



N I S H A T

NISHAT POWER LIMITED

# ANNUAL REPORT 2022



DELIVERING GROWTH AND EXCELLENCE





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# ► CORPORATE PROFILE

## BOARD OF DIRECTORS

Mian Hassan Mansha .....Chairman  
Mr. Ghazanfar Hussain Mirza .....Chief Executive  
Mr. Ahmad Aqeel  
Ms. Maleeha Humayun Bangash  
Mr. Mahmood Akthar  
Mr. Shahzad Ahmad Malik  
Mr. Norez Abdullah

## AUDIT COMMITTEE

Mr. Ahmad Aqeel.....Member / Chairman  
Ms. Maleeha Humayun Bangash .....Member  
Mr. Shahzad Ahmad Malik .....Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Hassan Mansha .....Member  
Mr. Ahmad Aqeel.....Member / Chairman  
Mr. Ghazanfar Hussain Mirza .....Member

## CHIEF FINANCIAL OFFICER

Mr. Tanvir Khalid

## COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

## BANKERS OF THE COMPANY

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

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants

## LEGAL ADVISOR

Cornelius, Lane & Mufti  
Advocates & Solicitors

## REGISTERED OFFICE

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

## HEAD OFFICE

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

## SHARE REGISTRAR

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

## PLANT

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





# MISSION

## STATEMENT

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



# VISION

## STATEMENT

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ENLIGHTEN THE FUTURE  
THROUGH EXCELLENCE,  
COMMITMENT, INTEGRITY  
AND HONESTY









# NOTICE OF ANNUAL ▶ GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Members of Nishat Power Limited (the "Company") will be held on October 18, 2022 (Tuesday) at 12:00 Noon at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2022 with the Chairman Review, Directors' and Auditors' reports thereon.
2. To approve Final Cash Dividend @ 25% [i.e. Rs.2.50 (Rupees Two and Paisas Fifty Only) Per Ordinary Share] as recommended by the Board of Directors for the year ended June 30, 2022, in addition to the 20% Interim Cash Dividend i.e. Rs. 2/- per share already paid for the year ended June 30, 2022.
3. To appoint statutory Auditors for the year ending June 30, 2023 and fix their remuneration.

BY ORDER OF THE BOARD



LAHORE  
August 23, 2022

KHALID MAHMOOD CHOCHAN  
(Company Secretary)



## NOTES:

### BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from **11-10-2022 to 18-10-2022 (both days inclusive)** for entitlement of **25% Final Cash Dividend [i.e. Rs. 2.50 (Rupees Two and Paisas Fifty Only) Per Ordinary Share]** for the year ended June 30, 2022 and attending and voting at Annual General Meeting. Physical transfers/ CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 10-10-2022 at Share Registrar, Hameed Majeed Associates (Pvt) Ltd, 7-Bank Square, Lahore, will be considered in time for entitlement of above said 25% Final Cash Dividend and attending of Annual General Meeting.

### Proxies

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

Shareholders are requested to immediately notify the Company of change in address and their contact number, if any.

Kindly quote your folio number in all correspondence with the Company.

Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

### A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

Members are requested to timely notify any change in their addresses.

actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

#### Deduction of Withholding Tax on Dividend

The rates of deduction of income tax from dividend payments under the Income Tax Ordinance are as follows:

- Filer 7.50%
- Non-Filer 15.00%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary

#### Deduction of Withholding Tax on Dividend in case of Joint Account Holders

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to Share Registrar, Hameed Majeed Associates (Pvt) Ltd., latest by October 10, 2022 otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company		Nishat Power Limited
Folio No. / CDS A/C No.		
No. of Shares Held		
<b>Principal Shareholder</b>	Name & CNIC	
	Shareholding Proportion (No. of Shares)	
<b>Joint Shareholder(s)</b>	Name & CNIC	
	Shareholding Proportion (No. of Shares)	

Signature of Primary Shareholder\_\_\_\_\_

#### EXEMPTION OF WITHHOLDING TAX:-

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Share Registrar, Hameed Majeed Associates (Pvt) Ltd, up to October 10, 2022.

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

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, Hameed Majeed Associates (Pvt) Ltd. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

#### ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who want to claim exemption should submit valid Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, Share Registrar, Hameed Majeed Associates (Pvt) Ltd., **otherwise no exemption will be granted.** The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio Numbers/CDC Account Numbers.

### MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank

account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company.

Folio No. / Investor Account Number / CDC Sub Account No.	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
Name of Network (if ported)	
Email Address	

\_\_\_\_\_  
Signature of Shareholder

### Transmission of Annual Financial Statements through Email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. [www.nishatpower.com](http://www.nishatpower.com) and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Limited.

### Circulation of Annual Reports through Digital Storage

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of Nishat Power Limited had accorded their consent for transmission of annual reports including audited annual financial statements and other information contained therein of the Company through 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 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.

### Unclaimed Dividend / Shares

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

### Conversion of Physical Shares into Book-entry Form:

SECP has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (the Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act. In order to ensure full compliance with the provisions of aforesaid Section 72 and to be benefitted from the facility of holding shares in the Book-Entry-Form, shareholders may contact a PSX member, CDC participant, or CDC Investor Account Service Provider, or our Share Registrar Office for assistance in opening CDS Account and subsequent conversion of the physical shares into book-entry form.

### Video Conference Facility

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 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 on the Standard Form placed in the annual report which is also available on the website of the Company.

### E-voting and Postal Ballot Facility

The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to Section 142 and 143 of the Companies Act, 2017 and Regulation 11 of the Companies (Postal Ballot) Regulations, 2018.

### Video Link Facility for Meeting:-

In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan ("SECP") has advised vide Circular No. 4 of 2021 dated 15 February, 2021 to provide participation of the members through electronic means. The members can attend the AGM via video link using smart phones/tablets/. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/ passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at [kchohan@nishatpower.com](mailto:kchohan@nishatpower.com) or [smahmood@dgcement.com](mailto:smahmood@dgcement.com) by October 13, 2022.

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

# CHAIRMAN'S REVIEW

I am pleased to present the annual report of the Company for the year ended 30 June, 2022 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2021-22.

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

I would like to appreciate the trust and support forwarded by our stakeholders which helped the Company to post earnings per share of Rs 9.384 in current year as compared to Rs 7.572 last year.

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

To evaluate the performance of the Board and its Committees, the Board has put in place mechanism for annual evaluation of the performance of the Board of Directors. Accordingly, the Board has completed its annual self-evaluation for the year 2022 and I am pleased to report that the overall performance benchmarked on the basis of set criteria remained satisfactory.

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

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



CHAIRMAN  
Lahore: August 23, 2022

## چیرمین کی جائزہ رپورٹ

30 جون، 2022 کو ختم ہونے والے سال کے لیے، میں کمپنی کی سالانہ رپورٹ اپنے قابل قدر حصص یافتگان کے سامنے پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔ مالی سال 2021-22 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلو آپ کے ساتھ شیئر کیے جا رہے ہیں۔

میں اپنے اسٹیک ہولڈرز کے بہت زیادہ اعتماد اور تعاون کو سراہتا ہوں، جس نے کمپنی کو گزشتہ سال 7.57 روپے کے مقابلے رواں سال میں 9.38 روپے فی حصص آمدنی درج کرنے میں مدد دی۔

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی جیسی مختلف کمیٹیاں تشکیل دی ہیں۔ آڈٹ کمیٹی کے ذریعے بورڈ، اندرونی کنٹرولز اور مالی حسابات کا جائزہ لیتا ہے اور اس بات کو یقینی بناتا ہے کہ اکاؤنٹس کمپنی کی مالی حیثیت کی منصفانہ نمائندگی کرتے ہیں، جبکہ ایچ آر کمیٹی ایچ آر پالیسی کے فریم ورک کا جائزہ لیتی ہے اور سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضے کی سفارش کرتی ہے۔

بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کی سالانہ تشخیص کے لیے ایک میکانزم ترتیب دیا ہے۔ اس کے مطابق، بورڈ نے سال 2022 کے لیے اپنی سالانہ خود تشخیص مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہے کہ مقرر کردہ معیارات کی بنیاد پر مجموعی کارکردگی کا معیار اطمینان بخش رہا۔

مزید یہ کہ مجھے یہ بھی بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی تشکیل میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کا معقول توازن رکھا گیا ہے۔ جن میں آزاد ڈائریکٹرز بھی شامل ہیں، جو کمپنی کی قیادت کے لیے مطلوبہ مہارت، بنیادی قابلیت اور صنعت کا علم رکھتے ہیں، جہاں تمام بورڈ ممبران ہمارے وژن اور مشن کے بیانات میں بیان کردہ اعلیٰ سطح کے اخلاقی اور پیشہ ورانہ معیارات سے واقف ہیں۔

بورڈ کمپنی کے مالیاتی حسابات، رپورٹنگ اور انکشافات کی شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ مقصد کے منصوبوں، بجٹ اور دیگر رپورٹس کے معیار اور موزونیت کا جائزہ لیتا ہے۔ بورڈ نے ضابطہ اخلاق بھی وضع کیا ہے جو مطلوبہ رویہ کی وضاحت کرتا ہے اور اسے پوری کمپنی میں پھیلا یا گیا ہے۔ مؤثر کنٹرول ماحول کو یقینی بنانے کے لیے موزوں کنٹرول اور مضبوط نظام موجود ہیں لہذا کارپوریٹ گورننس کی بہترین پالیسیوں کی تعمیل حاصل کی جاتی ہے۔

آخر میں، ہم بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کے مؤثر کردار سے خوش ہیں۔

*Chirmin*

چیرمین

لاہور: 23 اگست 2022ء



# DIRECTORS' ►REPORT◄

The Board of Directors of Nishat Power Limited (The Company) is pleased to present Annual Report with the Audited Financial Statements of the Company together with Auditors' Report thereon for the financial year ended June 30, 2022.



## PRINCIPAL ACTIVITY:

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

## FINANCIAL RESULTS:

The Company had turnover of Rs 23,684 million (2021: Rs 11,433 million) during the year against operating cost of Rs 19,809 million (2021: Rs 8,004 million) resulting in a gross profit of Rs 3,875 million (2021: Rs 3,429 million). The current year's net profit after tax amounts to Rs 3,323 million resulting earnings per share of Rs 9.38 compared to previous year's profit after tax of Rs 2,681 million and earnings per share of Rs 7.57.

The Power Purchaser continues to default on its payment obligations. The Company took up the matter with the Power Purchaser and Private Power & Infrastructure Board ('PPIB') by giving notices of default pursuant to provisions of Power Purchase Agreement and Implementation Agreement. The Company is facing the risk of increased receivables due to overall challenge of circular debt plaguing the power sector of Pakistan. For other risks being faced by the Company, please refer to note 36 of the annexed financial statements.

Total receivables from Power Purchaser on June 30, 2022 stand at Rs 12,067 million, out of which overdue receivables are Rs 3,967 million.

## OPERATIONS AND SIGNIFICANT EVENTS:

During the previous year ended June 30, 2021, the Company entered into Master Agreement and Amendment to Power Purchase Agreement with CPPA-G dated February 12, 2021, in order to get payment of its overdue receivables as on November 30, 2020 amounting to Rs 14,253 million.

During the year, the Company has received first installment of 40% amounting to Rs.5,701 million on January 06, 2022 and second installment of 60% amounting to Rs. 8,552 million in the breakup of 1/3rd cash, 1/3rd in the form of tradeable Ijarah Sukuk, and 1/3rd in the form of tradeable Pakistan Investment Bonds (PIBs).

Pursuant to above stated agreements, the Company had agreed that, the discounts in tariff components i.e. Return on Equity (ROE) including Return on Equity During Construction (RoEDC) shall be changed to 17% per annum in Pak Rupee (PKR) calculated at PKR/USD exchange rate of PKR 148/USD, with no future USD indexation. However, the existing ROE and RoEDC, together with applicable indexation, shall continue to be applied until the date when the applicable exchange rate under the present tariff reaches PKR 168/USD, whereupon the revised RoE and RoEDC shall become applicable for remainder of the term of the PPA. Whereas the above stated revised tariff will be effective subject to notification by Government of Pakistan ('GoP') and payment of first installment by CPPA-G.

During the current year on payment of first installment by CPPA-G according to the agreements and the NEPRA decision on revised tariff dated April 02, 2021 and its notification by GOP dated January 06, 2022, the Company has reduced its Capacity Purchase Price (CPP) relating to ROE and ROEDC components, by giving discount (effective from January 06, 2022) to CPPA-G as stated above. Whereas on payment of second installment as stated above, the discounts became effective and revised tariff has become applicable for remainder of the term of the PPA from July 01, 2022. Accordingly, the aforesaid Agreements become effective as per terms agreed.

