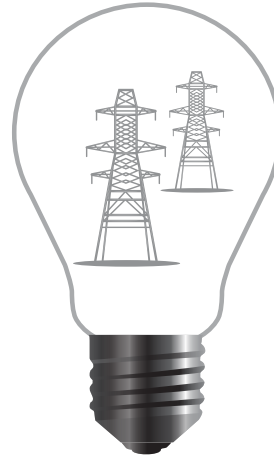




N I S H A T

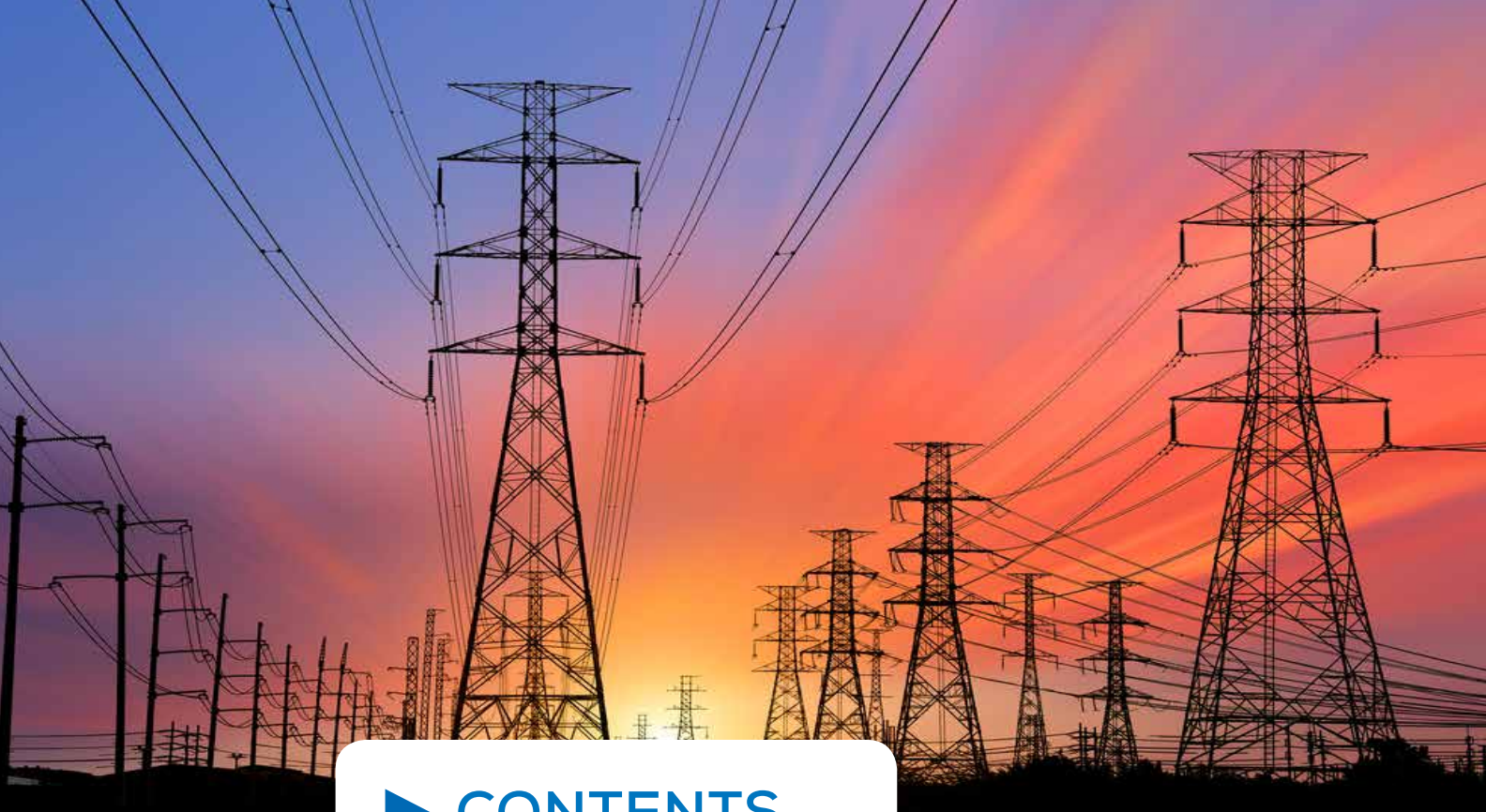
NISHAT POWER LIMITED

ANNUAL REPORT 2023



ENLIGHTEN THE FUTURE





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CORPORATE PROFILE

BOARD OF DIRECTORS

Mian Hassan ManshaChairman
Mr. Ghazanfar Hussain MirzaChief Executive
Mr. Humayun Maqbool*
Ms. Maleeha Humayun Bangash
Mr. Mahmood Akthar
Mr. Shahzad Ahmad Malik
Mr. Muhammad Aqib Zulfiqar*

* Mr. Humayun Maqbool and Mr. Muhammad Aqib Zulfiqar were appointed directors in place of retiring directors Mr. Ahmad Aqeel and Mr. Norez Abdullah respectively, on election of directors on August 22, 2023.

