------|------|------------------------------|-------|
| Balance as at 01 July                 |      | 1,674                        | 2,367 |
| Add: Interest accrued during the year | 25   | 101                          | 91    |
|                                       |      | 1,775                        | 2,458 |
| Less: Repaid during the year          |      | (794)                        | (784) |
| Balance as at 30 June                 |      | 981                          | 1,674 |



**13.1.1** Maximum aggregate balance due from chief executive officer at the end of any month during the year was Rupees 1.617 million (2022: Rupees 2.307 million).

**13.2** This represents house loan to chief executive officer as per Company's policy and is recoverable within a period of ten years commencing from the date of disbursement through monthly deductions from salaries. The loan was sanctioned and disbursed to chief executive officer in the previous years when he was not the Company's chief executive officer. This carry interest at the rate ranging from 6.42% to 8.75% (2022: 4.15% to 5.36%) per annum. This loan is secured against the accumulated provident fund balance of the relevant employee. The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is not considered material and hence not recognized.

## 14 STORES AND SPARES

**14.1** These include stores in transit of Rupees Nil (2022: Rupees 47.969 million). Most of the items of stores and spares are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage.

|  | 2023                 | 2022       |
|--|----------------------|------------|
|  | (Rupees in thousand) |            |
| <b>15 INVENTORIES</b>                        |                      |            |
| Furnace oil                                  | 774,048              | 2,226,797  |
| Diesel                                       | 4,018                | 4,408      |
| Lubricating oil                              | 30,856               | 23,483     |
|  | 808,922              | 2,254,688  |
| <b>16 TRADE DEBTS</b>                        |                      |            |
| Other than related parties - considered good | 13,747,743           | 13,718,135 |

**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, however, delayed payment mark-up at the rate of three months KIBOR plus 2.00% per annum for first sixty days and three months KIBOR plus 4.50% per annum after first sixty days, each compounded semi-annually, is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 16.80% to 26.58% (2022: 11.53% to 19.53%) per annum. Trade debts include unbilled receivables of Rupees 4,958.202 million (2022: Rupees 483.601 million)

**16.2** An amount of Rupees 966.166 million was included in trade debts in previous years relating to capacity revenue not acknowledged by NTDC/CPPA-G. Resolution of the matter was fully explained in note 17.2 to the published annual audited financial statements of the Company for the year ended 30 June 2022. During the year ended 30 June 2023, the Company and CPPA-G have jointly made submissions before the Honourable Lahore High Court for the withdrawal of the enforcement proceedings. Resultantly, on 12 January 2023, the Honourable Lahore High Court has allowed the Company and CPPA-G to withdraw the enforcement proceedings.





**2023**                      **2022**  
(Rupees in thousand)

**16.3 As at 30 June, age analysis of trade debts is as follows:**

|                               |            |            |
|-------------------------------|------------|------------|
| Neither past due nor impaired | 5,227,485  | 8,705,605  |
| Past due but not impaired:    |            |            |
| - 1 to 30 days                | 853,957    | 2,848,960  |
| - 31 to 90 days               | 1,019,436  | 2,163,570  |
| - 91 to 180 days              | 2,725,940  | -          |
| - 181 to 365 days             | 3,920,925  | -          |
| - Above 365 days              | -          | -          |
|                               | 8,520,258  | 5,012,530  |
|                               | 13,747,743 | 13,718,135 |

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

|   | <b>Note</b> | <b>2023</b><br>(Rupees in thousand) | <b>2022</b><br>(Rupees in thousand) |
|---|-------------|-------------------------------------|-------------------------------------|
| Current maturity of long term loan to an employee     | 13          | 693                                 | 693                                 |
| Advances to suppliers - unsecured and considered good |             | 48,455                              | 366,311                             |
| Advances against letters of credit                    |             | 81,609                              | 27,135                              |
| Advances to employees against salaries                |             | 17                                  | 53                                  |
| Advances to employees against expenses                |             | -                                   | 136                                 |
| Sales tax receivable                                  |             | -                                   | 242,035                             |
| Margin against bank guarantees                        |             | 27,984                              | 26,356                              |
| Prepayments   |             | 2,395                               | 1,188                               |
| Recoverable from CPPA-G as pass through item:         |             |                                     |                                     |
| Workers' profit participation fund                    | 17.1        | 849,699                             | 651,841                             |
| Workers' welfare fund                                 | 17.2        | 271,538                             | 192,395                             |
| Private Power and Infrastructure Board's fee          |             | 22,378                              | -                                   |
| Others  |             | 3,977                               | 2,055                               |
|   |             | 1,308,745                           | 1,510,198                           |

**17.1 Workers' profit participation fund**

|                                 |     |         |         |
|---------------------------------|-----|---------|---------|
| Opening balance                 |     | 651,841 | 526,607 |
| Allocation for the year         | 6.1 | 197,858 | 125,234 |
|                                 |     | 849,699 | 651,841 |
| Amount received during the year |     | -       | -       |
| Closing balance                 |     | 849,699 | 651,841 |

**17.2 Workers' welfare fund**

|                                 |     |         |         |
|---------------------------------|-----|---------|---------|
| Opening balance                 |     | 192,395 | 142,301 |
| Allocation for the year         | 6.2 | 79,143  | 50,094  |
|                                 |     | 271,538 | 192,395 |
| Amount received during the year |     | -       | -       |
| Closing balance                 |     | 271,538 | 192,395 |



## 18 ADVANCE INCOME TAX - NET OF PROVISION FOR TAXATION

|                              | Note | 2023<br>(Rupees in thousand) | 2022   |
|------------------------------|------|------------------------------|--------|
| Advance income tax           |      | 46,223                       | 62,257 |
| Less: Provision for taxation |      | (626)                        | (943)  |
|                              |      | 45,597                       | 61,314 |

## 19 SHORT TERM INVESTMENTS

|                   |      |         |           |
|-------------------|------|---------|-----------|
| Debt instruments  | 19.1 | 348,585 | 8,587,738 |
| Equity instrument | 19.2 | 13,185  | 21,810    |
|                   |      | 361,770 | 8,609,548 |

### 19.1 Debt instruments

#### At fair value through profit or loss (FVTPL):

|                           |        |   |           |
|---------------------------|--------|---|-----------|
| Pakistan Investment Bonds | 19.1.1 | - | 2,923,927 |
| Government Ijara Sukuks   | 19.1.1 | - | 2,923,744 |
|                           |        | - | 5,847,671 |

#### At amortized cost:

|                               |                 |         |           |
|-------------------------------|-----------------|---------|-----------|
| Term Deposit Receipts         | 19.1.2 & 19.1.3 | -       | 2,731,004 |
| Government Treasury Bills     | 19.1.4 & 19.1.5 | 307,263 | -         |
| Add: Interest accrued thereon |                 | 41,322  | 9,063     |
|                               |                 | 348,585 | 2,740,067 |
|                               |                 | 348,585 | 8,587,738 |

**19.1.1** Investment in Pakistan Investment Bonds carried effective interest rate of 15.65% per annum and had maturity date of 18 June 2030. Further, investment in Government Ijara Sukuks carried effective interest rate of 13.53% per annum and had maturity date of 27 April 2027. These were classified as current assets based on management's intention to encash these investments within a period of 12 months from year end. During the year ended 30 June 2023, these investments have been encashed at Rupees 5,806.225 million.

**19.1.2** These include term deposit receipt amounting to Rupees Nil (2022: Rupees 307.260 million) under lien with the bank of the Company against bank guarantees issued by the bank.

**19.1.3** Effective rate of interest charged on term deposit receipts during the year ranged from 11.50% to 15.50% per annum (2022: 7.30% to 15.50%) per annum.