On March 16, 2020, Government of Pakistan ('GoP') had issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the company, in the tariff components in violation



of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The company rejected such claims, and discussions were made with the GoP to resolve the dispute. On February 12, 2021, the company under the Master Agreement, had agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between the company and GoP. During the year, on June 15, 2022, the Company and the GoP have signed the Arbitration Submission Agreement.

We would also like to draw your attention to note 17 to these financial statements which refers to amicable resolution of outstanding LCIA Award relating to the capacity revenue dispute involving Rs 816.033 million for the period of 68

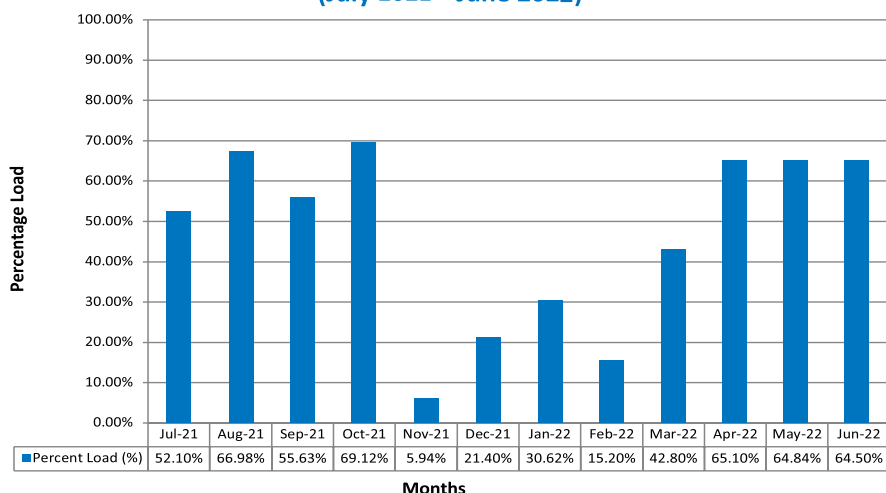
days ('disputed period') in which the plant was not fully available for power generation due to non-availability of fuel owing to non-payment by CPPA-G. Pursuant to the PPA Amendment Agreement, the disputed period has been treated as an Other Force Majeure Event ('OFME') under the PPA. The OFME period has commenced on June 9, 2021 and has ended on August 15, 2021 and remaining receivable disputed amounts have been paid by the Power Purchaser during the year.

#### Operational results:

The plant operated at average capacity factor of 46.42% (2021: 30.59%) and dispatched 794 GWh (2021: 523 GWh) of electricity to the Power Purchaser during the year.

### Capacity Factor / Percent Load (%)

(July 2021 - June 2022)





## KEY OPERATING AND FINANCIAL DATA:

Financial year ended June 30,	2022	2021
	(Rupees in Million)	
Turnover	23,684	11,433
Net Profit	3,323	2,681
Total non-current assets	8,505	8,828
Issued, subscribed and paid up capital	3,541	3,541
Long term financing	37	111
Short term financing	4,488	3,642
Generation (MWh)	794,242	523,402
Earnings per share-basic and diluted (Rs.)	9.384	7.572
Share prices (Market value rupees per share)	19.50	19.65

Due to increased power generation requirement, the Company's capacity utilization factor has seen recovery i.e. from 31% of previous year to 46% in this year. Further, the management believes that Power Purchaser would still need to run power plant, due to the unique technological advantage of RFO based eleven ("11") Reciprocating Engines and one ("01") Steam Turbine, which can produce power during peak hours round the year, at a very short notice period.

### Lalpir Solar Power (Pvt) Limited

In the financial year 2016, the Company had incorporated a wholly owned subsidiary, Lalpir Solar Power (Private) Limited ('LSPPL'), since then the Company has taken up 275,000 shares of the LSPPL. The principal activity of LSPPL was to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of upto approx. 19 MWp. The project site was located at Mehmood Kot, District Muzaffar Garh, Multan. The Company had achieved various milestones like approval of Feasibility Study, No

Objection Certificate ('NOC') from Environment Protection Agency (EPA) and approval of Grid Interconnection study from Multan Electric Power Company (MEPCO). However, the upfront solar tariff announced by National Electric Power Regulatory Authority (NEPRA) had expired on June 30, 2016. Meanwhile LSPPL had also obtained the approval from NTDCL for Grid Interconnection Study, and generation license from NEPRA in year 2018.

The management of LSPPL continuously tried its best to get Power Acquisition Request and Consent to Procure Power from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) so that development of the project can be moved forward. However, CPPA-G informed LSPPL that Ministry of Energy has conveyed the Cabinet Committee on Energy (CCOE) decision to CPPA-G that 145 projects had been approved by the Cabinet for necessary action. The CPPA-G stated that power project of LSPPL is not included in the list of 145 projects. Therefore, CPPA-G is of the view that request of LSPPL for Power Acquisition Consent cannot be entertained.

Subsequently, Alternate Energy Development Board (AEDB) informed that Solar PV Power Project of LSPPL is placed under category III of the amended decision of the Cabinet Committee on Energy (CCoE). All category III projects are allowed by the CCoE to proceed ahead, subject to becoming successful in the competitive bidding process to be undertaken by AEDB, based on the quantum ascertained for each technology by Indicative Generation Capacity Expansion Plan (IGCEP) by NTDC. However, no such competitive bidding process undertaken. The response of CPPA-G and AEDB have made the Solar PV Power Project of LSPPL more complicated.

Accordingly, there does not seem to be any commercial justification to retain this company and incur costs thereon. Therefore, the Board of Directors of the Company had decided for voluntary winding up of the LSPPL.

During the year, LSPPL initiated the process of members' voluntary winding up. On June 30, 2022, LSPPL has concluded the winding up process and has submitted final documents to SECP whereby no amount is distributable to the Company out of net assets of LSPPL.

#### INTERNAL AUDIT AND CONTROL:

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

#### ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The company adheres to maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### ENVIRONMENTAL PROTECTION MEASURES

Environmental monitoring for Emissions from Diesel Generators and testing of waste water is conducted on periodic basis for compliance of National Environmental Quality Standards (NEQS).

#### CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the Company has identified the opportunities for development and uplifting the living standards of the local community near its plant e.g. provision of clean water, renovations of public amenities and plantation of trees. The Company is also very keen towards initiatives for development of education in the country and during the year under review, the Company has donated funds to Non-profit Organization in order to provide quality education to all the children of Pakistan.

#### CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Company Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017 provisions and Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). The following comments are acknowledgement of Company's commitment to high standards of Corporate Governance and continuous improvement.

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and

- prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Company's ability to continue as going concern.
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses.
- Value of investments in respect of retirement benefits fund:

Provident Fund: June 30, 2022 is Rs 388.281 million

#### ATTENDANCE OF MEMBERS IN AUDIT COMMITTEE MEETINGS

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

Sr. #	Name of Member	No. of Meetings Attended
1	Mr. Ahmad Aqeel (Member/Chairman)	4
2	Mr. Shahzad Ahmad Malik (Member)	4
3	Ms. Maleeha Humayun Bangash (Member)	3

#### ATTENDANCE OF MEMBERS IN HR COMMITTEE

During the year under review two Human Resource & Remuneration (HR&R) Committee meetings were held, attendance position was as under:

Sr. #	Name of Member	No. of Meetings Attended
1	Mr. Hassan Mansha (Member)	2
2	Mr. Ghazanfar Hussain Mirza (Member)	2
3	Mr. Ahmad Aqeel (Member/Chairman)	2

#### ATTENDANCE OF DIRECTORS IN BOD MEETINGS

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

Sr. #	Name of Directors	No. of Meetings Attended
1	Mian Hassan Mansha (Chairman)	4
2	Mr. Ahmad Aqeel	4
3	Mr. Mahmood Akhtar	4
4	Mr. Ghazanfar Hussain Mirza (Chief Executive)	4
5	Mr. Shahzad Ahmad Malik	4
6	Mr. Norez Abdullah	4
7	Ms. Maleeha Humayun Bangash	3

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

The Company has complied with the requirements of the Code regarding number of directorships and the composition of the board consequent to the election of directors on August 22, 2020.

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

### NAME OF DIRECTORS OF THE COMPANY:

Following persons served as directors of the company during the financial year 2022.

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

### COMPOSITION OF BOARD:

Total number of Directors:	
(a) Male	6
(b) Female:	1
Composition:	
(i) Independent Directors	2
(ii) Other Non-executive Directors	4
(iii) Executive Directors	1

## COMMITTEES OF THE BOARD:

### Audit Committee of the Board:

Sr. #	Name of Directors
1	Mr. Ahmad Aqeel (Independent Director) – Chairman
2	Ms. Maleeha Humayun Bangash (Independent Director)
3	Mr. Shahzad Ahmad Malik (Non-Executive Director)

### Human Resource and Remuneration Committee:

Sr. #	Name of Directors
1	Mr. Ahmad Aqeel (Independent Director) - Chairman
2	Mian Hassan Mansha (Non-Executive Director)
3	Mr. Ghazanfar Husain Mirza (Executive Director)

### DIRECTORS' REMUNERATION:

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

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

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

### PATTERN OF SHAREHOLDING:

The statement of pattern of shareholding as on June 30, 2022 is enclosed.



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

Any trade in the shares of the listed Company, carried out by its directors, executives and their spouses and minor children during the year ended June 30, 2022 is annexed to this report.

#### RELATED PARTIES:

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

#### CHAIRMAN'S REVIEW

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

#### MAINTENANCE RESERVE:

The Directors considers that the maintenance reserve of Rs. 3.15 billion created out of retained earnings of the Company in previous years, is sufficient to account for major repair and maintenances expenses, hence no change has been made in current year.

#### APPROPRIATIONS:

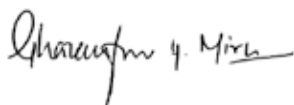
The Directors are pleased to recommend a final cash dividend of Rs.2.5 per share. The total dividend to be approved by the shareholders at the Annual General Meeting on October 18, 2022 will be Rs.2.5 per share i.e. 25% amounting to Rs. 885.221 million for the year ended June 30, 2022.

#### AUDITORS:

The present auditors M/s A. F. Ferguson, Chartered Accountants retire and being eligible, offer themselves for re-appointment for the year 2022-23. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

#### ACKNOWLEDGEMENT:

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Lahore: August 23, 2022



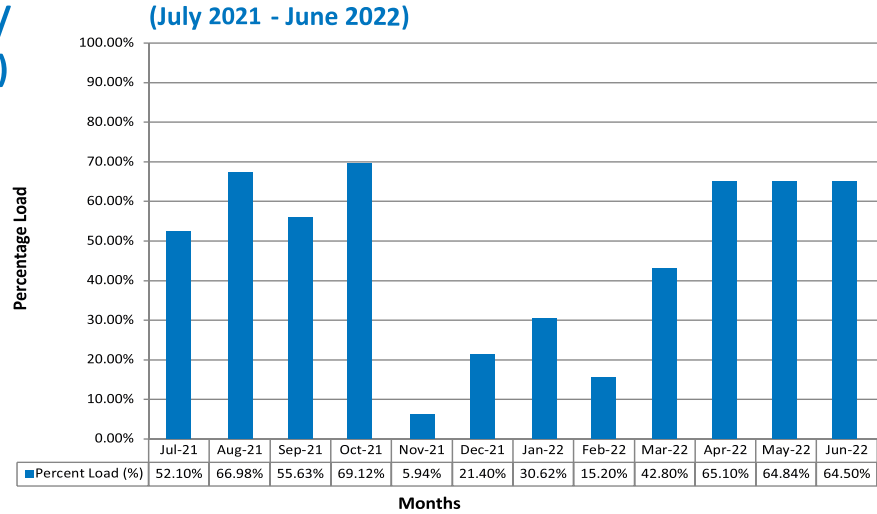
ہوئے پخت کی گئی تھی۔ کمپنی نے ایسے دعووں کو مسترد کر دیا، اور تنازعہ کو حل کرنے کے لیے GoP کے ساتھ بات چیت کی گئی۔ 12 فروری 2021 کو، ماسٹر ایگریمنٹ کے تحت کمپنی نے اس بات پر اتفاق کیا کہ مذکورہ تنازعہ کمپنی اور GoP کے درمیان ثالثی جمع کرانے کے معاہدے "Arbitration Submission Agreement" کے تحت ثالثی کے ذریعے حل کیا جائے گا۔ سال کے دوران، 15 جون 2022 کو، کمپنی اور GoP نے ثالثی جمع کرانے کے معاہدے "Arbitration Submission Agreement" پر دستخط کئے ہیں۔