AUDIT COMMITTEE

Mr. Humayun Maqbool*Member / Chairman
Ms. Maleeha Humayun BangashMember
Mr. Muhammad Aqib Zulfiqar*Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Hassan ManshaMember
Ms. Maleeha Humayun BangashMember /
Chairperson
Mr. Ghazanfar Hussain MirzaMember

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

Riaz Ahmad & 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

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

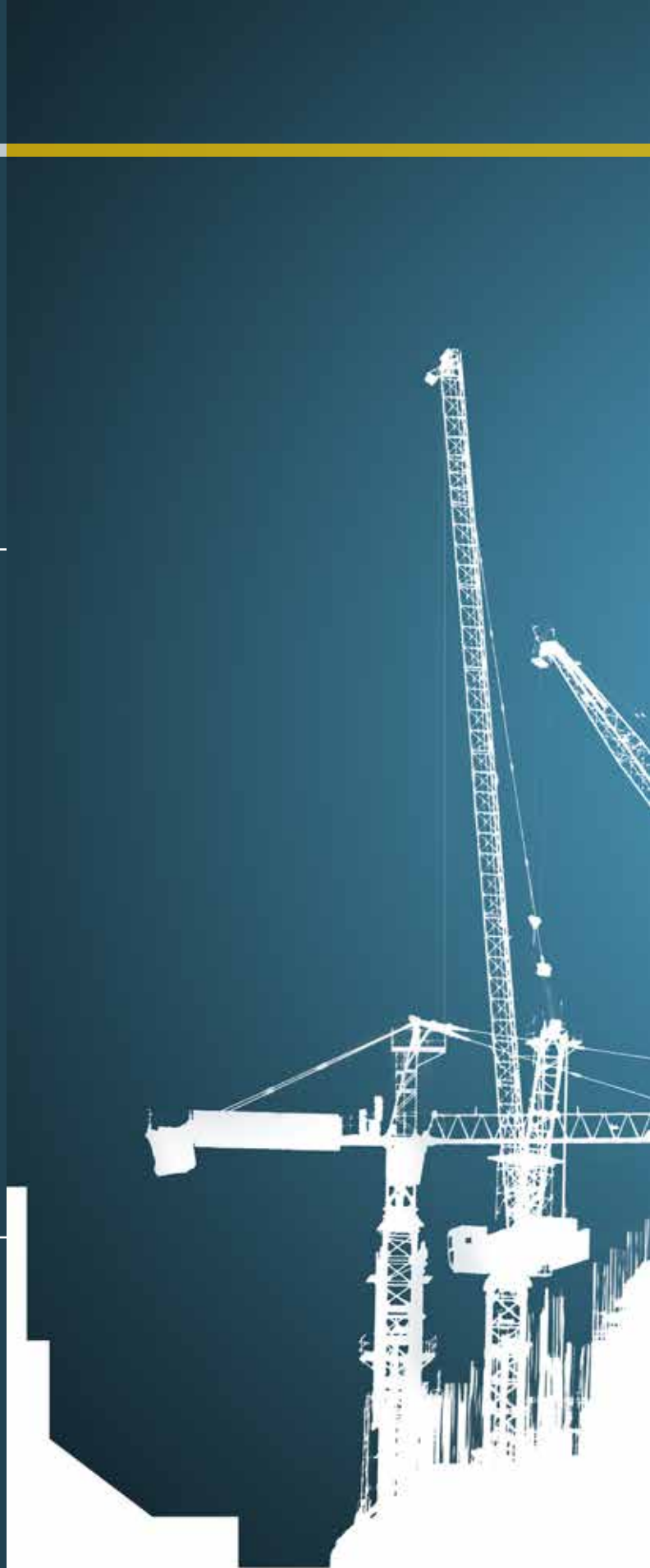
TO BECOME LEADING POWER
PRODUCER WITH SYNERGY
OF CORPORATE CULTURE
AND VALUES THAT RESPECT
COMMUNITY AND ALL OTHER
STAKEHOLDERS