**19.1.4** These carry interest rate ranging from 15.80% to 15.89% (2022: Nil) per annum.

**19.1.5** Government Treasury Bill having maturity period of 12 months and having face value of Rupees 307.265 million (2022: Rupees Nil) is under lien with the bank of the Company against bank guarantees issued by the bank.



|   | Note | 2023<br>(Rupees in thousand) | 2022    |
|---|------|------------------------------|---------|
| <b>19.2 Equity instrument</b>   |      |                              |         |
| <b>At fair value through profit or loss</b>   |      |                              |         |
| <b>Quoted - other than related party:</b>   |      |                              |         |
| Adamjee Life Assurance Company Limited<br>956,174 (2022: 956,174) fully paid ordinary shares<br>of Rupees 10 each |      | 26,773                       | 26,773  |
| Less: Unrealized loss on remeasurement of investment<br>at fair value through profit or loss                      |      | (13,588)                     | (4,963) |
|   |      | 13,185                       | 21,810  |
| <b>20 BANK BALANCES</b>   |      |                              |         |
| Cash with banks on:   |      |                              |         |
| Saving accounts   | 20.1 | 1,404,784                    | 872     |
| Current accounts  |      | 1,575                        | 20,162  |
|   |      | 1,406,359                    | 21,034  |

**20.1** Saving accounts carry profit at the rates ranging from 4.50% to 21.35% (2022: 5.29% to 12.25%) per annum.

|   | Note | 2023<br>(Rupees in thousand) | 2022       |
|---|------|------------------------------|------------|
| <b>21 REVENUE FROM CONTRACT WITH CUSTOMER</b> |      |                              |            |
| Energy purchase price revenue - net           | 21.1 | 12,471,080                   | 21,375,370 |
| Capacity purchase price revenue               |      | 3,557,418                    | 2,384,061  |
| Delayed payment mark-up                       |      | 2,192,313                    | 1,656,546  |
|   |      | 18,220,811                   | 25,415,977 |

**21.1** Energy purchase price revenue is net of sales tax amounting to Rupees 2,173.798 million (2022: Rupees 3,649.964 million).



|  | Note                 | 2023<br>(Rupees in thousand) | 2022              |
|--|----------------------|------------------------------|-------------------|
| <b>22</b>                              | <b>COST OF SALES</b> |                              |                   |
| Raw materials consumed                 |                      | 11,513,685                   | 20,177,248        |
| Salaries and other benefits            | 22.1                 | 165,820                      | 152,194           |
| Stores and spares consumed             |                      | 244,110                      | 255,505           |
| Electricity consumed in-house          |                      | 38,833                       | 14,839            |
| Insurance                              |                      | 349,379                      | 228,579           |
| Travelling and conveyance              |                      | 37,300                       | 24,992            |
| Postage and telephone                  |                      | 5,555                        | 3,800             |
| Repair and maintenance                 |                      | 22,301                       | 17,980            |
| Entertainment                          |                      | 169                          | 159               |
| Depreciation on operating fixed assets | 11.1.4               | 758,106                      | 939,857           |
| Amortization on intangible assets      | 12                   | -                            | 604               |
| Fee and subscription                   |                      | 5,311                        | 4,296             |
| Miscellaneous                          |                      | 22,282                       | 38,252            |
|  |                      | <b>13,162,851</b>            | <b>21,858,305</b> |

**23.1** Salaries and other benefits include Rupees 6.695 million (2022: Rupees 6.015 million) in respect of provident fund contribution by the Company.

|  | Note                           | 2023<br>(Rupees in thousand) | 2022           |
|--|--------------------------------|------------------------------|----------------|
| <b>23</b>                              | <b>ADMINISTRATIVE EXPENSES</b> |                              |                |
| Salaries and other benefits            | 23.1                           | 51,994                       | 64,493         |
| Travelling and conveyance              |                                | 5,830                        | 5,435          |
| Entertainment                          |                                | 2,150                        | 2,288          |
| Common facilities cost                 | 23.2                           | 19,800                       | 19,800         |
| Printing and stationery                |                                | 935                          | 796            |
| Postage and telephone                  |                                | 742                          | 1,411          |
| Insurance                              |                                | 629                          | 689            |
| Vehicles' running                      |                                | 762                          | 1,824          |
| Utilities                              |                                | 176                          | 36             |
| Repairs and maintenance                |                                | 96                           | 67             |
| Legal and professional                 |                                | 55,012                       | 67,040         |
| Auditor's remuneration                 | 23.3                           | 4,209                        | 3,292          |
| Advertisement                          |                                | 140                          | 134            |
| Fee and subscription                   |                                | 2,873                        | 1,414          |
| Depreciation on operating fixed assets | 11.1.4                         | 8,394                        | 5,094          |
| Miscellaneous                          |                                | 2,476                        | 2,707          |
|  |                                | <b>156,218</b>               | <b>176,520</b> |

**23.1** Salaries and other benefits include Rupees 2.374 million (2022: Rupees 2.271 million) in respect of provident fund contribution by the Company.

**23.2** The amount represents common facilities cost charged to the Company by Nishat (Chunian) Limited - associated company.



|   | Note | 2023<br>(Rupees in thousand) | 2022    |
|---|------|------------------------------|---------|
| <b>23.3 Auditor's remuneration</b>  |      |                              |         |
| Statutory audit   |      | 2,214                        | 1,925   |
| Half yearly review  |      | 1,085                        | 1,013   |
| Certifications required by various regulations                                      |      | 829                          | 290     |
| Out of pocket expenses  |      | 81                           | 64      |
|   |      | 4,209                        | 3,292   |
| <b>24 OTHER EXPENSES</b>  |      |                              |         |
| Donations   | 24.1 | 72,550                       | 128,500 |
| Loss on disposal of Pakistan Investment Bonds and Government Ijara Sukuks           |      | 41,446                       | 19,300  |
| Exchange loss   |      | 65,634                       | -       |
| Stores and spares written off   |      | 1,149                        | -       |
| Unrealized loss on remeasurement of investment at fair value through profit or loss |      | 8,625                        | 4,963   |
|   |      | 189,404                      | 152,763 |

**24.1** These include Rupees 72.500 million (2022: Rupees 127.500 million) paid to Saleem Memorial Trust Hospital, Lahore - related party. Directors of the former holding company and now associated company are also directors of Saleem Memorial Trust Hospital.

|  | Note | 2023<br>(Rupees in thousand) | 2022    |
|--|------|------------------------------|---------|
| <b>25 OTHER INCOME</b>                             |      |                              |         |
| <b>Income from financial assets:</b>               |      |                              |         |
| Profit on:   |      |                              |         |
| Bank deposits                                      |      | 12,499                       | 2,324   |
| Term Deposit Receipts                              |      | 6,842                        | 25,962  |
| Gain on disposal of Government Treasury Bills      |      | -                            | 19,548  |
| Interest on Government Treasury Bills              |      | 41,322                       | -       |
| Interest on long term loan to an employee          | 13.1 | 101                          | 91      |
| <b>Income from non-financial assets:</b>           |      |                              |         |
| Gain on disposal of operating fixed assets         |      | 482                          | 29,167  |
| Amortization of deferred income - Government grant | 5    | 181                          | 2,316   |
| Scrap sales  |      | 50,073                       | 70,892  |
| Insurance claim                                    |      | 1,081                        | 4,986   |
| Miscellaneous                                      |      | 558                          | 488     |
| <b>Other:</b>                                      |      |                              |         |
| Exchange gain                                      |      | -                            | 4,718   |
|  |      | 113,139                      | 160,492 |



|           | Note                        | 2023<br>(Rupees in thousand) | 2022    |
|-----------|-----------------------------|------------------------------|---------|
| <b>26</b> | <b>FINANCE COST</b>         |                              |         |
|           | Mark-up / profit on:        |                              |         |
|           | Long term financing         | 245                          | 2,964   |
|           | Short term borrowings       | 861,656                      | 877,266 |
|           | Bank charges and commission | 6,413                        | 3,975   |
|           |                             | 868,314                      | 884,205 |
| <b>27</b> | <b>TAXATION</b>             |                              |         |
|           | Current tax - for the year  | 626                          | 943     |
|           | Current tax - prior year    | (26)                         | -       |
|           |                             | 600                          | 943     |