ہم آپ کی توجہ ان مالیاتی حسابات کے نوٹ 17 کی طرف بھی مبذول کرانا چاہیں گے جو 68 دنوں کی مدت ('متنازعہ مدت') کے لیے 816.033 ملین روپے پر مشتمل کپسٹی ریونیو تنازع سے متعلق بقایا LCIA ایوارڈ کے خوشگوار حل کا حوالہ دیا گیا ہے جس میں پلانٹ CPPA-G کی جانب سے عدم ادائیگی کے باعث ایندھن کی عدم دستیابی کی وجہ سے بجلی کی پیداوار کے لیے مکمل طور پر دستیاب نہیں تھا۔ پی اے اے ترمیمی معاہدے کے مطابق، متنازعہ مدت کو پی اے اے کے تحت ایک دیگر فورس میجر ایونٹ ('OFME') کے طور پر سمجھا جاتا ہے۔ OFME کی مدت 9 جون 2021 کو شروع ہوئی ہے اور 15 اگست 2021 کو ختم ہو گئی ہے اور باقی قابل وصول تنازعہ رقوم پاور خریدار نے سال کے دوران ادا کر دی ہیں۔

### کاروباری نتائج:

سال کے دوران پلانٹ زیادہ سے زیادہ باکفایت کارکردگی پر چلایا گیا اور پاور پراجیکٹر کو اوسط 46.42 فیصد (2021: 30.59 فیصد) صلاحیت کے ساتھ 794GWh (2021: 523GWh) بجلی ترسیل کی گئی۔

### Capacity Factor / Percent Load (%)



کلیدی آپریٹنگ اور مالی اعداد و شمار:

2021	2022	30 جون کو ختم ہونے والی مالی سال
روپے بلین میں	روپے بلین میں	
11,433	23,684	آمدنی
2,681	3,323	خالص منافع
8,828	8,505	کل نان کرنٹ اثاثہ جات
3,541	3,541	اجراء، سبسکرائیڈ اور ادا شدہ سرمایہ
111	37	طویل مدتی فنانسنگ
3,642	4,488	قلیل مدتی فنانسنگ
523,402	794,242	جنریشن (MWh)
7.572	9.384	آمدنی فی حصص - بنیادی اور کم ہوا (روپے)
19.65	19.50	شیر آمدنی (مارکیٹ ویلیو روپے فی شیر)



### ماحولیاتی تحفظ کے اقدامات:

ڈیزل جنریٹرز اور گندے پانی کے ٹیسٹنگ سے اخراج کے لئے ماحولیاتی نگرانی نیشنل انوائرنمنٹل کوالٹی سٹینڈرڈز (NEQS) کی تعمیل کے لئے متواتر بنیاد پر کی جاتی ہے۔

### کارپوریٹ سماجی ذمہ داری:

زیر جائزہ مدت کے دوران، کمپنی نے اپنے پلانٹ کے قریب مقامی کمیونٹی کے معیار زندگی کو بہتر بنانے اور ترقی کے مواقعوں کی نشاندہی کی ہے مثلاً صاف پانی کی فراہمی، عوامی سہولیات کی تزئین و آرائش اور درخت لگانا۔ کمپنی ملک میں تعلیم کی ترقی کے لیے اقدامات کی بھی بہت خواہش مند ہے اور زیر جائزہ سال کے دوران کمپنی نے پاکستان کے تمام بچوں کو معیاری تعلیم کی فراہمی کی خاطر غیر منافع بخش تنظیم کو فنڈز عطیات کئے ہیں۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی مینجمنٹ اپنی ذمہ داری سے مکمل طور پر واقف ہے جیسا کہ گریڈ 1 یو 2017 کی دفعات اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی طرف سے جاری کوڈ آف کارپوریٹ گورننس میں بتایا گیا ہے۔ مندرجہ ذیل تبصرے کارپوریٹ گورننس اور مسلسل بہتری میں اعلیٰ معیار کے لئے کمپنی کی کاوشوں کا ثبوت ہیں۔

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اور مینجمنٹ کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- ریٹائرمنٹ بینیفٹس فنڈ کی مد میں سرمایہ کاری کی قدر:

پروایڈمنٹ فنڈ: 30 جون 2022 کو 388.281 ملین روپے ہے۔

### آڈٹ کمیٹی کے اجلاسوں میں ارکان کی شمولیت

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

نمبر شمار	نام رکن	عہدہ	تعداد حاضری
1	جناب احمد عقیل	(ممبر/چیئر مین)	4
2	جناب شہزاد احمد ملک	(ممبر)	4
3	محترمہ ملیحہ ہمایوں بگٹش	(ممبر)	3



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

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

نمبر شمار	نام رکن	عہدہ	تعداد حاضری
1	جناب حسن منشا	(ممبر)	2
2	جناب غففر حسین مرزا	(ممبر)	2
3	جناب احمد عقیل	(ممبر/چیئر مین)	2

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

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

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	میاں حسن منشا	(چیئر مین)	4
2	جناب احمد عقیل		4
3	جناب محمود اختر		4
4	جناب غففر حسین مرزا	(چیف ایگزیکٹو)	4
5	جناب شہزاد احمد ملک		4
6	جناب نوریز عبداللہ		4
7	محترمہ ملیحہ ہمایوں بگٹش		3

### لنڈیکمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019

کمپنی نے 22 اگست 2020 کو ڈائریکٹرز کے انتخاب کے لئے ڈائریکٹرشپس کی تعداد اور بورڈ کی ترتیب کے سلسلے میں کوڈ کے تقاضوں کی تعمیل کی ہے۔  
بورڈ نے اسٹیک ہولڈرز کے اعتماد کو فروغ دینے کے لئے، اپنے آپریشنز میں شفافیت کے حصول کے مد نظر، اچھے کارپوریٹ گورننس کو شامل اور عملدرآمد کرنے پر بہت زور دیا ہے۔

### کمپنی کے ڈائریکٹرز کے نام:

مالی سال 2022 کے دوران، مندرجہ ذیل افراد نے کمپنی کے ڈائریکٹرز کی حیثیت سے خدمات سرانجام دی ہیں:

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل
2	محترمہ ملیحہ ہمایوں بگٹش
3	میاں حسن منشا
4	جناب شہزاد احمد ملک
5	جناب نوریز عبداللہ
6	جناب غففر حسین مرزا
7	جناب محمود اختر

## بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد

(a) مرد 6

(b) عورت 1

## ترتیب

(i) آزاد ڈائریکٹرز 2

(ii) دیگر نان ایگزیکٹو 4

(iii) ایگزیکٹو 1

## بورڈ کی کمیٹیاں

### بورڈ کی آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین
2	ملیحہ ہمایوں بگش (آزاد ڈائریکٹر)
3	جناب شہزاد احمد ملک (نان ایگزیکٹو ڈائریکٹر)

### ہیومن ریسورس اینڈ ریمنیشن کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین
2	میاں حسن منشا (نان ایگزیکٹو ڈائریکٹر)
3	جناب غففر حسین مرزا (ایگزیکٹو ڈائریکٹر)

### ڈائریکٹرز کا مشاہرہ:

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

### کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

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

### حصص داری کا نمونہ:

بمطابق 30 جون 2022 نمونہ حصص داری کا بیان منسلک ہے۔

### کمپنی کے حصص میں ٹریڈنگ:

30 جون 2022 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے زوج اور نابالغ بچوں کی طرف سے لسٹڈ کمپنی کے حصص میں کی گئی تمام تجارت اس سالانہ رپورٹ کے ہمراہ منسلک ہے۔

### متعلقہ پارٹیاں:

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

### جیئر مین کا جائزہ

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

### مینیجمنٹ کے لئے مختص رقم:

ڈائریکٹرز کا خیال ہے کہ پچھلے برسوں میں کمپنی کی برقرار آمدنی میں سے مینیجمنٹ کے لئے 3.15 بلین روپے مختص کئے گئے، جو کہ اہم مرمت اور دیکھ بھال کے اخراجات کے لیے کافی ہیں، اس لیے موجودہ سال میں کوئی تبدیلی نہیں کی گئی۔

### تصرفات:

ڈائریکٹرز 2.5 روپے فی شیئر کے حتمی نقد منافع کی سفارش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 30 جون 2022 کو ختم ہونے والے سال کے لئے 18 اکتوبر 2022 کو منعقدہ سالانہ اجلاس عام میں شیئر ہولڈرز کی طرف سے منظور کیے جانے والا کل منافع منقسمہ 2.5 فی شیئر ہوگا یعنی 25 فیصد 885.221 بلین روپے ہوگی۔

### محاسب:

موجودہ محاسب میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے اہل ہونے کی بناء پر سال 2022-23 کے لئے دوبارہ تعیناتی کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے محاسب کی دوبارہ تقرری کی سفارش کی ہے۔

### اظہار تشکر:

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

ڈائریکٹر

چیف ایگزیکٹو

لاہور: 23 اگست 2022ء

# PATTERN OF HOLDINGS

OF THE SHARES HELD BY THE SHAREHOLDERS  
OF NISHAT POWER LIMITED AS AT JUNE 30, 2022

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	TO	TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
293	1 -	100	6,880	0.00
1274	101 -	500	612,977	0.17
497	501 -	1000	484,463	0.14
830	1001 -	5000	2,402,956	0.68
326	5001 -	10000	2,715,305	0.77
96	10001 -	15000	1,283,878	0.36
85	15001 -	20000	1,592,700	0.45
60	20001 -	25000	1,430,148	0.40
50	25001 -	30000	1,453,236	0.41
21	30001 -	35000	707,643	0.20
22	35001 -	40000	845,000	0.24
16	40001 -	45000	684,160	0.19
41	45001 -	50000	2,013,450	0.57
6	50001 -	55000	319,500	0.09
18	55001 -	60000	1,045,500	0.30
6	60001 -	65000	385,500	0.11
7	65001 -	70000	481,000	0.14
13	70001 -	75000	953,500	0.27
11	75001 -	80000	858,000	0.24
5	80001 -	85000	418,000	0.12
14	85001 -	90000	1,237,500	0.35
6	90001 -	95000	560,204	0.16
26	95001 -	100000	2,600,000	0.73
3	100001 -	105000	307,122	0.09
3	105001 -	110000	330,000	0.09
3	110001 -	115000	334,000	0.09
3	115001 -	120000	358,000	0.10
4	120001 -	125000	495,001	0.14
3	125001 -	130000	388,500	0.11
5	130001 -	135000	667,500	0.19
3	135001 -	140000	411,501	0.12
2	140001 -	145000	282,500	0.08
5	145001 -	150000	749,500	0.21
3	150001 -	155000	454,500	0.13
5	155001 -	160000	788,819	0.22
3	160001 -	165000	484,153	0.14
1	165001 -	170000	165,500	0.05
4	170001 -	175000	693,500	0.20
2	180001 -	185000	370,000	0.10
3	185001 -	190000	567,500	0.16
7	195001 -	200000	1,400,000	0.40
1	200001 -	205000	205,000	0.06
2	205001 -	210000	417,500	0.12
1	210001 -	215000	210,695	0.06
2	215001 -	220000	439,500	0.12
1	220001 -	225000	224,500	0.06
2	230001 -	235000	466,000	0.13
1	235001 -	240000	236,500	0.07
2	240001 -	245000	485,000	0.14
6	245001 -	250000	1,495,500	0.42
3	250001 -	255000	763,000	0.22
1	255001 -	260000	259,500	0.07
1	265001 -	270000	267,500	0.08

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
1	270001 -	275000	275,000	0.08
1	275001 -	280000	276,500	0.08
5	295001 -	300000	1,500,000	0.42
2	315001 -	320000	638,000	0.18
1	340001 -	345000	344,000	0.10
5	395001 -	400000	1,999,000	0.56
1	405001 -	410000	408,500	0.12
2	450001 -	455000	901,500	0.25
1	465001 -	470000	470,000	0.13
5	495001 -	500000	2,499,000	0.71
5	515001 -	520000	2,597,000	0.73
1	555001 -	560000	558,000	0.16
2	595001 -	600000	1,197,500	0.34
1	600001 -	605000	603,500	0.17
1	615001 -	620000	615,554	0.17
1	665001 -	670000	668,000	0.19
1	675001 -	680000	676,500	0.19
1	680001 -	685000	683,000	0.19
1	750001 -	755000	751,000	0.21
1	765001 -	770000	770,000	0.22
1	840001 -	845000	841,500	0.24
1	845001 -	850000	850,000	0.24
3	880001 -	885000	2,654,547	0.75
1	920001 -	925000	923,500	0.26
1	960001 -	965000	965,000	0.27
2	995001 -	1000000	2,000,000	0.56
1	1000001 -	1005000	1,001,627	0.28
1	1005001 -	1010000	1,010,000	0.29
1	1195001 -	1200000	1,200,000	0.34
1	1230001 -	1235000	1,234,000	0.35
1	1375001 -	1380000	1,379,500	0.39
5	1495001 -	1500000	7,500,000	2.12
1	1540001 -	1545000	1,541,500	0.44
1	1560001 -	1565000	1,565,000	0.44
1	1630001 -	1635000	1,633,000	0.46
1	1720001 -	1725000	1,725,000	0.49
1	1845001 -	1850000	1,847,000	0.52
1	1900001 -	1905000	1,902,000	0.54
1	1995001 -	2000000	2,000,000	0.56
1	2795001 -	2800000	2,798,168	0.79
1	3030001 -	3035000	3,031,000	0.86
1	3825001 -	3830000	3,826,488	1.08
1	3995001 -	4000000	4,000,000	1.13
1	4120001 -	4125000	4,124,500	1.16
1	4475001 -	4480000	4,478,245	1.26
1	4595001 -	4600000	4,598,500	1.30
2	4995001 -	5000000	10,000,000	2.82
1	5470001 -	5475000	5,471,925	1.55
1	9160001 -	9165000	9,160,500	2.59
1	29995001 -	30000000	30,000,000	8.47
1	180585001 -	180590000	180,585,155	51.00
3,886			354,088,500	100.00