VISION

STATEMENT

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 26, 2023 (Thursday) at 11:30 a.m. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2023 with the Chairman Review, Directors’ and Auditors’ reports thereon.
2. To approve Final Cash Dividend @ 30% [i.e. Rs. 3/- (Rupees Three Only) Per Ordinary Share] as recommended by the Board of Directors for the year ended June 30, 2023, in addition to the 40% Interim Cash Dividend i.e. Rs. 4/- per share already paid for the year ended June 30, 2023.
3. To appoint statutory Auditors for the year ending June 30, 2024 and fix their remuneration.
4. Special Business:

a) To ratify and approve transactions conducted with the Related Parties during the year ended June 30, 2023 by passing the following special resolution with or without modification:

Resolved that the Related Party Transactions made during the financial year ended June 30, 2023 as approved by the Board of Directors of Nishat Power Limited (“the Company”) be and are hereby ratified, approved and confirmed in all respects.

b) To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on June 30, 2024 by passing the following special resolution with or without modification:

Resolved that the Board of Directors of Nishat Power Limited (“the Company”) be and is hereby authorized to approve the transactions to be conducted with the related parties during the financial year ending on June 30, 2024 and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their ratification.

c) To consider and if deemed fit, to pass the following

resolutions as special resolutions in pursuance of S.R.O. 389(I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink with or without modification, addition(s) or deletion(s).

Resolved that the approval of the members of Nishat Power Limited (the "Company") be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the financial year 2023 through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023.

RESOLVED further that that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.

Statements under Section 134(3) of the Companies Act, 2017 concerning special business are annexed to the notice of meeting circulated to the members of the Company.

BY ORDER OF THE BOARD



KHALID MAHMOOD CHOCHAN
(Company Secretary)

LAHORE
August 21, 2023

NOTES:

BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from 19-10-2023 to 26-10-2023 (both days inclusive) for entitlement of 30% Final Cash Dividend [i.e. Rs. 3/- (Rupees Three Only) Per Ordinary Share] for the year ended June 30, 2023 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 18-10-2023 at Share Registrar, Hameed Majeed Associates (Pvt) Ltd, 7-Bank Square, Lahore, will be considered in time for entitlement of above said 30% 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.

- 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.

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

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.

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 18-10-2023** 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		
Principal	Name & CNIC	
Shareholder	Shareholding Proportion (No. of Shares)	
Joint	Name & CNIC	
Shareholder(s)	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 18-10-2023.

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 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

Members of the Company have right to vote through electronic voting facility and voting by post for all businesses classified as special business under the Companies Act, 2017, ("the Act") in the manner and subject to conditions contained in the Companies (Postal Ballot) Regulation, 2018, ("the Regulations").

Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting

facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Nishat Power Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on 26-10-2023, at 11.30 A.M., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 18-10- 2023.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- III. E-Voting lines will start from 23-10-2023, 09:00 a.m. and shall close on 25-10-2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address Nishat House 53-A, Lawrence Road, Lahore, Pakistan or email at chairman@nishatpower.com one day before the Annual General Meeting on 25-10-2023 up to 5 p.m. The signature on the ballot paper shall match the signature on CNIC.

This postal Poll paper is also available for download from the website of the Company at www.nishatpower.com or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

E-voting Service Provider:

CDC Share Registrar Services Limited

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 or smahmood@dgcement.com by October 18, 2023.

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

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 26, 2023.

a) Item No. 4(a)

Approval of transactions conducted with the Related Parties during the year ended June 30, 2023

Following transactions carried out with associated companies/related parties have been approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to provisions of applicable laws. However, as majority of Company Directors were interested in certain related party transactions due to their common directorship and holding of shares in the associated companies/related parties, the Board has recommended for placement of the same before the shareholders of the Company in general meeting for ratification/approval.

Relationship With Company	Type of Transaction	Rupees in Thousand
Holding Company	Dividend	1,174,114
Other Related Parties	Purchase of services	128,456
	Purchase of goods	5,717
	Insurance claim	24,278
	Insurance premium	366,679
	Interest income on deposits	106,099
	Contribution towards staff retirement benefit	31,495
Key management personnel	Remuneration and Dividends Paid	31,011

All these related party transactions during the mentioned period were executed at Arm's Length Price in a fair and transparent manner and there was no departure from the guidelines mentioned in the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and Code of Corporate Governance for such transactions.

Pursuant to the above, these transactions have to be approved/ratified by the shareholders in the General Meeting.

b) Item No. 4(b)

To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on June 30, 2024

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024 on an arm's length basis as per approved policy with respect to transactions with related parties' in the normal course of business. The majority of Directors are interested in certain transactions due to their relationship with the Company. In order to promote the transparent business practices, the Board of Directors has to be authorized to approve all transactions with the related parties from time to time during the year ending June 30, 2024 and the same will be placed before the Shareholders in the next AGM for their ratification / approval.

c) Item No. 4(c)

Transmission of Annual Audited Financial Statements through QR Enabled Code and Weblink

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023 has allowed companies to circulate annual audited financial statements to its members through QR enabled code and Weblink, therefore, the Board of Directors of Nishat Power Limited ("the Company") in their meeting held on August 21, 2023 has recommended for transmission of Annual Reports including Audited Financial Statements of the Company to its members through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, however, hard copy of the annual audited financial statements will be supplied to the shareholders, on demand, at their registered addresses, free of cost, within one week of receipt of such demand.

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above businesses except to the extent of shares that are held by them in the Company.



CHAIRMAN'S REVIEW

I am pleased to present the annual report of the Company for the year ended 30 June, 2023 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2022-23

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 11.55 in current year as compared to Rs 9.38 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 2023 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 21, 2023

چیرمین کی جائزہ رپورٹ

30 جون، 2023 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 2022-23 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلو آپ کے ساتھ شیئر کیے جا رہے ہیں۔

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

میں اپنے تمام اسٹیک ہولڈرز کے تعاون سے آگے بڑھے ہوئے اعتماد اور تعاون کی تعریف کرتا ہوں، جس نے کمپنی کو رواں سال میں 11.55 روپے فی حصص آمدنی میں اضافے کے بعد گزشتہ سال 9.38 روپے کے مقابلے میں مدد دی۔

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی جیسی مختلف کمیٹیاں تشکیل دی ہیں۔ جہاں آڈٹ کمیٹی مالی حسابات کا جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ اکاؤنٹس اندرونی کنٹرول کی موثرگی کو یقینی بناتے ہوئے کمپنی کی مالی حیثیت کی مصفاہ 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 کا سالانہ جائزہ لینے کا طریقہ کار وضع کیا ہے۔ اسی مناسبت سے، بورڈ نے سال 2023 کے لیے اپنی سالانہ خود تشخیص مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مقررہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار تسلی بخش رہا۔