**27.1** 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:

|   | 2023<br>(Rupees in thousand) | 2022      |
|---|------------------------------|-----------|
| <b>Relationship between tax expense and accounting profit</b> |                              |           |
| Profit before taxation  | 3,957,163                    | 2,504,676 |
| Tax at the applicable rate of 29% (2022: 29%)                 | 1,147,577                    | 726,356   |
| Tax effect of amounts that are:                               |                              |           |
| Exempt as referred to in note 27.1                            | (1,147,577)                  | (726,356) |
| Normal tax  | -                            | 26        |
| Minimum tax   | 626                          | 886       |
| Capital gains   | -                            | 31        |
| Prior year adjustment   | (26)                         | -         |
|   | 600                          | 943       |

|           | 2023   | 2022        |
|-----------|--|-------------|
| <b>28</b> | <b>EARNINGS PER SHARE - BASIC AND DILUTED</b>                                  |             |
|           | There is no dilutive effect on the basic earnings per share which is based on: |             |
|           | Profit attributable to ordinary shareholders (Rupees in thousand)              | 2,503,733   |
|           | Weighted average number of shares (Number)                                     | 367,346,939 |
|           | Earnings per share - basic and diluted (Rupees)                                | 6.82        |



|   | Note | 2023<br>(Rupees in thousand) | 2022      |
|---|------|------------------------------|-----------|
| <b>29 CASH GENERATED FROM OPERATIONS</b>  |      |                              |           |
| Profit before taxation  |      | 3,957,163                    | 2,504,676 |
| <b>Adjustments for non-cash charges and other items:</b>                            |      |                              |           |
| Depreciation on operating fixed assets  |      | 766,500                      | 944,951   |
| Amortization on intangible assets   |      | -                            | 604       |
| Amortization of deferred income - Government grant                                  |      | (181)                        | (2,316)   |
| Profit on bank deposits   |      | (12,499)                     | (2,324)   |
| Profit on Term Deposit Receipts   |      | (6,842)                      | (25,962)  |
| Gain on disposal of Government Treasury Bills                                       |      | -                            | (19,548)  |
| Interest on Government Treasury Bills   |      | (41,322)                     | -         |
| Finance cost  |      | 868,314                      | 884,205   |
| Exchange loss / (gain)  |      | 65,634                       | (4,718)   |
| Loss on disposal of Pakistan Investment Bonds and Government Ijara Sukuks           |      | 41,446                       | 19,300    |
| Unrealized loss on remeasurement of investment at fair value through profit or loss |      | 8,625                        | 4,963     |
| Gain on disposal of property, plant and equipment                                   |      | (482)                        | (29,167)  |
| Stores and spares written off   |      | 1,149                        | -         |
| Working capital changes   | 29.1 | 2,693,193                    | 4,381,591 |
|   |      | 8,340,698                    | 8,656,255 |

### 29.1 Working capital changes

|   |  |           |             |
|---|--|-----------|-------------|
| (Increase) / decrease in current assets:              |  |           |             |
| Stores and spares                                     |  | (184,476) | (52,546)    |
| Inventories   |  | 1,445,766 | (1,385,962) |
| Trade debts   |  | (29,608)  | 6,723,809   |
| Advances, deposits, prepayments and other receivables |  | 201,453   | (639,693)   |
|   |  | 1,433,135 | 4,645,608   |
| Increase / (decrease) in trade and other payables     |  | 1,260,058 | (264,017)   |
|   |  | 2,693,193 | 4,381,591   |

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

|                                     |          | 2023                                  |                    |
|-------------------------------------|----------|---------------------------------------|--------------------|
|                                     |          | Liabilities from financing activities |                    |
|                                     |          | Long term financing                   | Unclaimed dividend |
|                                     |          | Total                                 |                    |
| (Rupees in thousand)                |          |                                       |                    |
| Balance as at 01 July 2022          | 17,110   | 16,563                                | 33,673             |
| Repayment of financing / borrowings | (17,291) | -                                     | (17,291)           |
| Dividend declared                   | -        | 3,673,469                             | 3,673,469          |
| Dividend paid                       | -        | (3,655,501)                           | (3,655,501)        |
| Other change - Non-cash movement    | 181      | -                                     | 181                |
| Balance as at 30 June 2023          | -        | 34,531                                | 34,531             |



| 2022                                  |                    |       |
|---------------------------------------|--------------------|-------|
| Liabilities from financing activities |                    |       |
| Long term financing                   | Unclaimed dividend | Total |

(Rupees in thousand)

|                                     |          |         |          |
|-------------------------------------|----------|---------|----------|
| Balance as at 01 July 2021          | 49,409   | 18,276  | 67,685   |
| Repayment of financing / borrowings | (34,615) | -       | (34,615) |
| Dividend paid                       | -        | (1,713) | (1,713)  |
| Other change - Non-cash movement    | 2,316    | -       | 2,316    |
| Balance as at 30 June 2022          | 17,110   | 16,563  | 33,673   |

### 30 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 |      | Executives |        |
|--------------------------------------|-------------------------|--------|-------------------------|------|------------|--------|
|                                      | 2023                    | 2022   | 2023                    | 2022 | 2023       | 2022   |
| ----- (Rupees in thousand) -----     |                         |        |                         |      |            |        |
| Managerial remuneration              | 7,000                   | 6,000  | -                       | -    | 38,656     | 30,896 |
| Bonus                                | -                       | 8,467  | -                       | -    | 5,292      | 11,181 |
| <b>Allowances</b>                    |                         |        |                         |      |            |        |
| Housing rent                         | 2,800                   | 2,400  | -                       | -    | 15,462     | 12,358 |
| Medical expenses                     | 700                     | 600    | -                       | -    | 3,866      | 3,090  |
| Leave encashment                     | 444                     | 389    | -                       | -    | 1,442      | 1,385  |
| Meeting fee                          | 80                      | 80     | 500                     | 420  | -          | -      |
| Contribution to provident fund trust | 583                     | 500    | -                       | -    | 3,220      | 2,574  |
|                                      | 11,607                  | 18,436 | 500                     | 420  | 67,938     | 61,484 |
| Number of persons                    | 1                       | 1      | 7                       | 7    | 19         | 8      |

### 31 TRANSACTIONS WITH RELATED PARTIES

The related parties include former holding company, associated undertakings of the former holding company, related parties on the basis of common directorship, key management personnel of the Company and its former 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, except for remuneration to key management personnel as discussed in note 30, are as follows:





| i) | Nature of relationship                               | Nature of transactions                         |        |         |
|----|--|--|--------|---------|
|    | <b>Former Holding company *</b>                      |  |        |         |
|    | Nishat (Chunian) Limited                             | Common facilities cost                         | 2,129  | 19,800  |
|    |  | Reimbursement of expenses                      | 227    | 3,975   |
|    |  | Income sharing                                 | 61     | -       |
|    | <b>Associated company*</b>                           |  |        |         |
|    | Nishat (Chunian) Limited                             | Common facilities cost                         | 17,671 | -       |
|    |  | Income sharing                                 | 497    | -       |
|    | <b>Associated company of former holding company*</b> |  |        |         |
|    | Saleem Memorial Trust Hospital                       | Donations paid                                 | 72,500 | 127,500 |
|    | <b>Key management personnel</b>                      |  |        |         |
|    | Chief executive officer and chief financial officer  | Repayment of long term loan                    | 693    | 693     |
|    |  | Mark-up on long term loan                      | 101    | 91      |
|    | Chief executive officer                              | Sale of vehicle and laptop                     | -      | 1,412   |
|    | <b>Other related parties</b>                         |  |        |         |
|    | Mr. Shahzad Saleem                                   | Consultancy charges                            | 47,633 | 49,961  |
|    | Mr. Muhammad Ashraf                                  | Dividend paid                                  | -      | -       |
|    | Ms. Samina Aslam                                     | Dividend paid                                  | 5      | -       |
|    | Mr. Muhammad Azam                                    | Dividend paid                                  | 5      | -       |
|    | Mr. Farrukh Ifzal                                    | Dividend paid                                  | 4      | -       |
|    | Mr. Babar Ali Khan                                   | Dividend paid                                  | 1      | -       |
|    | Mr. Mustaqeem Talish                                 | Dividend paid                                  | 1      | -       |
|    | Mr. Rehmat Naveed Ilahi                              | Dividend paid                                  | 593    | -       |
|    | <b>Post employment benefit plan</b>                  | Company's contribution to provident fund trust | 9,069  | 8,286   |

\*Nishat Chunian Limited ceased to be the holding company and became an associated company on the basis of common directorship with effect from 10 August 2022.