### Categories of Shareholders as at June 30th, 2022

Sr. #	Categories	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and Minor Children	4,001	0.0011
2	Associates Companies, Undertakings and related parties	180,632,955	51.0135
3	NIT and ICP	Nil	Nil
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	49,455,000	13.9668
5	Insurance Companies	4,992,488	1.4100
6	Modarabas and Mutual Funds	4,926,000	1.3912
7	Shareholders holding 10% or more	180,632,955	51.0135
8	General Public		
	a. Local	94,232,172	26.6126
	b. Foreign	189,000	0.0534
9	Others	19,656,884	5.5514

## CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2022

Categories of Shareholders	Shares Held	Percentage
Associated Companies, Undertaking and Related Parties		
NISHAT MILLS LIMITED	47,800	0.0135
NISHAT MILLS LIMITED	180,585,155	51.0000
	180,632,955	51.0135
<b>Mutual Funds</b>		
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	161,000	0.0455
CDC - TRUSTEE AKD OPPORTUNITY FUND	3,031,000	0.8560
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1,633,000	0.4612
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	10,000	0.0028
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	91,000	0.0257
	4,926,000	1.3912
<b>Directors and their spouses and Minor Children</b>		
MIAN HASSAN MANSHA	1	0.0000
NOREZ ABDULLAH	500	0.0001
SHAHZAD AHMAD MALIK	500	0.0001
MALEEHA HUMAYUN BANGASH	500	0.0001
GHAZANFAR HUSAIN MIRZA	1,000	0.0003
MAHMOOD AKHTAR	1,000	0.0003
AHMAD AQEEL	500	0.0001
	4,001	0.0011
<b>Executives</b>	Nil	Nil
<b>Public Sector Companies and Corporations</b>		
Joint Stock Companies	11,645,989	3.2890
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds</b>		
Banks, DFIs and NBFIs	49,455,000	13.9668
Insurance Companies	4,992,488	1.4100
Pension Funds/ Provident Funds etc.	1,548,470	0.4373
Trusts/Foundation etc.	6,462,425	1.8251
	62,458,383	17.6392
<b>Shareholders holding 5% or more voting rights:</b>		
NISHAT MILLS LIMITED	180,632,955	51.0135
ALLIED BANK LIMITED	30,000,000	8.4725
	210,632,955	59.4860

## INFORMATION UNDER LISTING REGULATION NO. 5.6.1(D) OF PSX RULE BOOK AS ON JUNE 30, 2022

There are no trading in shares of the Company, carried out by its Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, Other Employees and their spouses and minor children during the year July 01, 2021 to June 30, 2022.

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

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

# STATEMENT OF COMPLIANCE

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

Name of company : Nishat Power Limited

Year ending : June 30, 2022

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

1. The total number of directors are Seven ( 7 ) as per the following:

- |    |         |   |
|----|---------|---|
| a. | Male:   | 6 |
| b. | Female: | 1 |

2. The composition of board is as follows:

Independent Director	Mr. Ahmad Aqeel Ms. Maleeha Humayun Bangash
Non-executive Director	Mian Hassan Mansha Mr. Mahmood Akhtar Mr. Shahzad Ahmad Malik Mr. Norez Abdullah
Executive Directors	Mr. Ghazanfar Hussain Mirza

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 Act and these 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 these Regulations;
9. The following Directors have either obtained certificate of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019:

Mr. Ahmad Aqeel  
Mr. Ghazanfar Hussain Mirza  
Mr. Mahmood Akhtar  
Mr. Shahzad Ahmad Malik  
Ms. Maleeha Humayun Bangash  
Mr. Norez Abdullah

While Mian Hassan Mansha will undertake the Directors Training Program within stipulated time.

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**

1. Mr. Ahmad Aqeel (Independent Director) – Chairman
2. Ms. Maleeha Bangash (Independent Director)
3. Mr. Shahzad Ahmad Malik (Non-Executive Director)

b) **HR and Remuneration Committee**

1. Mr. Ahmad Aqeel – (Independent Director) - Chairman
2. Mian Hassan Mansha (Non-Executive Director)
3. Mr. Ghazanfar Hussain Mirza (Executive Director)

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 quarterly meetings were held during the financial year ended June 30, 2022.

b) **HR and Remuneration Committee**

Two meetings of HR and Remuneration Committee was held during the financial year ended June 30, 2022.

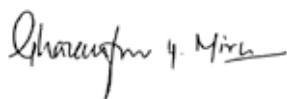
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating 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



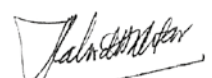
requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
- 18(a) In respect of regulation 6(1), the Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Non-Mandatory Requirement	Reg. No.	Explanation
<b>Representation of Minority shareholders:</b> The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
<b>Responsibilities of the Board and its members:</b> Adoption of the corporate governance practices.	10(1)	Non-mandatory provisions of the CCG Regulations are partially complied.
<b>Nomination Committee:</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee;
<b>Risk Management Committee:</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the board has not constituted a RMC and the Company's Risk Manager performs the requisite functions and apprises the board accordingly.



**(Ghazanfar Hussain Mirza)**  
Director/CEO



**(Mahmood Akhtar)**  
Director

Lahore: August 23, 2022

# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF NISHAT POWER LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat Power Limited for the year ended June 30, 2022 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 June 30, 2022.



A.F. Ferguson & Co.  
Chartered Accountants

Place: Lahore

Date: September 06, 2022

UDIN: CR202210118pOb04Q5ME



# FINANCIAL STATEMENTS

For the year ended June 30, 2022

## NEWS

### FINANCIAL REPORT

3.456  
2.589  
1.253  
4.896

3.45 2.58 6.58 12.3

# INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Power Limited

Report on the Audit of the Financial Statements

## Opinion

We have audited the annexed financial statements of Nishat Power Limited (the Company), which comprise the statement of financial position as at June 30, 2022, 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, statement of profit or loss, 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 June 30, 2022 and of the profit and 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.

## 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.

We have determined that there are no key audit matters to communicate in our report.

## Information Other than the Financial Statements and Auditor's Reports 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 reports 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, 2018 (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 judgement 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 Amer Raza Mir.



A.F.Ferguson & Co.  
Chartered Accountants

Lahore:  
Date: September 06, 2022

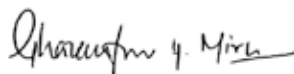
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# STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2022

	Note	June 30 2022 (Rupees in thousand)	June 30 2021
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 500,000,000 (June 30, 2021: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid up share capital 354,088,500 (June 30, 2021: 354,088,500) ordinary shares of Rs 10 each	5	3,540,885	3,540,885
Capital reserve	6	3,153,633	3,153,633
Revenue reserve: Un-appropriated profits		21,399,042	19,315,746
		28,093,560	26,010,264
<b>NON-CURRENT LIABILITY</b>			
Long term financing - secured	7	-	36,903
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing - secured	7	36,903	73,805
Short term borrowings - secured	8	4,487,946	3,642,052
Trade and other payables	9	648,853	932,750
Unclaimed dividend		20,144	17,880
Accrued mark-up	10	82,884	72,403
		5,276,730	4,738,890
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	33,370,290	30,786,057

The annexed notes 1 to 39 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

	Note	June 30 2022 (Rupees in thousand)	June 30 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	12	8,503,711	8,826,575
Long term investments	13	-	-
Long term loans and advances	14	1,228	1,461
		<hr/> 8,504,939	<hr/> 8,828,036
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	15	891,851	656,989
Inventories	16	4,172,155	649,107
Trade debts	17	11,533,456	18,964,182
Advances, deposits, prepayments and other receivables	18	1,976,426	1,242,287
Income tax receivable		50,624	42,865
Short term investments	19	5,733,711	-
Cash and bank balances	20	507,128	402,591
		<hr/> 24,865,351	<hr/> 21,958,021
		<hr/> 33,370,290	<hr/> 30,786,057

  
DIRECTOR

## STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees in thousand)	2021
Revenue	21	23,684,340	11,432,571
Cost of sales	22	(19,809,291)	(8,003,867)
<b>Gross profit</b>		<b>3,875,049</b>	<b>3,428,704</b>
Administrative expenses	23	(334,334)	(302,223)
Other expenses	24	(73,179)	(162,717)
Other income	25	91,247	56,570
Finance costs	26	(235,800)	(339,200)
<b>Profit before taxation</b>		<b>3,322,983</b>	<b>2,681,134</b>
Taxation	27	(377)	-
<b>Profit for the year</b>		<b>3,322,606</b>	<b>2,681,134</b>
Earnings per share - basic and diluted (in Rupees)	28	9.384	7.572

The annexed notes 1 to 39 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 (Rupees in thousand)	2021
Profit for the year	3,322,606	2,681,134
<b>Other comprehensive income:</b>		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
<b>Total comprehensive income for the year</b>	<b>3,322,606</b>	<b>2,681,134</b>

The annexed notes 1 to 39 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserve: Maintenance reserve	Revenue reserve: Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as at June 30, 2020	3,540,885	3,153,633	16,988,701	23,683,219
Profit for the year	-	-	2,681,134	2,681,134
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	2,681,134	2,681,134
Transactions with owners in their capacity as owners:				
Final dividend for the year ended June 30, 2020 @ Rupee 1 per share	-	-	(354,089)	(354,089)
Balance as at June 30, 2021	3,540,885	3,153,633	19,315,746	26,010,264
Profit for the year	-	-	3,322,606	3,322,606
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,322,606	3,322,606
Transactions with owners in their capacity as owners:				
Final dividend for the year ended June 30, 2021 @ Rupees 1.5 per share	-	-	(531,133)	(531,133)
Interim dividend for the half year ended December 31, 2021 @ Rupees 2.0 per share	-	-	(708,177)	(708,177)
Balance as at June 30, 2022	3,540,885	3,153,633	21,399,042	28,093,560

The annexed notes 1 to 39 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees in thousand)	2021
<b>Cash flows from operating activities</b>			
Cash generated from operations	29	6,984,218	2,393,864
Finance cost paid		(225,319)	(435,888)
Income tax paid		(8,136)	(4,182)
Long term loans and advances - net		233	1,539
Retirement benefits paid		(28,699)	(26,544)
<b>Net cash generated from operating activities</b>		<b>6,722,297</b>	<b>1,928,789</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(451,169)	(163,170)
Investment in subsidiary		(1,750)	-
Purchase of short term investments		(9,534,162)	(18,344)
Proceeds from sale of short term investments		3,767,658	36,979
Proceeds from disposal of operating fixed assets		44,723	37,488
Profit on bank deposits received		21,776	1,521
<b>Net cash used in investing activities</b>		<b>(6,152,924)</b>	<b>(105,526)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finances	7	-	76,937
Repayment of long term finances	7	(73,805)	(40,052)
Dividend paid		(1,237,046)	(353,692)
<b>Net cash used in financing activities</b>		<b>(1,310,851)</b>	<b>(316,807)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(741,478)</b>	<b>1,506,456</b>
Exchange gain / (loss) on foreign currency		121	(2)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>(3,239,461)</b>	<b>(4,745,915)</b>
<b>Cash and cash equivalents at the end of the year</b>	30	<b>(3,980,818)</b>	<b>(3,239,461)</b>

The annexed notes 1 to 39 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

## 1. THE COMPANY AND ITS ACTIVITIES

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

The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 53-A, Lawrence Road, Lahore. The address of the head office of the Company is 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The Company had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty five years which commenced from June 09, 2010. On February 12, 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 June 8, 2021 was extended by sixty eight (68) days to August 15, 2021. Therefore, the existing term of the PPA Agreement has been extended by sixty eight days to twenty five years and sixty eight days ending on August 15, 2035.