مزید، مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی تشکیل میں آزاد ڈائریکٹرز سمیت ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کا معقول توازن دکھایا گیا ہے، جو کمپنی کی قیادت کرنے کے لیے مطلوبہ مہارت، بنیادی اہلیت اور صنعت کا علم رکھتے ہیں، جس سے بورڈ کے تمام اراکین اعلیٰ درجے کے اخلاقی اور پیشہ ورانہ معیارات واقف ہیں جو کمپنی کے ہمارے وژن اور مشن کے بیانات میں بیان کیے گئے ہیں۔

بورڈ نے کمپنی کے مالی گوشواروں کے معیار اور مناسبت، افشاء کی رپورٹنگ اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کاروباری مقصد کے منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیا ہے۔ بورڈ نے ضابطہ اخلاق بھی وضع کیا ہے جو مطلوبہ رویے کی وضاحت کرتا ہے اور اسے پوری کمپنی میں واضح کیا گیا ہے۔ مؤثر کنٹرول ماحول کو یقینی بنانے کے لیے مناسب کنٹرول اور مضبوط نظام موجود ہیں تاکہ کارپوریٹ گورننس کی بہترین پالیسیوں کی تعمیل ہو سکے۔



چیرمین

لاہور: 21 اگست 2023ء

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, 2023.



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 23,069 million (2022: Rs 23,684 million) during the year against operating cost of Rs 18,496 million (2022: Rs 19,809 million) resulting in a gross profit of Rs 4,573 million (2022: Rs 3,875 million). The current year's net profit after tax amounts to Rs 4,091 million resulting earnings per share of Rs 11.55 compared to previous year's profit after tax of Rs 3,323 million and earnings per share of Rs 9.38.

During the period, the global economic issues have accentuated Pakistan's economic challenges, resultantly State Bank of Pakistan ('SBP') issued various directions and imposed restrictions on imports of spare parts and consumable items due to scarcity of foreign exchange and difficult economic condition in the country. The Company raised the matter with Power Purchaser and Private Power & Infrastructure Board ('PPIB')

for resolution. SBP subsequently withdrew the restrictions, however, the Company continues to face challenges of timely availability of the required foreign exchange for import of parts for ongoing maintenances.

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 34 of the annexed financial statements.

Total receivables from Power Purchaser on June 30, 2023 stand at Rs 14,830million, out of which overdue receivables are Rs 7,911 million.

OPERATIONS::

The plant operated at average capacity factor of 31.44% (2022: 46.42%) and dispatched 538 GWh (2022: 794 GWh) of electricity to the Power Purchaser during the year

KEY OPERATING AND FINANCIAL DATA:

Financial year ended June 30,	2023	2022
	(Rupees in Million)	
Turnover	23,069	23,684
Net Profit	4,091	3,323
Total non-current assets	8,581	8,505
Issued, subscribed and paid up capital	3,541	3,541
Long term financing	Nil	37
Short term financing	Nil	4,488
Generation (MWh)	537,893	794,242
Earnings per share-basic and diluted (Rs.)	11.55	9.38
Share prices (Market value rupees per share)	16.95	19.50

The slowdown in overall economic activity and variations in climatic conditions has reduced electricity demand during the current year. Therefore, the Company's capacity utilization factor has reduced i.e. from 46% (2022) to 31% 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.