**31.1** 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:

| <b>Name of the related party</b>                                | <b>Basis of relationship</b>                        | <b>Transaction entered or agreement and / or arrangement in place during the financial year</b> | <b>Percentage of shareholding held by the Company</b> |
|---|---|---|---|
| Nishat (Chunian) Limited  | Common directorship                                 | Yes   | None  |
| Saleem Memorial Trust Hospital                                  | Associated company of former holding company        | Yes   | None  |
| Saleem Memorial Foundation (Formerly Mian Muhammad Yahya Trust) | Common trusteeship                                  | No  | None  |
| Nishat (Aziz Avenue) Hotels and Properties Limited              | Common directorship                                 | No  | None  |
| Nishat Hospitality (Private) Limited                            | Common directorship                                 | No  | None  |
| Nishat (Raiwind) Hotels and Properties Limited                  | Common directorship                                 | No  | None  |
| Nishat Hotels and Properties Limited                            | Common directorship                                 | No  | None  |
| Nishat Real Estate Development Company (Private) Limited        | Common directorship                                 | No  | None  |
| Lalpir Power Limited  | Common directorship                                 | No  | None  |
| Security General Insurance Company Limited                      | Common directorship                                 | No  | None  |
| Quaid-e-Azam Thermal Power Limited                              | Common directorship                                 | No  | None  |
| Pakgen Power Limited  | Common directorship                                 | No  | None  |
| DL Nash (Private) Limited                                       | Common directorship                                 | No  | None  |
| Nishat Mills Limited  | Director of the Company is key management personnel | No  | None  |
| Nishat Chunian Properties (Private) Limited                     | Common directorship                                 | No  | None  |
| Nishat Chunian Power Limited - Employees Provident Fund         | Post employment benefit Plan                        | Yes   | None  |
| Mr. Muhammad Ashraf   | Director  | Yes   | None  |
| Ms. Samina Aslam  | Director  | Yes   | None  |
| Mr. Muhammad Azam   | Director  | Yes   | None  |
| Mr. Babar Ali Khan  | Director  | Yes   | None  |
| Mr. Mustaqeem Talish  | Director  | Yes   | None  |
| Mr. Rehmat Naveed Ilahi   | Director  | Yes   | None  |
| Mr. Farrukh Ifzal   | Chief Executive                                     | Yes   | None  |
| Mr. Shahzad Saleem  | Advisor to the board of directors                   | Yes   | None  |



## 32 NUMBER OF EMPLOYEES

|   | 2023 | 2022 |
|---|------|------|
| Number of employees as on June 30           | 149  | 153  |
| Average number of employees during the year | 151  | 151  |

|  | 2023<br>MWH | 2022<br>MWH |
|--|-------------|-------------|
|--|-------------|-------------|

## 33 CAPACITY AND PRODUCTION

|   |           |           |
|---|-----------|-----------|
| Installed capacity [based on 8,760 hours (2022: 8,760 hours)] | 1,714,525 | 1,714,525 |
| Actual energy delivered                                       | 386,127   | 882,453   |

Output produced by the plant is dependent on the load demanded by CPPA-G and plant availability.

## 34 FINANCIAL RISK MANAGEMENT

### 34.1 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 programmed focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

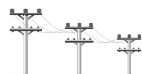
Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas 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 British Pound Sterling (GBP) and Euro. 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:



|   | 2023   | 2022    |
|---|--------|---------|
| Trade and other payables  |        |         |
| - GBP   | (94)   | (7,790) |
| - Euro  | -      | (8,210) |
| Net exposure - GBP  | (94)   | (7,790) |
| Net exposure - Euro   | -      | (8,210) |
| The following significant exchange rates were applicable during the year: |        |         |
| <b>Rupees per GBP</b>   |        |         |
| Average rate  | 306.75 | 237.88  |
| Reporting date rate   | 365.40 | 249.00  |
| <b>Rupees per Euro</b>  |        |         |
| Average rate  | 267.16 | 201.44  |
| Reporting date rate   | 314.27 | 215.00  |

### Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the GBP and EURO with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.002 million (2022: Rupees 0.185 million) respectively 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.

### Sensitivity analysis

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

| Index             | Impact on profit after taxation |         |
|-------------------|---------------------------------|---------|
|                   | 2023                            | 2022    |
|                   | (Rupees in thousand)            |         |
| PSX (5% increase) | 659                             | 1,091   |
| PSX (5% decrease) | (659)                           | (1,091) |



### (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, short term investments, past due trade debts, long term loan to an employee, long term financing 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:

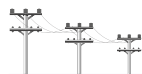
|                                  | 2023                 | 2022         |
|----------------------------------|----------------------|--------------|
|                                  | (Rupees in thousand) |              |
| <b>Fixed rate instruments</b>    |                      |              |
| <b>Financial assets</b>          |                      |              |
| Trade debts - past due           | 8,369,040            | 4,751,628    |
| Other receivables                | 22,378               | -            |
| Pakistan Investment Bonds (PIBs) | -                    | 2,923,927    |
| Government Ijara Sukuks          | -                    | 2,923,744    |
| Government Treasury Bills        | 307,263              | -            |
| Term Deposit Receipts            | -                    | 2,731,004    |
| <b>Financial liabilities</b>     |                      |              |
| Loan under SBP Refinance Scheme  | -                    | (17,110)     |
|                                  | 8,698,681            | 13,313,193   |
| <b>Floating rate instruments</b> |                      |              |
| <b>Financial assets</b>          |                      |              |
| Long term loan to an employee    | 981                  | 1,674        |
| Bank balances - saving accounts  | 1,404,784            | 872          |
| <b>Financial liabilities</b>     |                      |              |
| Short term borrowings            | (975,099)            | (10,851,726) |
|                                  | 430,666              | (10,849,180) |
| <b>Net exposure</b>              | 9,129,347            | 2,464,013    |

#### 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 as on 30 June 2023. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

#### 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, profit after taxation for the year would have been Rupees 4.307 million higher / lower (2022: Rupees 108.492 million lower / higher), mainly as a result of higher / lower interest income on bank balances (2022: higher / lower interest expense on floating rate borrowings). 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:

|  | 2023                 | 2022       |
|--|----------------------|------------|
|  | (Rupees in thousand) |            |
| Long term loan to an employee            | 981                  | 1,674      |
| Long term security deposit               | 100                  | 100        |
| Trade debts                              | 13,747,743           | 13,718,135 |
| Advances, deposits and other receivables | 1,175,593            | 872,700    |
| Short term investments                   | 361,770              | 8,609,548  |
| Bank balances                            | 1,406,359            | 21,034     |
|  | 16,692,546           | 23,223,191 |

Age analysis of trade debts as at reporting date is given in Note 16.3.

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     |               |        | 2023                 | 2022       |
|--|------------|---------------|--------|----------------------|------------|
|  | Short Term | Long Term     | Agency | (Rupees in thousand) |            |
| <b>CPPA-G</b>                          |            | Not available |        | 5,227,485            | 8,705,605  |
| <b>Short term investment</b>           |            |               |        |                      |            |
| State Bank of Pakistan                 |            |               |        | 307,263              | 5,847,671  |
| Habib Bank Limited                     | A-1+       | AAA           | VIS    | -                    | 315,294    |
| Allied Bank Limited                    | A1+        | AAA           | PACRA  | -                    | 2,424,773  |
| Adamjee Life Assurance Company Limited |            | A++ (ifs)     | PACRA  | 13,185               | 21,810     |
| <b>Banks</b>                           |            |               |        |                      |            |
| Al-Baraka Bank (Pakistan) Limited      | A-1        | A+            | VIS    | 1                    | 2          |
| Askari Bank Limited                    | A1+        | AA+           | PACRA  | 88                   | 1,208      |
| Bank Alfalah Limited                   | A1+        | AA+           | PACRA  | 3                    | 300        |
| Habib Bank Limited                     | A-1+       | AAA           | VIS    | 19                   | 18,920     |
| MCB Bank Limited                       | A1+        | AAA           | PACRA  | 433                  | 503        |
| National Bank of Pakistan              | A1+        | AAA           | PACRA  | 1,404,560            | 1          |
| Dubai Islamic Bank Pakistan Limited    | A-1+       | AA            | VIS    | 1                    | -          |
| Bank Islami Pakistan Limited           | A1         | AA-           | PACRA  | 496                  | 1          |
| Faysal Bank Limited                    | A-1+       | AA            | VIS    | -                    | -          |
| Meezan Bank Limited                    | A-1+       | AAA           | VIS    | 639                  | 1          |
| United Bank Limited                    | A-1+       | AAA           | VIS    | 116                  | 98         |
| MCB Islamic Bank Limited               | A1         | A             | PACRA  | 3                    | -          |
|  |            |               |        | 1,406,359            | 21,034     |
|  |            |               |        | 6,954,292            | 17,336,187 |