### 1.1 Master Agreement and Power Purchase Amendment Agreement

The Company in the larger national interest and sustainability of the power sector, voluntarily had agreed to alter its existing contractual arrangements with the CPPA-G for the sale and purchase of electricity. In this respect, the Company entered into a "Master Agreement" and a "PPA Amendment Agreement" (hereinafter referred to as the 'Agreements') on February 12, 2021. Under these Agreements, the Company and CPPA-G had primarily agreed on the following matters that are subject to fulfilment of certain terms and conditions mentioned in the Agreements:

- The long outstanding receivables as at November 30, 2020 aggregating to Rs 14,252.802 million be paid in two instalments. During the current year first instalment of 40% of the aforementioned outstanding amount was received on January 06, 2022 and second instalment of 60% of the aforementioned outstanding amount was received on June 30, 2022. These instalments comprised of 1/3rd cash, 1/3rd in the form of tradeable Ijarah Sukuk, and 1/3rd in the form of tradeable Pakistan Investment Bonds (PIBs).
- Pursuant to Agreements, the Company had agreed that, the discounts in tariff components i.e. Return on Equity (ROE) including Return on Equity During Construction (RoEDC) shall be changed to 17% per annum in Pak Rupee (PKR) calculated at PKR/USD exchange rate of PKR 148/USD, with no future USD indexation. However, the existing ROE and RoEDC, together with applicable indexation, shall continue to be applied until the date when the applicable exchange rate under the present tariff reaches PKR 168/USD, whereupon the revised RoE and RoEDC shall become applicable for remainder of the term of the PPA. Whereas the above stated revised tariff shall be effective subject

to notification by Government of Pakistan ('GoP') and payment of first instalment by CPPA-G.

During the current year on payment of first instalment by CPPA-G according to the agreements and the NEPRA decision on revised tariff dated April 02, 2021 and its notification by GOP dated January 06, 2022, the Company has reduced its Capacity Purchase Price (CPP) relating to ROE and ROEDC components, by giving discount (effective from January 06, 2022) to CPPA-G as stated above. Whereas on payment of second instalment as stated above, the discounts became effective and revised tariff has become applicable for remainder of the term of the PPA from July 01, 2022. Accordingly, the aforesaid Agreements become effective as per terms agreed.

- On March 16, 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The Company rejected such claims, and discussions were made with the GoP to resolve the dispute. On February 12, 2021, the Company under the Agreements, agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between the Company and GoP. During the year, on June 15, 2022, the Company and the GoP have signed the Arbitration Submission Agreement.
- Amicable resolution of the capacity revenue dispute involving Rs 816.033 million for the period ('disputed period') in which the plant was not fully available for power generation due to non-availability of fuel owing to non-payment by CPPA-G. Pursuant to the PPA Amendment Agreement, the disputed period has been treated as an Other Force Majeure Event ('OFME') under the PPA. The OFME period has commenced on June 9, 2021 and ended on August 15, 2021, consequently, the term of PPA has been extended by 68 days, till August 15, 2035. The disputed amounts have been received during the year. The accounting implications of the same have been detailed under note 17.2 to these financial statements.

## 2. BASIS OF PREPARATION

### 2.1 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:

- i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

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

## 2.2 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

### 2.2.1 Standards, amendments and interpretations to existing standards that are effective in current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

### 2.2.2 Exemption from applicability of certain standards

(a) Securities and Exchange Commission of Pakistan ('SECP') through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies to the extent of their power purchase agreements executed before January 1, 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:

	2022 (Rupees in thousand)	2021
De-recognition of property, plant and equipment	(7,918,485)	(8,467,959)
De-recognition of trade debts	(487,418)	(7,134,685)
Recognition of lease debtor	4,032,082	10,748,829
Decrease in un-appropriated profits at the beginning of the year	(4,853,815)	(5,452,679)
Increase in profit for the year	479,994	598,864
Decrease in un-appropriated profits at the end of the year	(4,373,821)	(4,853,815)

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

### 2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2022, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

#### a) Amendments to IAS 1, 'Classification of liabilities as current or non-current'

The narrow-scope amendments to IAS 1 Presentation of Financial Statements, effective for accounting periods beginning on or after January 01, 2023, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the settlement of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

#### b) Amendments to IAS 1 and IFRS 2 Practice Statement 2, 'Disclosure of Accounting Policies'

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2023.

The Company is in the process of assessing the impact of these amendment on the Company's financial statements.

#### c) Amendments to IAS 8, 'Definition of Accounting Estimates'

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective for accounting periods beginning on or after January 01, 2023, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

### 3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention.

#### 3.2 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies, however, there were no areas that involved a higher degree of judgement or complexity, or any items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be inaccurate.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

##### 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, if any, is made in the statement of profit or loss on income from sources not covered under the above clauses at current rates of taxation after taking into account deductible allowances, tax credits, and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

##### Deferred

Deferred tax is accounted for using the balance sheet 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 bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognised for all taxable

temporary differences and deferred tax assets are recognised 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 utilised.

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 statement of financial position date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

Deferred tax has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

## **4.2 Property, plant and equipment**

### **4.2.1 Operating fixed assets**

Operating fixed assets are stated at historical cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on operating fixed assets, other than identifiable capital spares in plant and machinery, is charged to the statement of profit or loss on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 12.1 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.4).

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 during the period in which they are incurred.

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.

### **4.2.2 Capital work-in-progress**

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

### **4.2.3 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.



### 4.3 Intangible assets

Expenditure incurred to acquire computer software is capitalised as an intangible asset and stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets are amortised using the straight line method over a period of five years. Intangibles have been fully amortized till June 30, 2021.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.4).

### 4.4 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 4.5 Leases

#### Lessee accounting

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases which are not short term (of a period less than twelve months) or of low monetary value, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses the recent third party financing received by the Company as a starting point, adjusted to reflect the changes in financing conditions since third party financing was received;
- uses expected terms of third party financing based on correspondence with the third party financial institutions, where third party financing was not received recently; and
- makes adjustments specific to the lease e.g. terms and security.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods covered by termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). While making this assessment, the Company considers significant penalties to terminate (or not extend) as well as the significant cost of business disruption.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit and loss if the carrying amount of right of use asset has been reduced to zero.

The right of use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right of use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term and low value leases are recognised on a straight line basis as an expense in the statement of profit or loss.

#### 4.6 Stores, spares and loose tools

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

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

#### 4.7 Inventories

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

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

## 4.8 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

### 4.8.1 Investment in equity instruments of subsidiary

Investment in equity instruments of subsidiary is measured at cost as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognised as an expense in the statement of profit or loss.

### 4.8.2 Investment in equity instruments of associate

Investments in associated companies are accounted for using the equity method. Under this method the investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investment.

The Company's share of its associated companies post-acquisition profits or losses and its share of post-acquisition other comprehensive income is recognised in the statement of changes in net assets. Dividends receivable from associated companies are recognised as a reduction in the carrying amount of the investment.

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

## 4.9 Financial assets

### 4.9.1 Classification

The Company classifies its financial assets other than investments in equity instruments of subsidiary and associate in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss], and
- those to be measured at amortised 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 OCI. For investments in equity instruments that are not held for trading, 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 (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### 4.9.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### 4.9.3 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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments 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:

**i) Amortised cost:** 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. Impairment losses are presented as separate line item in the statement of profit or loss.

**ii) FVOCI:** 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or 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 OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statement of profit or loss.

**iii) FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

##### Equity instruments

The Company subsequently measures all equity investments except for investments in equity instruments of subsidiary and associate at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. 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.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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

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

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

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

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

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

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

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;

- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

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

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

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

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

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

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

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

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

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

#### 4.10 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

#### 4.11 Offsetting of financial assets and financial liabilities

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

#### 4.12 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan includes trade debts, contract assets and other receivables due from CPPA-G under the PPA that also includes accrued amounts. The Company follows relevant requirements of IAS 39 in respect of impairment of these financial assets due to the exemption available in respect of IFRS 9 till June 30, 2022 as stated in note 2.2.2 (b).

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 reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.



#### 4.13 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 4.22 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.

#### 4.14 Contract asset and contract liability

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

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

#### 4.15 Share capital

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

#### 4.16 Employee benefits

##### (i) Short term obligations

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

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

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

#### 4.17 Trade and other payables

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

#### 4.18 Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### 4.19 Cash and cash equivalents

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

#### 4.20 Borrowings

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

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

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

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

#### 4.21 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.

#### 4.22 Revenue recognition

Revenue shall be recognised when (or as) the Company 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.

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.

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.

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

#### 4.23 Finance income

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

#### 4.24 Foreign currency transactions and translation

##### a) 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.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

#### 4.25 Dividend and appropriation to reserves

Dividend and other appropriation to reserves are recognized in the financial statements in the period in which these are approved.

#### 4.26 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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

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

Contingent liabilities and assets are generally estimated using:

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

#### 4.27 Rounding off amounts

All amounts presented in these financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

## 5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

5.1. This represents 354,088,500 (2021: 354,088,500) ordinary shares of Rs 10 each fully paid in cash. 180,632,955 (2021: 180,632,955) ordinary shares of the Company are held by Nishat Mills Limited, the holding Company.

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

6. This represents maintenance reserve set aside from retained earnings for the purpose of meeting repair and maintenance costs associated with major maintenance of the plant in coming years. The reserve is not available for distribution of profits through dividend and will be utilized on actual occurrence of expenditure.

## 7. LONG TERM FINANCING - SECURED

This represents long term financing facility (running musharaka facility) availed from Faysal Bank Limited (through its Islamic Banking Division) as a Participating Financial Institution under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'). The total facility available amounts to Rs 156.469 million. The financing is secured against pari passu charge over all the present and future fuel stock/inventory and energy revenue receivables. It carries mark-up at the rate of SBP Profit Rate under the Refinance Scheme plus 0.5% to 0.75% per annum, payable on quarterly basis. The base rate applicable during the year is SBP rate which was zero, hence, the mark-up rate charged during the year on the outstanding balance ranged from 0.5% to 0.75% (2021: 0.5% to 0.75%) per annum. The remaining principal amount is repayable in 2 equal quarterly instalments till December 2022. This facility has not been initially recognised at fair value in accordance with IFRS 9 and resultantly, the government grant in accordance with IAS 20 has also not been booked, as the effect is not considered material in respect of these financial statements. The reconciliation of carrying amount is as follows:

	2022 (Rupees in thousand)	2021
Opening balance	110,708	73,823
Loan disbursements during the year	-	76,937
Less: Repayments during the year	(73,805)	(40,052)
	36,903	110,708
Less: Current portion shown under current liabilities	(36,903)	(73,805)
	-	36,903
<b>8. SHORT TERM BORROWINGS - SECURED</b>		
Short term borrowings under mark-up arrangements obtained as under:		
Running finances - note 8.1	3,737,946	3,192,052
Term finances - note 8.2	750,000	450,000
	4,487,946	3,642,052

## 8.1 Running finances

The total running finance and running musharka main facilities obtained from various commercial banks under mark-up arrangements aggregate Rs 10,600.94 million (2021: Rs 10,251.52 million). Such facilities have been obtained at mark-up rates ranging from one month to three months KIBOR plus 0.2% to 2.5% per annum, payable quarterly, on the balance outstanding. The aggregate facilities are secured against charge on present and future current assets. The mark-up rate charged during the year on the outstanding balance ranged from 7.65% to 15.52% (2021: 7.46% to 12.19%) per annum. Various sub facilities comprising money market loans and letters of guarantee have also been utilized under the aforementioned main facilities.

## 8.2 Term finances

The total murabaha, term finance/money market main and sub-limit facilities obtained from various commercial banks under mark-up arrangements aggregate Rs 2,000 million (2021: Rs 1,400 million). Such facilities have been obtained at mark-up rates ranging from one week to six months KIBOR plus 0.05% to 0.60%, payable at the maturity of the respective murabaha transaction/term finance facility. The aggregate facilities are secured against charge on present and future current assets. The mark-up rate charged during the year on the outstanding balance ranged from 7.54% to 14.99% (2021: 7.55% to 7.72%) per annum.

## 8.3 Letters of credit and guarantee

The main facilities for opening letters of credit and guarantee aggregate Rs 750 million (2021: Rs 750 million). The amount utilised at June 30, 2022, for letters of credit was Rs 135.41 million (2021: Rs 2.33 million) and for letters of guarantee was Rs 552.51 (2021: Rs 613 million). The aggregate facilities for opening letters of credit and guarantee are secured by charge on present and future current assets including fuel stocks/inventory of the Company and by lien over import documents.