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 2023, the Company had Rupees 14,014.398 million (2022: Rupees 3,712.836 million) available borrowing limits from financial institutions, Rupees 1,000 million (2022: Rupees 1,000 million) available borrowing limit from former holding company and now associated company [Nishat (Chunian) Limited] and Rupees 1,406.359 million (2022: Rupees 21.034 million) 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 2023:

|  | Carrying amount | Contractual cash lows | 6 months or less | 6-12 months | 1-2 years | More than 2 years |
|--|-----------------|-----------------------|------------------|-------------|-----------|-------------------|
| (Rupees in thousand)                         |                 |                       |                  |             |           |                   |
| <b>Non-derivative financial liabilities:</b> |                 |                       |                  |             |           |                   |
| Trade and other payables                     | 1,142,612       | 1,142,612             | 1,142,612        | -           | -         | -                 |
| Accrued mark-up / profit                     | 174,095         | 174,095               | 174,095          | -           | -         | -                 |
| Unclaimed dividend                           | 34,531          | 34,531                | 34,531           | -           | -         | -                 |
| Short term borrowings                        | 975,099         | 1,102,677             | -                | 1,102,677   | -         | -                 |
|  | 2,326,337       | 2,453,915             | 1,351,238        | 1,102,677   | -         | -                 |

Contractual maturities of financial liabilities as at June 30, 2022:

|  | Carrying amount | Contractual cash lows | 6 months or less | 6-12 months | 1-2 years | More than 2 years |
|--|-----------------|-----------------------|------------------|-------------|-----------|-------------------|
| (Rupees in thousand)                         |                 |                       |                  |             |           |                   |
| <b>Non-derivative financial liabilities:</b> |                 |                       |                  |             |           |                   |
| Long term financing                          | 17,110          | 17,355                | 17,355           | -           | -         | -                 |
| Trade and other payables                     | 168,120         | 168,120               | 168,120          | -           | -         | -                 |
| Accrued mark-up / profit                     | 202,300         | 202,300               | 202,300          | -           | -         | -                 |
| Unclaimed dividend                           | 16,563          | 16,563                | 16,563           | -           | -         | -                 |
| Short term borrowings                        | 10,851,726      | 11,596,921            | 4,658,194        | 6,938,727   | -         | -                 |
|  | 11,255,819      | 12,001,259            | 5,062,532        | 6,938,727   | -         | -                 |

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 4 and note 8 to these financial statements.

### 34.2 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.



### 34.3 Financial instruments by categories

|  | <b>2023</b>                 |   |
|--|-----------------------------|---|
|  | <b>At amortized cost</b>    | <b>At fair value through profit or loss</b> |
|  | <b>(Rupees in thousand)</b> |   |
|  |                             | <b>Total</b>                                |
| <b>Financial assets</b>                  |                             |   |
| Long term loan to an employee            | 981                         | 981   |
| Long term security deposit               | 100                         | 100   |
| Trade debts                              | 13,747,743                  | 13,747,743                                  |
| Advances, deposits and other receivables | 1,175,593                   | 1,175,593                                   |
| Short term investments                   | 348,585                     | 361,770                                     |
| Bank balances                            | 1,406,359                   | 1,406,359                                   |
|  | <b>16,679,361</b>           | <b>16,692,546</b>                           |

|  | <b>2022</b>                 |   |
|--|-----------------------------|---|
|  | <b>At amortized cost</b>    | <b>At fair value through profit or loss</b> |
|  | <b>(Rupees in thousand)</b> |   |
|  |                             | <b>Total</b>                                |
| <b>Financial assets</b>                  |                             |   |
| Long term loan to an employee            | 1,674                       | 1,674                                       |
| Long term security deposit               | 100                         | 100   |
| Trade debts                              | 13,718,135                  | 13,718,135                                  |
| Advances, deposits and other receivables | 872,700                     | 872,700                                     |
| Short term investments                   | 2,740,067                   | 8,609,548                                   |
| Bank balances                            | 21,034                      | 21,034                                      |
|  | <b>17,353,710</b>           | <b>23,223,191</b>                           |

|                              | <b>Financial liabilities at amortized cost</b> |                   |
|------------------------------|--|-------------------|
|                              | <b>2023</b>                                    | <b>2022</b>       |
|                              | <b>(Rupees in thousand)</b>                    |                   |
| <b>Financial liabilities</b> |  |                   |
| Long term financing          | -  | 17,110            |
| Trade and other payables     | 1,142,612                                      | 168,120           |
| Accrued mark-up / profit     | 174,095  | 202,300           |
| Unclaimed dividend           | 34,531   | 16,563            |
| Short term borrowings        | 975,099  | 10,851,726        |
|                              | <b>2,326,337</b>                               | <b>11,255,819</b> |





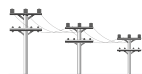
34.4 Reconciliation to the line items presented in the statement of financial position is as follows:

|  | <b>2023</b>                 |                             |   |
|--|-----------------------------|-----------------------------|---|
|  | <b>Financial assets</b>     | <b>Non-financial assets</b> | <b>Total as per statement of Financial Position</b> |
|  | <b>(Rupees in thousand)</b> |                             |   |
| <b>Assets</b>  |                             |                             |   |
| Long term loan to an employee                                | 288                         | -                           | 288   |
| Long term security deposit                                   | 100                         | -                           | 100   |
| Trade debts  | 13,747,743                  | -                           | 13,747,743  |
| Loans, advances, deposits, prepayments and other receivables | 1,176,286                   | 132,459                     | 1,308,745   |
| Short term investments                                       | 361,770                     | -                           | 361,770   |
| Bank balances  | 1,406,359                   | -                           | 1,406,359   |
|  | <u>16,692,546</u>           | <u>132,459</u>              | <u>16,825,005</u>                                   |

|                          | <b>2023</b>                  |                                  |   |
|--------------------------|------------------------------|----------------------------------|---|
|                          | <b>Financial liabilities</b> | <b>Non-financial liabilities</b> | <b>Total as per statement of Financial Position</b> |
|                          | <b>(Rupees in thousand)</b>  |                                  |   |
| <b>Liabilities</b>       |                              |                                  |   |
| Trade and other payables | 1,142,612                    | 1,198,825                        | 2,341,437   |
| Accrued mark-up / profit | 174,095                      | -                                | 174,095   |
| Unclaimed dividend       | 34,531                       | -                                | 34,531  |
| Short term borrowings    | 975,099                      | -                                | 975,099   |
|                          | <u>2,326,337</u>             | <u>1,198,825</u>                 | <u>3,525,162</u>                                    |

|  | <b>2022</b>                 |                             |   |
|--|-----------------------------|-----------------------------|---|
|  | <b>Financial assets</b>     | <b>Non-financial assets</b> | <b>Total as per statement of Financial Position</b> |
|  | <b>(Rupees in thousand)</b> |                             |   |
| <b>Assets</b>  |                             |                             |   |
| Long term loan to an employee                                | 981                         | -                           | 981   |
| Long term security deposit                                   | 100                         | -                           | 100   |
| Trade debts  | 13,718,135                  | -                           | 13,718,135  |
| Loans, advances, deposits, prepayments and other receivables | 873,393                     | 636,805                     | 1,510,198   |
| Short term investments                                       | 8,609,548                   | -                           | 8,609,548   |
| Bank balances  | 21,034                      | -                           | 21,034  |
|  | <u>23,223,191</u>           | <u>636,805</u>              | <u>23,859,996</u>                                   |

|                          | <b>2022</b>                  |                                  |   |
|--------------------------|------------------------------|----------------------------------|---|
|                          | <b>Financial liabilities</b> | <b>Non-financial liabilities</b> | <b>Total as per statement of Financial Position</b> |
|                          | <b>(Rupees in thousand)</b>  |                                  |   |
| <b>Liabilities</b>       |                              |                                  |   |
| Long term financing      | 17,110                       | -                                | 17,110  |
| Trade and other payables | 168,120                      | 847,625                          | 1,015,745   |
| Accrued mark-up / profit | 202,300                      | -                                | 202,300   |
| Unclaimed dividend       | 16,563                       | -                                | 16,563  |
| Short term borrowings    | 10,851,726                   | -                                | 10,851,726  |
|                          | <u>11,255,819</u>            | <u>847,625</u>                   | <u>12,103,444</u>                                   |



## 35 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 2023     | Level 1 | Level 2 | Level 3 | Total  |
|---|---------|---------|---------|--------|
| (Rupees in thousand)                                  |         |         |         |        |
| <b>Financial assets</b>                               |         |         |         |        |
| Financial assets at fair value through profit or loss | 13,185  | -       | -       | 13,185 |

| Recurring fair value measurements at 30 June 2022     | Level 1 | Level 2   | Level 3 | Total     |
|---|---------|-----------|---------|-----------|
| (Rupees in thousand)                                  |         |           |         |           |
| <b>Financial assets</b>                               |         |           |         |           |
| Financial assets at fair value through profit or loss | 21,810  | 5,847,671 | -       | 5,869,481 |

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



## 36 UNUTILIZED CREDIT FACILITIES

|                                   | Non-funded           |           | Funded               |            |
|-----------------------------------|----------------------|-----------|----------------------|------------|
|                                   | 2023                 | 2022      | 2023                 | 2022       |
|                                   | (Rupees in thousand) |           | (Rupees in thousand) |            |
| Total facilities                  | 1,638,969            | 1,258,730 | 14,984,322           | 14,633,428 |
| Utilized at the end of the year   | 764,057              | 662,020   | 969,924              | 10,920,592 |
| Unutilized at the end of the year | 874,912              | 596,710   | 14,014,398           | 3,712,836  |

## 37 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.

## 38 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.

## 39 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed final cash dividend for the year ended 30 June 2023 of Rupees Nil per share (2022: Rupees 10 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.

2023                      2022  
(Rupees in thousand)

## 40 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

### Description

#### Loans / advances obtained as per Islamic mode

|          |         |           |
|----------|---------|-----------|
| Loans    | 975,099 | 4,674,709 |
| Advances | -       | -         |

#### Shariah compliant bank deposits / bank balances

|               |       |   |
|---------------|-------|---|
| Bank balances | 1,140 | 5 |
|---------------|-------|---|

#### Profit earned from shariah compliant bank deposits / bank balances

|                               |     |     |
|-------------------------------|-----|-----|
| Profit on deposits with banks | 987 | 150 |
|-------------------------------|-----|-----|

#### Revenue earned from shariah compliant business segment

|  |            |            |
|--|------------|------------|
|  | 16,028,498 | 23,759,431 |
|--|------------|------------|

#### Gain / (loss) or dividend earned from shariah compliant investments

|                 |         |          |
|-----------------|---------|----------|
| Loss incurred   | (9,475) | (10,636) |
| Dividend earned | -       | -        |

#### Exchange gain earned

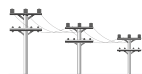
|  |   |       |
|--|---|-------|
|  | - | 4,718 |
|--|---|-------|

#### Mark-up paid on Islamic mode of financing

|  |         |         |
|--|---------|---------|
|  | 346,144 | 356,410 |
|--|---------|---------|

#### Profits earned or interest paid on any conventional loan or advance

|                        |         |         |
|------------------------|---------|---------|
| Profits earned         | 11,512  | 2,174   |
| Interest paid on loans | 543,780 | 562,039 |



## Relationship with shariah compliant banks

| Name                              | Relationship                           |
|-----------------------------------|--|
| MCB Islamic Bank Limited          | Bank balance and short term borrowings |
| Meezan Bank Limited               | Bank balance and short term borrowings |
| Faysal Bank Limited               | Bank balance and short term borrowings |
| Dubai Islamic Bank Pakistan       | Bank balance and short term borrowings |
| Al-Baraka Bank (Pakistan) Limited | Bank balance and short term borrowings |
| Bank Islami Pakistan Limited      | Bank balance and short term borrowings |

### 41 CORRESPONDING FIGURES

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

### 42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 30, 2023 by the Board of Directors of the Company.

### 43 GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

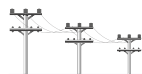
CHIEF FINANCIAL OFFICER



# PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2023

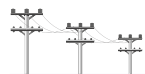
| Number of Shareholders | Shareholdings |        | Total Number of Shares Held | Percentage of Total Capital |
|------------------------|---------------|--------|-----------------------------|-----------------------------|
|                        | From          | To     |                             |                             |
| 2813                   | 1             | 100    | 60,178                      | 0.02                        |
| 2066                   | 101           | 500    | 752,081                     | 0.20                        |
| 1423                   | 501           | 1000   | 1,202,916                   | 0.33                        |
| 2499                   | 1001          | 5000   | 6,920,985                   | 1.88                        |
| 812                    | 5001          | 10000  | 6,401,684                   | 1.74                        |
| 313                    | 10001         | 15000  | 4,007,617                   | 1.09                        |
| 235                    | 15001         | 20000  | 4,263,736                   | 1.16                        |
| 150                    | 20001         | 25000  | 3,499,630                   | 0.95                        |
| 108                    | 25001         | 30000  | 3,042,251                   | 0.83                        |
| 72                     | 30001         | 35000  | 2,386,354                   | 0.65                        |
| 63                     | 35001         | 40000  | 2,435,200                   | 0.66                        |
| 49                     | 40001         | 45000  | 2,112,808                   | 0.58                        |
| 91                     | 45001         | 50000  | 4,479,860                   | 1.22                        |
| 36                     | 50001         | 55000  | 1,906,794                   | 0.52                        |
| 23                     | 55001         | 60000  | 1,349,320                   | 0.37                        |
| 19                     | 60001         | 65000  | 1,195,816                   | 0.33                        |
| 37                     | 65001         | 70000  | 2,521,385                   | 0.69                        |
| 20                     | 70001         | 75000  | 1,465,470                   | 0.40                        |
| 21                     | 75001         | 80000  | 1,650,537                   | 0.45                        |
| 5                      | 80001         | 85000  | 420,768                     | 0.11                        |
| 6                      | 85001         | 90000  | 529,249                     | 0.14                        |
| 13                     | 90001         | 95000  | 1,205,957                   | 0.33                        |
| 41                     | 95001         | 100000 | 4,076,161                   | 1.11                        |
| 11                     | 100001        | 105000 | 1,119,595                   | 0.30                        |
| 12                     | 105001        | 110000 | 1,295,166                   | 0.35                        |
| 6                      | 110001        | 115000 | 676,531                     | 0.18                        |
| 9                      | 115001        | 120000 | 1,069,164                   | 0.29                        |
| 4                      | 120001        | 125000 | 500,000                     | 0.14                        |
| 5                      | 125001        | 130000 | 644,021                     | 0.18                        |
| 7                      | 130001        | 135000 | 937,385                     | 0.26                        |
| 8                      | 135001        | 140000 | 1,099,808                   | 0.30                        |
| 3                      | 140001        | 145000 | 432,292                     | 0.12                        |
| 7                      | 145001        | 150000 | 1,039,644                   | 0.28                        |
| 4                      | 150001        | 155000 | 611,350                     | 0.17                        |
| 7                      | 155001        | 160000 | 1,106,269                   | 0.30                        |
| 2                      | 160001        | 165000 | 327,500                     | 0.09                        |
| 5                      | 165001        | 170000 | 842,681                     | 0.23                        |
| 5                      | 170001        | 175000 | 858,364                     | 0.23                        |
| 1                      | 175001        | 180000 | 180,000                     | 0.05                        |
| 3                      | 180001        | 185000 | 550,000                     | 0.15                        |
| 2                      | 185001        | 190000 | 377,500                     | 0.10                        |
| 1                      | 190001        | 195000 | 192,500                     | 0.05                        |
| 11                     | 195001        | 200000 | 2,194,305                   | 0.60                        |
| 3                      | 200001        | 205000 | 606,450                     | 0.17                        |
| 2                      | 205001        | 210000 | 414,200                     | 0.11                        |
| 5                      | 210001        | 215000 | 1,062,156                   | 0.29                        |
| 1                      | 215001        | 220000 | 219,171                     | 0.06                        |
| 2                      | 220001        | 225000 | 446,919                     | 0.12                        |
| 1                      | 225001        | 230000 | 226,037                     | 0.06                        |
| 8                      | 230001        | 235000 | 1,866,138                   | 0.51                        |
| 1                      | 240001        | 245000 | 242,657                     | 0.07                        |