		2022	2021
		(Rupees in thousand)	
9.	TRADE AND OTHER PAYABLES		
	Creditors - note 9.1	113,898	196,934
	Payable to contractors	3,911	5,234
	Workers' Profit Participation Fund - note 9.2	300,207	568,963
	Workers' Welfare Fund - note 9.3	217,494	151,035
	Other accrued liabilities	13,343	10,584
		648,853	932,750
9.1	Includes amounts due to the following related parties :		
	Hyundai Nishat Motor (Private) Limited	91	59
	Adamjee Insurance Company Limited	3,133	2,741
		3,224	2,800

	2022 (Rupees in thousand)	2021
<b>9.2 Workers' Profit Participation Fund</b>		
Opening balance	568,963	434,906
Provision for the year	166,149	134,057
Adjustment against prior years	702	-
	<hr/> 735,814	<hr/> 568,963
Less: Payments made during the year	(435,607)	-
Closing balance	<hr/> 300,207	<hr/> 568,963
<b>9.3 Workers' Welfare Fund</b>		
Opening balance	151,035	97,412
Provision for the year	66,459	53,623
Closing balance	<hr/> 217,494	<hr/> 151,035
<b>10. ACCRUED MARK-UP</b>		
Accrued mark-up / interest on:		
Long term financing - secured	5	-
Short term borrowings - secured	82,879	72,403
	<hr/> 82,884	<hr/> 72,403

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingent liabilities:

- (i) A sales tax demand of Rs 1,218.132 million was raised against the Company through order dated December 11, 2013, passed by the Assistant Commissioner Inland Revenue ('ACIR') disallowing input sales tax for the tax periods of July 2010 through June 2012. The disallowance was primarily made on the grounds that since revenue derived by the Company on account of 'capacity revenue' was not chargeable to sales tax, input sales tax claimed by the Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy revenue' admissible to the Company. Upon appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'], such issue was decided in Company's favour, however, certain other issues agitated by the Company were not adjudicated. Both the Company and department have filed appeals against the order of CIR(A) before Appellate Tribunal Inland Revenue ('ATIR'). Subsequent to year end, on August 02, 2022, the Company has received favorable decision from ATIR.

Moreover, the above explained issue was taken up by department for tax periods of July 2009 to June 2013 (involving input sales tax of Rs 1,722.811 million), however, the Company assailed the underlying proceedings before Lahore High Court ('LHC') directly and in this respect, through order dated October 31, 2016, LHC accepted the Company's stance and annulled the proceedings. The department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

Similarly, for financial year 2014, Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rs 596.091 million). Company challenged the jurisdiction in respect of audit proceedings



before LHC and while LHC directed the management to join the subject proceedings, department was debarred from passing the adjudication order. During the year 2019, LHC dismissed the petition in favour of the department, by allowing the department to complete the audit proceedings that are pending completion. During the prior year on January 26, 2021, the department raised demand against such proceedings, however, Company obtained interim relief from Appellate Tribunal Inland Revenue by applying stay against such demand. Later, CIR(A) through its orders dated September 24, 2021, has removed the demand in favour of the Company.

Similarly, during the year in respect of tax periods July 2016 to June 2017, Company's case was selected for 'audit' and such issue again formed the core of audit proceedings (involving input sales tax of Rs 541.486 million). During the year, the Company received favorable decisions from CIR(A) and ATIR, against which the department has filed appeal in ATIR which is pending adjudication.

Since the issue has already been decided in Company's favour on merits by LHC and based on advice of the Company's legal counsel, no provision on these accounts have been made in these financial statements.

- (ii) On April 16, 2019, the Commissioner Inland Revenue through an order raised a demand of Rs 179.046 million against the Company, mainly on account of input tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period June 2016. 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 which are pending adjudication. Management has strong grounds to believe that the case will be decided in Company's favour. Therefore, no provision has been made on this account in these financial statements.
- (iii) On February 13, 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause to the Company along with other Independent Power Producers to provide rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against the Company by NEPRA on March 18, 2019. The Company challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on April 1, 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. Management is confident that based on the facts and law, there will be no adverse implications for the Company.
- (iv) On March 16, 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The Company rejected such claims, and discussions were made with the GoP to resolve the dispute.

On February 12, 2021, the Company under the Agreements, agreed that the abovementioned dispute will be resolved through arbitration under the Arbitration Submission Agreement between the Company and GoP. During the year, on June 15, 2022, the Company and the GoP have signed the Arbitration Submission Agreement.

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.

- (v) The banks have issued the following on behalf of the Company:
- (a) Letter of guarantee of Rs 11.5 million (2021: Rs 11.5 million) and Rs 6.9 million (2021: Nil) in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.
  - (b) Letters of guarantee of Rs 500 million (2021: Rs 600 million) in favour of fuel supplier.
  - (c) Letter of guarantee of Rs 1.5 million (2021: Rs 1.5 million) in favour of Punjab Revenue Authority, Lahore.
  - (d) Letter of guarantee of Rs 1 million (2021: Nil) in favour of Collector of Customs, Lahore and Rs. 31.61 million (2021: Nil) in favour of Collector of Customs, Karachi under directions of Lahore High Court and Sindh High Court respectively, in respect of suit filed for concessionary rate of duty under Customs Act, 1969.

## 11.2 Commitments

- (i) Letters of credit and contracts for other than capital expenditure aggregating to Rs 135.41 million (2021: Rs. 2.327 million).
- (ii) Post dated cheques amounting to Rs 13.43 million (2021: Nil) issued in favour of Collector of Customs, Lahore on orders of Lahore High Court with respect to differential custom duties case. These PDCs may become encashable if Lahore High Court decides against the Company. Based upon the advice of Company's legal counsel, the management is confident that Lahore High Court will decide in favour of the Company.

## 12. FIXED ASSETS

### Property, plant and equipment:

		2022 (Rupees in thousand)	2021
Operating fixed assets	note 12.1	8,087,216	8,732,332
Capital work-in-progress	note 12.2	6,686	579
Major spare parts and standby equipment	note 12.3	409,809	93,664
		8,503,711	8,826,575

### Intangible asset:

Computer software	note 12.4	-	-
		8,503,711	8,826,575

## 12.1

	Freehold land - note 12.1.2	Buildings and roads on freehold land	Plant and machinery	Improvements on leasehold property	Electric installations	Computer equipment	Furniture and fixtures	Office equipment	Vehicles	Total
(Rupees in thousand)										
<b>COST</b>										
Balance as at July 01, 2020	80,686	240,141	16,628,278	40,909	1,044	33,717	13,151	52,746	219,899	17,310,571
Additions during the year	-	-	3,043	-	-	2,905	69	829	193,086	199,932
Disposals during the year	-	-	(1,249)	-	-	(1,499)	-	-	(56,044)	(58,792)
Balance as at June 30, 2021	80,686	240,141	16,630,072	40,909	1,044	35,123	13,220	53,575	356,941	17,451,711
Balance as at July 01, 2021	80,686	240,141	16,630,072	40,909	1,044	35,123	13,220	53,575	356,941	17,451,711
Additions during the year	98,146	525	9,395	-	-	2,864	320	1,027	18,415	130,692
Disposals during the year - note 12.1.4	-	-	(11,278)	-	-	(1,313)	-	-	(50,882)	(63,473)
Balance as at June 30, 2022	178,832	240,666	16,628,189	40,909	1,044	36,674	13,540	54,602	324,474	17,518,930
<b>DEPRECIATION AND IMPAIRMENT</b>										
Balance as at July 01, 2020	-	79,304	7,744,448	37,337	652	27,606	8,075	35,048	118,336	8,050,806
Depreciation charge for the year	-	10,607	646,933	3,206	89	3,407	1,189	5,207	54,239	724,877
Disposals during the year	-	-	(1,249)	-	-	(1,209)	-	-	(53,846)	(56,304)
Balance as at June 30, 2021	-	89,911	8,390,132	40,543	741	29,804	9,264	40,255	118,729	8,719,379
Balance as at July 01, 2021	-	89,911	8,390,132	40,543	741	29,804	9,264	40,255	118,729	8,719,379
Depreciation charge for the year	-	10,532	688,434	366	38	3,315	733	2,942	63,754	770,114
Disposals during the year	-	-	(11,278)	-	-	(1,129)	-	-	(45,372)	(57,779)
Balance as at June 30, 2022	-	100,443	9,067,288	40,909	779	31,990	9,997	43,197	137,111	9,431,714
<b>Book value as at June 30, 2021</b>	80,686	150,230	8,239,940	366	303	5,319	3,956	13,320	238,212	8,732,332
<b>Book value as at June 30, 2022</b>	178,832	140,223	7,560,901	-	265	4,684	3,543	11,405	187,363	8,087,216
<b>Annual depreciation rate %</b>	-	3.99 to 6.63	4 to 7.10 and number of hours used	10	10	33	10	10	20	

**12.1.1** Improvements on leasehold property represents costs of improvement incurred on property owned by Nishat (Aziz Avenue) Hotels and Properties Limited, a related party.

**12.1.2** Freehold land represents 137,879 square meters of land situated at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, out of which approximately 85,407 square meters represents covered area. It also includes freehold land representing 7,200 square foot commercial plot in Defence Housing Authority, Lahore, Punjab.

**2022** **2021**  
(Rupees in thousand)

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

Cost of sales	- note 22	708,376	666,545
Administrative expenses	- note 23	61,738	58,332
		<b>770,114</b>	<b>724,877</b>

**12.1.4** The aggregate book value of sale of operating fixed assets during the previous year was below Rs 5 million. Details of assets disposed off during the year is as follows:

Particulars Of Assets	Sold to / Transferred to	Cost	Accumulated Depreciation	2022 Book Value	Sale Proceeds	Gain / (Loss) on sale	Mode Of disposals
(Rupees in thousand)							
<b>Assets with book value \ greater than Rs 0.5 Million</b>							
Lexus LX 570	Pak Motor Squad	38,836	34,305	4,531	38,500	33,969	Pay order
<b>Other assets with book value less than Rs.0.5 Million</b>	Various	24,637	23,474	1,163	6,223	5,060	Various
		<b>63,473</b>	<b>57,779</b>	<b>5,694</b>	<b>44,723</b>	<b>39,029</b>	

		2022	2021
		(Rupees in thousand)	
<b>12.2</b>	<b>Capital work-in-progress</b>		
	This represents the following:		
	Civil works	1,624	579
	Advances against purchase of vehicle      note 12.2.1	5,062	-
	note 12.2.2	6,686	579
<b>12.2.1</b>	This represents an amount paid to Hyundai Nishat Motor (Private) Limited, a related party.		
		2022	2021
		(Rupees in thousand)	
<b>12.2.2</b>	The reconciliation of the carrying amount is as follows:		
	Opening balance	579	35,952
	Additions during the year	107,421	24,184
		108,000	60,136
	Transfers during the year	(101,314)	(59,294)
	Charged to profit	-	(263)
	Closing balance	6,686	579
<b>12.3</b>	<b>Major spare parts and standby equipment</b>		
	The reconciliation of the carrying amount is as follows:		
	Opening balance	93,664	95,053
	Additions during the year	323,764	-
	Reclassified from stores, spares and loose tools	1,775	-
		419,203	95,053
	Transfers during the year	(9,394)	(1,389)
	Closing balance	409,809	93,664
<b>12.4</b>	<b>Intangible asset</b>		
	<b>Computer software</b>		
	<b>Cost</b>		
	Opening balance	7,542	7,542
	Addition during the year	-	-
	Closing balance	7,542	7,542
	<b>Amortization</b>		
	Opening balance	(7,542)	(6,283)
	Charge for the year      - note 22	-	(1,259)
	Closing balance	(7,542)	(7,542)
	Book value	-	-
	Annual amortization rate	20%	20%

**12.4.1** Intangibles have been fully amortized till June 30, 2021 and are still in use.

### 13. LONG TERM INVESTMENTS

#### 13.1 Investment in Nishat Energy Limited

The Company directly holds 250,000 fully paid ordinary shares of Rs 10 each, in its associate, Nishat Energy Limited ('NEL'), representing its 25% equity. NEL is an unquoted public company limited by shares incorporated in Pakistan to build, own, operate and maintain a coal fired power station. The address of the registered office of NEL is 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore. NEL is no longer considered a going concern by its management and hence, the investment is fully impaired.

#### 13.2 Investment in Lalpir Solar Power (Private) Limited

The Company directly held 275,000 (2021: 100,000) fully paid ordinary shares of Rs 10 each, in its wholly owned subsidiary, Lalpir Solar Power (Private) Limited ('LSPPL'), representing 100% of its equity. LSPPL is a private company limited by shares incorporated in Pakistan to build, own, operate and maintain or invest in a solar power project. The address of the registered office of LSPPL is 53-A, Lawrence Road, Lahore. During the year, LSPPL initiated the process of members' voluntary winding up. On June 30, 2022, LSPPL has concluded the winding up process and has submitted final documents to SECP whereby no amount is distributable to the Company out of net assets of LSPPL.

### 14. LONG TERM LOANS AND ADVANCES

	2022 (Rupees in thousand)	2021
Loans to employees - considered good	1,512	4,401
Less: Current portion shown under current assets - note 18	(284)	(2,940)
	<u>1,228</u>	<u>1,461</u>

This represents interest free loans given to employees, receivable in maximum 60 monthly instalments in accordance with the Company's policy. These loans are secured against registration of cars in the joint name of the Company and the employee and against the accumulated provident fund balance of the relevant employee. These loans have not been carried at amortized cost as the effect of discounting is not considered material.