| Number of Shareholders | Shareholdings |        | Total Number of Shares Held | Percentage of Total Capital |
|------------------------|---------------|--------|-----------------------------|-----------------------------|
|                        | From          | To     |                             |                             |
| 7                      | 245001        | 250000 | 1,746,000                   | 0.48                        |
| 2                      | 250001        | 255000 | 508,456                     | 0.14                        |
| 1                      | 255001        | 260000 | 258,500                     | 0.07                        |
| 2                      | 270001        | 275000 | 547,000                     | 0.15                        |
| 2                      | 275001        | 280000 | 558,091                     | 0.15                        |
| 2                      | 280001        | 285000 | 567,262                     | 0.15                        |
| 3                      | 285001        | 290000 | 861,775                     | 0.23                        |
| 2                      | 290001        | 295000 | 587,000                     | 0.16                        |
| 8                      | 295001        | 300000 | 2,392,513                   | 0.65                        |
| 5                      | 300001        | 305000 | 1,508,305                   | 0.41                        |
| 1                      | 305001        | 310000 | 306,000                     | 0.08                        |
| 1                      | 310001        | 315000 | 312,488                     | 0.09                        |
| 2                      | 315001        | 320000 | 634,261                     | 0.17                        |
| 2                      | 320001        | 325000 | 643,500                     | 0.18                        |
| 1                      | 325001        | 330000 | 330,000                     | 0.09                        |
| 1                      | 340001        | 345000 | 345,000                     | 0.09                        |
| 2                      | 350001        | 355000 | 703,098                     | 0.19                        |
| 2                      | 360001        | 365000 | 726,998                     | 0.20                        |
| 1                      | 365001        | 370000 | 370,000                     | 0.10                        |
| 1                      | 370001        | 375000 | 371,187                     | 0.10                        |
| 2                      | 375001        | 380000 | 758,122                     | 0.21                        |
| 3                      | 390001        | 395000 | 1,175,610                   | 0.32                        |
| 5                      | 395001        | 400000 | 2,000,000                   | 0.54                        |
| 1                      | 405001        | 410000 | 406,000                     | 0.11                        |
| 1                      | 415001        | 420000 | 419,000                     | 0.11                        |
| 1                      | 420001        | 425000 | 425,000                     | 0.12                        |
| 2                      | 425001        | 430000 | 859,000                     | 0.23                        |
| 1                      | 445001        | 450000 | 450,000                     | 0.12                        |
| 1                      | 450001        | 455000 | 451,556                     | 0.12                        |
| 1                      | 460001        | 465000 | 464,500                     | 0.13                        |
| 2                      | 470001        | 475000 | 943,000                     | 0.26                        |
| 1                      | 480001        | 485000 | 482,107                     | 0.13                        |
| 1                      | 485001        | 490000 | 489,281                     | 0.13                        |
| 2                      | 490001        | 495000 | 983,305                     | 0.27                        |
| 5                      | 495001        | 500000 | 2,500,000                   | 0.68                        |
| 1                      | 515001        | 520000 | 518,000                     | 0.14                        |
| 1                      | 530001        | 535000 | 532,583                     | 0.14                        |
| 2                      | 545001        | 550000 | 1,100,000                   | 0.30                        |
| 1                      | 575001        | 580000 | 580,000                     | 0.16                        |
| 1                      | 590001        | 595000 | 590,973                     | 0.16                        |
| 2                      | 595001        | 600000 | 1,200,000                   | 0.33                        |
| 1                      | 630001        | 635000 | 633,583                     | 0.17                        |
| 1                      | 650001        | 655000 | 653,066                     | 0.18                        |
| 1                      | 655001        | 660000 | 660,000                     | 0.18                        |
| 1                      | 670001        | 675000 | 671,868                     | 0.18                        |
| 1                      | 680001        | 685000 | 682,225                     | 0.19                        |
| 1                      | 690001        | 695000 | 694,500                     | 0.19                        |
| 1                      | 715001        | 720000 | 720,000                     | 0.20                        |
| 1                      | 740001        | 745000 | 740,500                     | 0.20                        |
| 1                      | 750001        | 755000 | 751,534                     | 0.20                        |
| 1                      | 765001        | 770000 | 769,853                     | 0.21                        |
| 1                      | 770001        | 775000 | 773,000                     | 0.21                        |
| 1                      | 795001        | 800000 | 800,000                     | 0.22                        |
| 1                      | 835001        | 840000 | 838,122                     | 0.23                        |
| 1                      | 840001        | 845000 | 840,246                     | 0.23                        |
| 1                      | 900001        | 905000 | 904,591                     | 0.25                        |



| Number of Shareholders | Shareholdings |          | Total Number of Shares Held | Percentage of Total Capital |
|------------------------|---------------|----------|-----------------------------|-----------------------------|
|                        | From          | To       |                             |                             |
| 1                      | 915001        | 920000   | 919,896                     | 0.25                        |
| 3                      | 995001        | 1000000  | 3,000,000                   | 0.82                        |
| 1                      | 1000001       | 1005000  | 1,001,000                   | 0.27                        |
| 1                      | 1035001       | 1040000  | 1,036,603                   | 0.28                        |
| 1                      | 1045001       | 1050000  | 1,050,000                   | 0.29                        |
| 1                      | 1095001       | 1100000  | 1,100,000                   | 0.30                        |
| 2                      | 1120001       | 1125000  | 2,247,395                   | 0.61                        |
| 1                      | 1200001       | 1205000  | 1,200,546                   | 0.33                        |
| 1                      | 1260001       | 1265000  | 1,261,000                   | 0.34                        |
| 1                      | 1270001       | 1275000  | 1,273,079                   | 0.35                        |
| 1                      | 1390001       | 1395000  | 1,392,000                   | 0.38                        |
| 1                      | 1495001       | 1500000  | 1,500,000                   | 0.41                        |
| 1                      | 1525001       | 1530000  | 1,527,786                   | 0.42                        |
| 1                      | 1550001       | 1555000  | 1,554,656                   | 0.42                        |
| 1                      | 1660001       | 1665000  | 1,665,000                   | 0.45                        |
| 1                      | 1770001       | 1775000  | 1,775,000                   | 0.48                        |
| 1                      | 1900001       | 1905000  | 1,903,000                   | 0.52                        |
| 1                      | 1920001       | 1925000  | 1,920,250                   | 0.52                        |
| 1                      | 1990001       | 1995000  | 1,995,000                   | 0.54                        |
| 1                      | 2000001       | 2005000  | 2,001,220                   | 0.54                        |
| 1                      | 2030001       | 2035000  | 2,031,079                   | 0.55                        |
| 1                      | 2035001       | 2040000  | 2,037,926                   | 0.55                        |
| 1                      | 2420001       | 2425000  | 2,425,000                   | 0.66                        |
| 1                      | 2765001       | 2770000  | 2,766,500                   | 0.75                        |
| 1                      | 3095001       | 3100000  | 3,100,000                   | 0.84                        |
| 1                      | 3280001       | 3285000  | 3,284,537                   | 0.89                        |
| 1                      | 3350001       | 3355000  | 3,355,000                   | 0.91                        |
| 1                      | 3660001       | 3665000  | 3,663,000                   | 1.00                        |
| 1                      | 4015001       | 4020000  | 4,016,500                   | 1.09                        |
| 1                      | 4405001       | 4410000  | 4,409,988                   | 1.20                        |
| 1                      | 4535001       | 4540000  | 4,537,164                   | 1.24                        |
| 1                      | 4555001       | 4560000  | 4,558,112                   | 1.24                        |
| 1                      | 5415001       | 5420000  | 5,415,500                   | 1.47                        |
| 1                      | 6390001       | 6395000  | 6,390,943                   | 1.74                        |
| 1                      | 6810001       | 6815000  | 6,812,455                   | 1.85                        |
| 1                      | 6860001       | 6865000  | 6,862,000                   | 1.87                        |
| 1                      | 7210001       | 7215000  | 7,212,500                   | 1.96                        |
| 1                      | 9235001       | 9240000  | 9,236,024                   | 2.51                        |
| 1                      | 11165001      | 11170000 | 11,166,000                  | 3.04                        |
| 1                      | 13065001      | 13070000 | 13,069,802                  | 3.56                        |
| 1                      | 13375001      | 13380000 | 13,379,786                  | 3.64                        |
| 1                      | 13415001      | 13420000 | 13,417,045                  | 3.65                        |
| 1                      | 16300001      | 16305000 | 16,301,547                  | 4.44                        |
| 1                      | 64810001      | 64815000 | 64,811,981                  | 17.64                       |
| 11,198                 |               |          | 367,346,939                 | 100.00                      |