### 15. STORES, SPARES AND LOOSE TOOLS

	2022 (Rupees in thousand)	2021
Stores	10,563	7,012
Spares [including in transit Rs 2.101 million (2021: Rs 2.421 million)]	871,884	640,608
Loose tools	9,404	9,369
	<u>891,851</u>	<u>656,989</u>

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

	2022 (Rupees in thousand)	2021
<b>16. INVENTORIES</b>		
Furnace oil	4,145,198	623,599
Diesel	3,387	1,978
Lubricating oil	23,570	23,530
	<u>4,172,155</u>	<u>649,107</u>

## 17. TRADE DEBTS

**17.1** These represent trade receivables from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% per annum is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 11.53% to 19.49% (2021: 11.53% to 18.42%) per annum. Trade debts include unbilled receivables of Rs 4,574.509 million (2021: Rs 3,533.134 million).

**17.2** Refer to an amount of Rs 816.033 million that was included in trade debts in previous years relating to capacity revenue not acknowledged by NTDC/CPPA-G and the Company had contested it at various forums including arbitration in the London Court of International Arbitration ('LCIA').

On October 29, 2017, the Arbitrator declared his Final Award whereby he ordered NTDC/ CPPA-G to pay certain amounts to the Company. Thereafter, on November 29, 2017, Company filed an application before Lahore High Court for implementation/enforcement of Final Award that is pending adjudication.

On February 12, 2021, as part of the PPA Amendment Agreement as referred to in note 1.1 to the Company's financial statements for the year ended June 30, 2021, the CPPA-G and the Company settled the dispute through the extension period of 68 days treated as "Other Force Majeure Event" ('OFME') under the PPA. Further, CPPA-G agreed to make certain payments to the Company, subject to certain terms, as compensation of the withheld capacity payments. In return, the Company agreed to forgo certain amounts declared under the Final Award as enumerated above. Further, subject to fulfilment of certain conditions, the Company and CPPA-G agreed to file a joint application before the Lahore High Court for the withdrawal of the enforcement proceedings before the Honorable Lahore High Court.

On June 30, 2021, out of the recognized receivable of Rs 816.033 million, the Company had written off amounts aggregating Rs 141.47 million.

During the current period, pursuant to the provisions of PPA Amendment Agreement as mentioned above the remaining receivable amounts of Rs 674.563 million have been paid by the CPPA-G.

		2022 (Rupees in thousand)	2021
<b>18.</b>	<b>ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Advances:		
	- To employees	2,577	1,728
	- To suppliers - note 18.1	509,171	290,197
	Current portion of long term loans - considered good - note 14	284	2,940
	Balances with statutory authorities:		
	- Customs duty recoverable	7,059	13
	- Sales tax	822,019	206,163
	Claims recoverable from NTDC/Power Purchaser for pass through items:		
	- Workers' Profit Participation Fund - note 18.2 and 18.4	315,609	583,636
	- Workers' Welfare Fund - note 18.3 and 18.4	217,494	151,035
	Interest receivable	305	-
	Security deposits and bank guarantee margins	69,965	175
	Prepayments - note 18.5	6,514	4,990
	Other receivables - note 18.6	25,429	1,410
		<b>1,976,426</b>	<b>1,242,287</b>

**18.1** This includes an amount prepaid to Security General Insurance Company Limited, a related party, on account of insurance amounting to Rs 0.3 million (2021: Nil).

		2022 (Rupees in thousand)	2021
<b>18.2</b>	<b>Workers' Profit Participation Fund</b>		
	The reconciliation of the carrying amount is as follows:		
	Opening balance	583,636	449,579
	Accrued for the year - note 9.2	166,149	134,057
	Adjustment against prior years	702	-
		<b>750,487</b>	<b>583,636</b>
	Less: Amount received during the year	434,878	-
	Closing balance	<b>315,609</b>	<b>583,636</b>
<b>18.3</b>	<b>Workers' Welfare Fund</b>		
	The reconciliation of the carrying amount is as follows:		
	Opening balance	151,035	97,412
	Accrued for the year - note 9.3	66,459	53,623
	Closing balance	<b>217,494</b>	<b>151,035</b>

**18.4** Under section 9.3(a) of the PPA with CPPA-G, payments to Workers' Profit Participation Fund and Workers' Welfare Fund are recoverable from CPPA-G as a pass through item.



18.5 This includes an amount prepaid to Adamjee Insurance Company Limited, a related party, on account of insurance amounting to Rs: Nil (2021: Rs 4.9 million).

18.6 This includes an amount receivable from Security General Insurance Company Limited, a related party, on account of insurance claim receivable amounting to Rs 23.96 million (2021: Nil).

		2022	2021
		(Rupees in thousand)	
19.	<b>SHORT TERM INVESTMENTS</b>		
	<i>At amortised cost</i>		
	Investment in Riba Free Certificate - note 19.1	1,600	-
	Investment in Term Deposit Receipts - note 19.2	31,010	-
		32,610	-
	<i>At fair value to profit and loss (FVPL)</i>		
	- Pakistan Investment Bonds - note 19.3 and 19.5	2,850,552	-
	- Government Ijara Sukuk - note 19.4 and 19.5	2,850,549	-
		5,701,101	-

19.1 This represents Riba Free Certificate with maturity of 6 months having maturity date October 19, 2022 carrying profit at 4.42 % per annum.

19.2 This represents Term Deposit Receipts with maturity of 6 months having maturity date of December 13, 2022 carrying profit at 14.5% per annum.

19.3 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 2,836.00 million (June 30, 2021: Nil). Profit is receivable on half yearly basis, with coupon rate of annualized weighted average yield of 6 months T-bills + 0.70% per annum. These PIBs' issue date is June 18, 2020, having a term of ten years and are maturing on June 18, 2030.

19.4 This represents investment in Government of Pakistan Ijara Sukuk Bonds (GISs) having face value of Rs. 2,784.50 million (June 30, 2021: Nil). Profit is receivable on half yearly basis, with coupon rate of average yield of 6 months T-bills. These GISs' issue date is April 27, 2022, having a term of five years and are maturing on April 27, 2027.

19.5 These investments have been classified as FVPL due to the managements' intention to sell them.

		2022	2021
		(Rupees in thousand)	
20.	<b>CASH AND BANK BALANCES</b>		
	Cash at bank:		
	- On saving accounts - note 20.1	505,837	1,699
	- On current accounts	813	638
	- Pay order in hand	-	400,000
		506,650	402,337
	Cash in hand - note 20.2	478	254
		507,128	402,591

20.1 Profit on balances in saving accounts remained 5.50% to 13.25% (2021: 5.50%) per annum.

20.2 Cash at bank includes Rs 505.564 million (2021: Rs 1.642 million) in MCB Bank Limited, a related party.

		2022 (Rupees in thousand)	2021
<b>21. REVENUE</b>			
Energy Purchase Price revenue		22,574,437	8,518,949
Less: Sales tax		3,280,046	1,237,796
		19,294,391	7,281,153
Capacity Purchase Price revenue		2,799,772	2,638,707
Delayed payment mark-up		1,590,177	1,512,711
		23,684,340	11,432,571
<b>22. COST OF SALES</b>			
Raw materials consumed		18,152,198	6,497,567
Salaries and other benefits	- note 22.1	317,268	284,636
Repairs and maintenance		19,908	10,289
Stores, spares and loose tools consumed	- note 22.2	204,286	137,355
Electricity consumed in-house		31,667	37,958
Insurance	- note 22.3	280,607	287,979
Travelling and conveyance		26,381	22,429
Printing and stationery		905	741
Postage and telephone		662	723
Vehicle running expenses		5,231	3,806
Entertainment		2,455	1,345
Depreciation on fixed assets	- note 12.1.3	708,376	666,545
Amortization of intangible asset	- note 12.4	-	1,259
Fee and subscription		4,645	3,974
Miscellaneous	- note 22.4	54,702	47,261
		19,809,291	8,003,867

**22.1** Salaries and other benefits include Rs 20.750 million (2021: Rs 19.126 million) in respect of provident fund contribution by the Company.

**22.2** This amount includes Rs 23.73 million (2021: Nil) against insurance claim proceeds from Security General Insurance Company Limited, a related party.

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

	2022 (Rupees in thousand)	2021
Security General Insurance Company Limited	275,440	283,962
Adamjee Insurance Company Limited	4,317	4,068
Adamjee Life Assurance Company Limited	850	(51)
	280,607	287,979

**22.4** This includes wages of contractual employees aggregating Rs 31.489 million (2021: Rs 27.630 million).

		2022 (Rupees in thousand)	2021
<b>23. ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	- note 23.1	122,502	109,612
Travelling and conveyance	- note 23.2	96,205	80,443
Entertainment		1,112	1,303
Rent, rates and taxes	- note 23.3	8,513	12,561
Printing and stationery		1,710	1,095
Postage and telephone		668	688
Vehicle running expenses		6,307	5,500
Legal and professional charges	- note 23.4	16,563	10,442
Insurance	- note 23.5	5,923	4,774
Advertisement		373	248
Fee and subscription		2,999	3,482
Depreciation on operating fixed assets	- note 12.1.3	61,738	58,332
Miscellaneous		9,721	13,743
		<b>334,334</b>	<b>302,223</b>

**23.1** Salaries and other benefits include Rs 7.949 million (2021: Rs 7.418 million) in respect of provident fund contribution by the Company.

**23.2** This includes Rs 88.495 million (2021: Rs 72.112 million) in respect of aviation services from Pakistan Aviators and Aviation (Private) Limited, a related party.

**23.3** This includes operating lease rentals of Rs 5.192 million (2021: Rs 12.461 million) in respect of property leased from Nishat (Aziz Avenue) Hotels and Properties Limited, a related party and Rs. 3.221 million (2021: Nil) in respect of reimbursement of rent to Hyundai Nishat Motor (Private) Limited, a related party.

**23.4** Legal and professional charges include the following in respect of auditors' remuneration (excluding sales tax) for:

	2022 (Rupees in thousand)	2021
Statutory audit fee	1,847	1,760
Half yearly review	937	892
Tax services	2,750	835
Certifications required by various regulations	162	155
Reimbursement of expenses	169	135
	<b>5,865</b>	<b>3,777</b>
<b>23.5</b> This includes insurance expense charged by the following related parties:		
Adamjee Life Assurance Company Limited	342	(22)
Adamjee Insurance Company Limited	1,702	1,531
Security General Insurance Company Limited	3,879	3,265
	<b>5,923</b>	<b>4,774</b>

		2022 (Rupees in thousand)	2021
<b>24. OTHER EXPENSES</b>			
Exchange loss		36,636	-
Donations		2,000	-
Impairment loss on investment in subsidiary		1,750	-
Receivables written off		-	162,717
Capital loss on sale of short term investments		32,793	-
		<u>73,179</u>	<u>162,717</u>
<b>25. OTHER INCOME</b>			
Profit on bank deposits	- note 25.1	21,845	3,950
Interest on short term investment		236	958
Exchange gain		-	1,679
Gain on disposal of operating fixed assets		39,029	35,000
Scrap sales		30,137	14,983
		<u>91,247</u>	<u>56,570</u>
<b>25.1</b>	Includes interest income of Rs 21.558 million (2021: Rs 3.510 million) in respect of bank deposits with MCB Bank Limited, a related party.		
		2022 (Rupees in thousand)	2021
<b>26. FINANCE COSTS</b>			
Interest / mark-up on:			
- Long term financing - secured		524	788
- Short term borrowings - secured		232,984	337,590
Financing fee and bank charges		2,292	822
		<u>235,800</u>	<u>339,200</u>
<b>27. TAXATION</b>			
Current:			
- For the year		377	-
- Prior years		-	-
		<u>377</u>	<u>-</u>
<b>27.1 Relationship between tax expense and accounting profit</b>			
Profit before taxation		<u>3,322,983</u>	<u>2,681,134</u>
Tax at the applicable rate of 29% (2021: 29%)		963,665	777,530
Tax effect of amounts that are:			
Exempt as referred to in note 4.1		(957,262)	(776,106)
Allowable as tax credit		-	(1,424)
Impact of income subject to minimum tax		377	-
Net interest income attributable to finance cost		(6,403)	-
		<u>377</u>	<u>-</u>

28.	EARNINGS PER SHARE		2022	2021
28.1	Basic earnings per share			
	Net profit for the year	Rupees	3,322,606,000	2,681,134,000
	Weighted average number of ordinary shares	Number	354,088,500	354,088,500
	Earnings per share	Rupees	9.384	7.572
28.2	Diluted earnings per share			

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2022 and June 30, 2021 which would have any effect on the earnings per share if the option to convert is exercised.