# CATEGORIES OF SHAREHOLDERS

AS ON JUNE 30, 2023

| Categories of Shareholders   | No. of Shareholder | Shares Held        | Percentage      |
|--|--------------------|--------------------|-----------------|
| <b>Directors, Chief Executive Officer and their spouse and minor children</b>        |                    |                    |                 |
| 1 FARRUKH IFZAL  |                    | 391                | 0.0001          |
| 2 MUHAMMAD AZAM  |                    | 500                | 0.0001          |
| 3 SAMINA ASLAM   |                    | 500                | 0.0001          |
| 4 BABAR ALI KHAN   |                    | 109                | 0.0000          |
| 5 MUSTAQEEM TALISH   |                    | 58                 | 0.0000          |
| 6 REHMAT NAVEED ELAHI  |                    | 59,346             | 0.0162          |
| 7 MR. MUHAMMAD ASHRAF  |                    | 1                  | 0.0000          |
|  | 7                  | 60,905             | 0.0166          |
| <b>Associated Companies, Undertaking and Related Parties:</b>                        |                    |                    |                 |
| 1 TRUSTEES NISHAT CHUNIAN POWER LTD. EMP. PRVDNT. FUND TRUST                         |                    | 102,342            | 0.0279          |
| 2 TRUSTEE-NISHAT (CHUNIAN) LTD-EMPLOYEES PROVIDENT FUND TRUST                        |                    | 919,896            | 0.2504          |
|  | 2                  | 1,022,238          | 0.2783          |
| <b>NIT &amp; ICP</b>   | 3                  | 4,376              | 0.0012          |
| <b>Banks Development Financial Institutions, Non Banking Financial Institutions:</b> | 25                 | 45,004,445         | 12.2512         |
| <b>Modarabas and Mutual Funds</b>  | 11                 | 5,072,026          | 1.3807          |
| <b>Insurance Companies</b>   | 8                  | 6,143,201          | 1.6723          |
| <b>General Public</b>  |                    |                    |                 |
| Local:   | 10951              | 261,904,463        | 71.2962         |
| Foreign:   | 10                 | 198,364            | 0.0540          |
|  |                    | 262,102,827        | 71.3502         |
| <b>Others</b>  | 181                | 47,936,921         | 13.0495         |
| <b>Total</b>   | <b>11198</b>       | <b>367,346,939</b> | <b>100.0000</b> |

## Shareholders Holding 5% or more voting rights:

| Name of Shareholder | Shares Held | Percentage |
|---------------------|-------------|------------|
| MR. SHAHZAD SALEEM  | 64,811,981  | 17.6433    |
|                     | 64,811,981  | 17.6433    |





# PROXY FORM

The Company Secretary,  
Nishat Chunian Power Limited 31-Q  
Gulberg II, Lahore.

I/We

\_\_\_\_\_ of \_\_\_\_\_  
being a members(s) of Nishat Chunian Power Limited, and a holder of \_\_\_\_\_  
Ordinary shares as per Share Register Folio No. \_\_\_\_\_ (in case of Central  
Depository System Account Holder A/C No. \_\_\_\_\_ Participant I.D. No \_\_\_\_\_  
hereby appoint of \_\_\_\_\_ another member of the Company as  
per Share Register Folio No. \_\_\_\_\_ (or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ another member of the Company as my /our Proxy to attend and vote for  
me / us and on my / our behalf at Annual General Meeting of the Company, to be held September 25,  
2023 (Monday) at 10.00 a.m. at the Registered Office of the Company (31-Q, Gulberg II, Lahore) and at  
any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023 signed by the said  
\_\_\_\_\_ in presence of \_\_\_\_\_

Affix Rs. 5/- Revenue  
Stamp

Witness

Signature \_\_\_\_\_

Signature \_\_\_\_\_

## Notes:

1. Proxies, in order to be effective, must be received at the company's Registered Office / Head office not less than 48 hours before the meeting duly stamped, signed and witnessed.
2. Signature must agree with the specimen signature registered with the Company.



# پراکسی فارم (مختار نامہ)

کمپنی سیکرٹری،

نشاط چونیاں پاور لمیٹڈ

31-Q گلبرگ II، لاہور۔

میں / ہم

ساکن

بحیثیت رکن نشاط چونیاں پاور لمیٹڈ، اور مالک \_\_\_\_\_ عام حصص برطابق فولیو نمبر \_\_\_\_\_ (بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ

ہولڈر اکاؤنٹ نمبر \_\_\_\_\_ پارٹیسپنٹ آئی ڈی نمبر \_\_\_\_\_ بذریعہ ہذا محترم / محترمہ \_\_\_\_\_

ساکن \_\_\_\_\_ کمپنی کا دیگر رکن برطابق سینٹر رجسٹر فولیو نمبر \_\_\_\_\_

یا اسکی غیر موجودگی میں \_\_\_\_\_

جو مذکورہ کمپنی کا حصص دار \_\_\_\_\_ مورخہ 25 ستمبر 2023ء بروز سوموار، صبح 10 بجے

کو اپنے / ہمارے ایما پر: \_\_\_\_\_

رجسٹرڈ دفتر: 31-Q گلبرگ II، لاہور میں

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 \_\_\_\_\_ 2023ء کو میرے / ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

پانچ روپے کی ریونیوسٹمپ  
چسپاں کریں

گواہان

دستخط: \_\_\_\_\_

دستخط: \_\_\_\_\_

اہم نوٹ:

- 1۔ پراکسیاں تاکہ موثر ہو سکیں، بہا قاعدہ مہر، دستخط اور گواہی شدہ کمپنی کے رجسٹرڈ دفتر / صدر دفتر میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔
- 2۔ دستخط لازماً کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں۔



# CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED  
H.M. House, 7-Bank Square,  
The Mall, Lahore

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of Nishat Chunian Power Limited (“Company”), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

|                         |  |
|-------------------------|--|
| Name of Shareholder(s): |  |
| Fathers / Husband Name: |  |
| CNIC:                   |  |
| NTN:                    |  |
| Fathers / Husband Name: |  |
| E-mail Address:         |  |
| Telephone:              |  |
| Mailing Address:        |  |

Date: \_\_\_\_\_

Signature: (In case of corporate shareholders the authorized signatory must sign)



# STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of Member: \_\_\_\_\_

2. CNIC/Passport Number: \_\_\_\_\_

3. Participant ID / Folio No / Sub A/C: \_\_\_\_\_

Registered Address: \_\_\_\_\_

\_\_\_\_\_

I/We hereby request you to provide me/us a hard copy of the Annual Report of Nishat Chunian Power Limited for the year ended June 30, 2023 at my above-mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,  
NISHAT GHUNIAN POWER LIMITED  
31-Q, Gulber II, Lahore  
Email: [tasawar@nishat.net](mailto:tasawar@nishat.net)

Chief Executive,  
M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED  
H.M. House, 7-Bank Square,  
The Mall, Lahore

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.



# E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)

**The Company Secretary/Share Registrar,**

I/We, \_\_\_\_\_, holding CNIC No. \_\_\_\_\_, being the registered shareholder of the company under folio no. \_\_\_\_\_, state that pursuant the relevant provisions of Section 242 of the Companies Act, 2017 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as the occur through revised E-Dividend Form.

|                                |  |
|--------------------------------|--|
| Title of Bank Account          |  |
| Bank Account Number            |  |
| IBAN Numbe                     |  |
| Bank's Name                    |  |
| Branch Name and Address        |  |
| Cell Number of Shareholder     |  |
| Landline number of Shareholder |  |
| Email of Shareholder           |  |

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant.

Date: \_\_\_\_\_

Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary  
NISHAT CHUNIAN POWER LIMITED  
31-Q, Gulberg II, Lahore.  
Email: tasawar@nishat.net

Chief Executive,  
M/S HAMEED MAJEED AOSSCIATE (PVT) LIMITED  
H.M. House, 7-Bank square,  
The Mall, Lahore.



# FORM FOR VIDEO CONFERENCE FACILITY

## The Company Secretary/Share Registrar,

I/We, \_\_\_\_\_, of \_\_\_\_\_, being the registered shareholder(s) of the company under Folio No.(s). \_\_\_\_\_ / CDC Participant ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ CDC Investor Account ID No., and holder of \_\_\_\_\_ Ordinary Shares, hereby request for video conference facility at \_\_\_\_\_ for the Annual General Meeting of the Company to be held on September 25, 2023.

Date: \_\_\_\_\_

Member's Signature

### Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary  
NISHAT CHUNIAN POWER LIMITED  
31-Q, Gulberg II, Lahore.  
Email: [tasawar@nishat.net](mailto:tasawar@nishat.net)

Chief Executive,  
M/S HAMEED MAJEED ASSOciate (PVT) LIMITED  
H.M. House, 7-Bank square,  
The Mall, Lahore.







**NISHAT  
CHUNIAN**  
POWER LTD.

31-Q, Gulberg II, Lahore 54660, Pakistan  
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696  
Email: [info@nishat.net](mailto:info@nishat.net)  
[www.nishat.net](http://www.nishat.net)  
[www.facebook.com/NishatChunianGroup](https://www.facebook.com/NishatChunianGroup)