29.	CASH GENERATED FROM OPERATIONS		2022 (Rupees in thousand)	2021
	Profit before taxation		3,322,983	2,681,134
	Adjustment for non-cash charges and other items:			
	Depreciation on operating fixed assets		770,114	724,877
	Amortization on intangible assets		-	1,259
	Profit on bank deposits		(21,845)	(3,950)
	Exchange loss / (gain)		36,636	(1,679)
	Interest on short term investment		(236)	(958)
	Finance cost		235,800	339,200
	Provision for employee retirement benefits		28,699	26,544
	Impairment loss on investment in subsidiary		1,750	-
	Receivables from CPPA-G written off		-	(162,717)
	Gain on disposal of operating fixed assets		(39,029)	(35,000)
	Loss on sale of short term investments		32,793	-
	Operating profit before working capital changes		4,367,665	3,568,710
	Effect on cash flow due to working capital changes:			
	Decrease / (increase) in current assets			
	Stores, spares and loose tools		(236,637)	15,246
	Inventories		(3,523,048)	(492,764)
	Trade debts		7,430,726	(568,934)
	Advances, deposits, prepayments and other receivables		(733,834)	(452,503)
			2,937,207	(1,498,955)
	(Decrease) / increase in current liabilities			
	Trade and other payables		(320,654)	324,109
			2,616,553	(1,174,846)
			6,984,218	2,393,864

		2022	2021	
		(Rupees in thousand)		
30.	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	- note 20	507,128	402,591
	Short term borrowings - secured	- note 8	(4,487,946)	(3,642,052)
			(3,980,818)	(3,239,461)

### 31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

**31.1** The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Non - Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021
(Rupees in thousand)						
Short term employee benefits						
Managerial remuneration	20,635	20,034	-	-	201,253	164,847
Medical allowance and reimbursement	176	355	-	-	6,540	5,031
Bonus	5,009	5,009	-	-	25,732	14,161
Overtime	-	-	-	-	6,296	3,299
Leave encashment	759	759	-	-	11,796	11,137
	26,579	26,157	-	-	251,617	198,475
Meeting fee	-	-	750	800	-	-
Post employment benefits						
Contribution to provident fund	1,876	1,821	-	-	18,296	14,986
	28,455	27,978	750	800	269,913	213,461
Number of persons	1	1	5	5	74	72

**31.2** Certain executives are provided with company maintained vehicle.

### 32. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, subsidiaries and associates of the holding company, subsidiary and associate of the Company, related parties on the basis of common directorship, key management personnel of the Company and its holding company and post employment benefit plan (Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:

Relationship with the company	Nature of transactions	2022 (Rupees in thousand)	2021
(i) Holding company	Dividends paid	632,215	180,633
(ii) Other related parties	Purchase of services	1,993	1,823
	Purchase of goods	21,765	19,793
(iii) Key Management Personnel	Remuneration - note 31.1	29,205	28,778
	Dividends paid	14	4

**32.1** This includes remuneration of the Chief Executive and other directors that is presented in the remuneration disclosed in note 31 to these financial statements.

**32.2** The Company in normal course of business conducts transactions with its related parties. Balances of related parties at the reporting date have been shown under payables and receivables. The Company continues to have a policy, whereby, all transactions with related parties and common control companies are carried out at arms length.

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

Name of related party	Relationship	Aggregate % of shareholding in the Company
Nishat Mills Limited	Holding Company	51.01%
Security General Insurance Company Limited	Common directorship	N/A
D.G. Khan Cement Company Limited	Common directorship	N/A
Pakistan Aviators and Aviation (Private) Limited	Common directorship	N/A
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	N/A
Nishat Hotels and Properties Limited	Common directorship	N/A
Hyundai Nishat Motor (Private) Limited	Common directorship	N/A
Adamjee Insurance Company Limited	Associate of holding Company	0.26%
MCB Bank Limited	Associate of holding Company	N/A
Adamjee Life Assurance Company Limited	Associate of holding Company	0.01%
Lalpir Solar Power (Private) Limited	Subsidiary	N/A
Nishat Energy Limited	Associate	N/A
Mr. Hassan Mansha	Director	0.0000%
Mr. Norez Abdullah	Director	0.0001%
Mr. Ahmad Aqeel	Director	0.0001%
Ms. Maleeha Humayun Bangash	Director	0.0001%
Mr. Shahzad Ahmad Malik	Director	0.0001%
Mr. Ghazanfar Hussain Mirza	Chief Executive	0.0003%
Mr. Mahmood Akhtar	Director	0.0003%

	2022 MWH	2021 MWH
Installed capacity [based on 8,760 hours (2021: 8,760 hours)]	1,710,872	1,710,872
Actual energy delivered	794,242	523,403

Output produced by the plant is dependent on the load demanded by the Power Purchaser and plant availability.



	2022	2021
<b>34. NUMBER OF EMPLOYEES</b>		
Total number of employees as at June 30	207	205
Average number of employees during the year	206	207

### 35. DISCLOSURE RELATING TO 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.

### 36. FINANCIAL RISK MANAGEMENT

#### 36.1 Financial risk factors

The Company is exposed 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 program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

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

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

#### (a) Market risk

##### (i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), British Pound (GBP), Euro (EUR) and the Swiss franc (CHF). Currently, the Company's foreign exchange risk exposure is restricted to bank balances, amounts payable to foreign entities. However, the impact is not material, hence, it is not being detailed in these financial statements.

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2022	2021	2022	2021
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
USD 1	181.90	159.81	206.00	157.80
GBP 1	234.25	216.28	249.92	218.58
CHF 1	193.91	174.65	215.96	171.86
EUR 1	202.23	189.22	215.75	188.71

(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 instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) **Interest rate risk**

Interest rate risk 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 has no significant long-term interest-bearing assets. The Company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

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

		2022 (Rupees in thousand)	2021
<b>Fixed rate instruments</b>			
<b>Financial assets</b>			
Bank balances - saving accounts	- note 20	505,837	1,699
Short term investments - at amortised cost	- note 19	32,610	-
<b>Financial liabilities</b>			
Long term financing including current portion-secured	- note 7	(36,903)	(110,708)
<b>Net exposure</b>		501,544	(109,009)
<b>Floating rate instruments</b>			
<b>Financial assets</b>			
Trade debts - overdue		3,967,436	11,802,542
Short term investments - at fair value to profit and loss (FVPL)	- note 19	5,701,101	-
<b>Financial liabilities</b>			
Short term borrowings - secured		(4,487,946)	(3,642,052)
<b>Net exposure</b>		5,180,591	8,160,490

### 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. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

### Cash flow sensitivity analysis for variable rate instruments

If interest rates on variable rate financial instruments, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs 51.806 million (2021: Rs 81.605 million) higher/lower, mainly as a result of higher/lower net interest income on floating rate instruments.

#### (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. Credit risk mainly arises from deposits with banks, trade and other receivables.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2022 (Rupees in thousand)	2021
Long term loans and advances	1,228	1,461
Trade debts	11,533,456	18,964,182
Short term investments	5,733,711	-
Deposits and other receivables	629,086	739,196
Bank balances	506,650	402,337
	18,404,131	20,107,176
As of June 30, age analysis of trade debts was as follows:		
Neither past due nor impaired	7,566,020	4,286,511
Past due but not impaired:		
- 1 to 30 days	2,711,324	510,680
- 31 to 90 days	1,256,112	1,942,602
- 91 to 180 days	-	1,531,016
- 181 to 365 days	-	6,922,791
- above 365 days	-	3,770,582
	3,967,436	14,677,671
	11,533,456	18,964,182

## (ii) Credit quality of financial assets

The credit quality of major 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		Rating Agency	2022	2021
	Short term	Long term		(Rupees in thousand)	
Trade Debts					
CPPA-G	Not available			7,566,020	4,286,511
Short term investments - at amortised cost					
Financial institution					
The Bank of Punjab	A-1+	AA+	PACRA	1,600	-
Soneri Bank	A-1+	AA-	PACRA	31,010	-
Short term investments - at fair value to profit and loss (FVPL)					
Pakistan Investment Bonds & Government					
Ijara Sukuk - Government of Pakistan	Not available			5,701,101	-
Cash at bank					
Financial institution					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	VIS	-	-
Allied Bank Limited	A-1+	AAA	PACRA	19	15
Askari Bank Limited	A-1+	AA+	PACRA	26	15
Bank Alfalah Limited	A-1+	AA+	PACRA	14	6
Bank Islami Pakistan Limited	A-1	A+	PACRA	1	1
Bank Al Habib Limited	A-1+	AAA	PACRA	5	-
Burj Bank Limited	A-1	A+	VIS	-	1
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	1	-
Faysal Bank Limited	A-1+	AA	PACRA	124	-
First Women Bank Limited	A-2	A-	PACRA	-	-
Habib Bank Limited	A-1+	AAA	VIS	664	538
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	1	-
MCB Bank Limited	A-1+	AAA	PACRA	505,564	401,642
MCB Islamic Bank Limited	A-1+	A	PACRA	19	17
National Bank of Pakistan	A-1+	AAA	PACRA	5	5
Meezan Bank Limited	A-1+	AAA	VIS	5	5
Soneri Bank	A-1+	AA-	PACRA	11	-
The Bank of Punjab	A-1+	AA+	PACRA	15	12
The Bank of Khyber	A-1	A	PACRA	5	-
United Bank Limited	A-1+	AAA	VIS	171	80
				13,806,381	4,688,848

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 an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Company's cash and cash equivalents (note 30) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. The Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring reporting date liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

Less than one year	One to five years	More than five years	Total contractual cashflows	Carrying amount
--------------------	-------------------	----------------------	-----------------------------	-----------------

(Rupees in thousand)

#### At June 30, 2022

Long term financing	36,903	-	-	36,903	36,903
Short term borrowings	4,487,946	-	-	4,487,946	4,487,946
Unclaimed dividend	20,144	-	-	20,144	20,144
Trade and other payables	131,152	-	-	131,152	131,152
Accrued mark-up	82,884	-	-	82,884	82,884
	4,759,029	-	-	4,759,029	4,759,029

Less than one year	One to five years	More than five years	Total contractual cashflows	Carrying amount
--------------------	-------------------	----------------------	-----------------------------	-----------------

(Rupees in thousand)

#### At June 30, 2021

Long term financing	73,805	36,903	-	110,708	110,708
Short term borrowings	3,642,052	-	-	3,642,052	3,642,052
Unclaimed dividend	17,880	-	-	17,880	17,880
Trade and other payables	212,752	-	-	212,752	212,752
Accrued mark-up	72,403	-	-	72,403	72,403
	4,018,892	36,903	-	4,055,795	4,055,795

### 36.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

### 36.3 Financial instruments by categories

Financial instruments by categories	Financial assets at amortised cost	
	2022	2021
	(Rupees in thousand)	
Assets as per statement of financial position		
Long term loans and advances	1,512	4,401
Trade debts	11,533,456	18,964,182
Short term investment - at amortised cost	32,610	-
Deposits and other receivables	629,086	739,196
Cash and bank balances	507,128	402,591
	12,703,792	20,110,370

### 36.4 Financial assets and financial liabilities subject to offsetting

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

### 36.5 Capital 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.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, 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 debt divided by total equity (as shown in statement of financial position). Net debt is calculated as non-current borrowings these financial statements less cash and cash equivalents.

The gearing ratio is as follows:

		2022 (Rupees in thousand)	2021
Non-current borrowings - note 7		36,903	110,708
Cash and cash equivalents - note 30		3,980,818	3,239,461
Net debt		4,017,721	3,350,169
Total equity		28,093,560	26,010,264
Gearing ratio	Percentage	14%	13%

In accordance with the terms of agreement with the lenders of long term finances (as discussed in note 7 to these financial statements), the Company is required to comply with certain financial covenants in respect of capital requirements which the Company has complied with throughout the reporting period.

### 37. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 23, 2022 by the Board of Directors of the Company.

### 38. EVENT AFTER THE REPORTING DATE

The Board of Directors have proposed a final cash dividend for the year ended June 30, 2022 of Rs 2.5 per share, amounting to Rs 885.221 million at their meeting held on August 23, 2022 for approval of the members at the Annual General Meeting to be held on October 18, 2022. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

### 39. CORRESPONDING FIGURES

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



## FORM OF PROXY

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

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

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

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

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

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

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on October 18, 2022 (Tuesday) at 12:00 Noon at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore, and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally present at such meeting.

As witness my/our hands in this day of \_\_\_\_\_ 2022.

Signature \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

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

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

Witness:-

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

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

Revenue  
Stamp  
of Rs. 50/-

### IMPORTANT:

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



The Company Secretary

**NISHAT POWER LIMITED**

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

AFFIX  
CORRECT  
POSTAGE

# پراکسی فارم (مختارنامہ)

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

کو اپنے / ہمارے ایما پر \_\_\_\_\_ مورخہ 18 اکتوبر 2022ء بروز منگل دوپہر 12:00 بجے  
ہم پریم مال، دی نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر، نزد ایکسپو سنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور پر  
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 ..... 2022ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

## گواہان

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

## اہم نوٹ:

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



N I S H A T

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