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

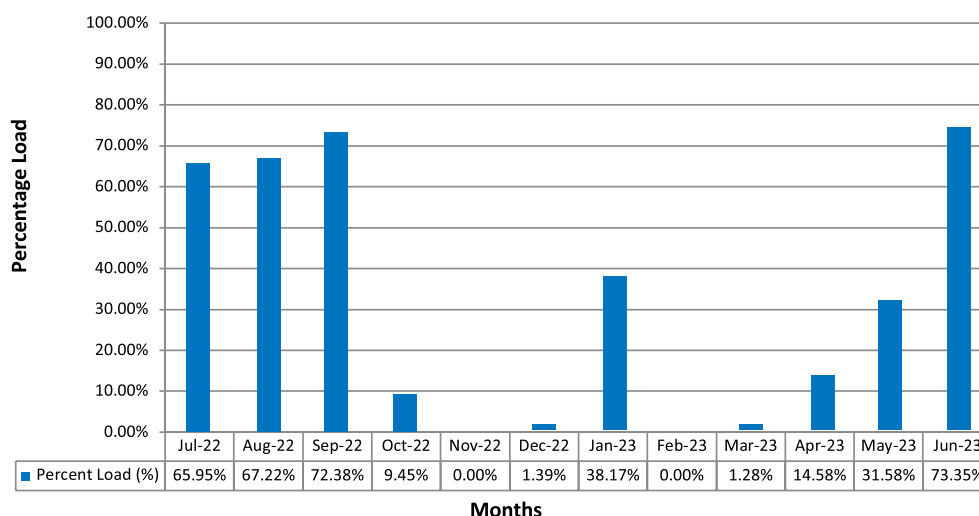
During the period under review, the Company has identified the opportunities for development and uplifting the living standards of the local community near its plant e.g. provision of clean water, renovations and repair works in schools, financial help to deserving students, and plantation of trees.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

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

Capacity Factor / Percent Load (%)

(July 2022 - June 2023)



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, 2023 is Rs 500.012 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 one Human Resource & Remuneration (HR&R) Committee meetings was held, attendance position was as under:

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

ATTENDENCE 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)	3
5	Mr. Shahzad Ahmad Malik	4
6	Mr. Norez Abdullah	2
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 2023.

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 Hussain Mirza (Executive Director)

DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 30 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, 2023 is enclosed.

TRADING IN THE SHARES OF THE COMPANY:

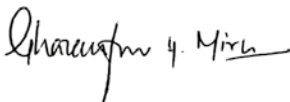
Any trade in the shares of the listed Company, carried out by its directors, executives and their spouses and minor children during the year ended June 30, 2023 is annexed to this report

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 in the Act and the Code.

CHAIRMAN'S REVIEW

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



CHIEF EXECUTIVE

Lahore: August 21, 2023

MAINTENANCE RESERVE:

The Directors consider that the remaining balance of maintenance reserve of Rs. 2.636 billion created out of retained earnings of the Company in previous years, is sufficient to account for major repair and maintenances expenses.

APPROPRIATIONS

The Directors are pleased to recommend a final cash dividend of Rs.3 per share. The total dividend to be approved by the shareholders at the Annual General Meeting on October 26, 2023 will be Rs.3 per share i.e. 30% amounting to Rs. 1,062.266 million for the year ended June 30, 2023

AUDITORS:

The present auditors M/s Riaz Ahmad & Co Chartered Accountants retire and being eligible, offer themselves for re-appointment for the year 2023-24. 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.



DIRECTOR

مجلس نظماء کی رپورٹ

نشاط پاور لمیٹڈ (کمپنی) کی مجلس نظماء 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے کمپنی کے نظر ثانی کئے ہوئے مالیاتی گوشوارے کی سالانہ رپورٹ مع اس پر آڈیٹر کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی تھرکلاں تحصیل چٹوکی، ضلع قصور، پنجاب، پاکستان میں 200 میگا واٹ کی مجموعی صلاحیت کا حامل انجن ٹیکنالوجی پر مبنی ایندھن سے چلنے والے ذاتی پاور پلانٹ کی تعمیر، چلانا اور برقرار رکھنا ہے۔

مالیاتی نتائج:

کمپنی کو سال کے دوران 18,496 ملین روپے (2022: 19,809 ملین روپے) کی آپریٹنگ لاگت کے عوض 23,069 ملین روپے (2022: 23,684 ملین روپے) وصولیاں ہوئیں تھیں، جس کے نتیجے میں 4,573 ملین روپے (2022: 3,875 ملین روپے) کا مجموعی منافع ہوا ہے۔ موجودہ سال کا بعد از ٹیکس خالص منافع گزشتہ سال کے بعد از ٹیکس منافع 3,323 ملین روپے اور 9.38 روپے فی شیئر آمدنی کے مقابلہ میں 4,091 ملین روپے اور 11.55 روپے فی شیئر آمدنی رہا ہے۔

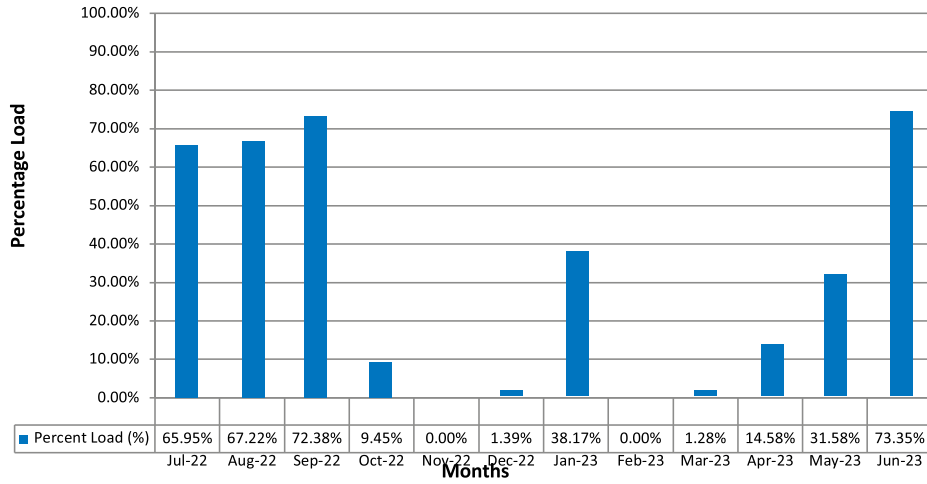
اس عرصے کے دوران، عالمی اقتصادی مسائل نے پاکستان کے معاشی چیلنجوں کو بڑھا دیا، جس کے نتیجے میں اسٹیٹ بینک آف پاکستان ('SBP') نے مختلف ہدایات جاری کیں اور ملک میں غیر ملکی زرمبادلہ کی کمی اور مشکل معاشی حالت کی وجہ سے اسپر پائرس اور قابل استعمال اشیاء کی درآمد پر پابندیاں عائد کر دیں۔ کمپنی نے پاور پر چیز اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ (PPIB) کے ہاں حل کے لیے یہ معاملہ اجاگر کیا۔ اسٹیٹ بینک آف پاکستان نے بعد میں یہ پابندیاں واپس لے لیں، تاہم، کمپنی کو جاری دیکھ بھال کے لیے پوز کی درآمد کے لیے مطلوبہ زرمبادلہ کی بروقت دستیابی کے چیلنجز کا سامنا ہے۔

پاور پر چیز اپنی ادائیگی کی ذمہ داریوں پر مسلسل نا دہندگی پر کاربند ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے اور Implementation Agreement کے تحت پاور پر چیز اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ ('PPIB') کے ہاں معاملہ اجاگر کیا ہے۔ پاکستان میں بجلی پیدا کرنے کے شعبے کو گزشتہ قرضہ کی دشواری درپیش ہے جس وجہ سے کمپنی کو بڑھتے ہوئے زائد المعیاد واجب وصولیوں کے خطرہ کا سامنا ہے۔ کمپنی کو لاحق دیگر خطروں کے لیے براہ کرم ان مالیاتی گوشوارے کا نوٹ 34 ملاحظہ فرمائیں۔

30 جون 2023 کو پاور پر چیز سے کل واجب وصولی 14,830 ملین روپے ہے، جن میں سے 7,911 ملین روپے کی واجب الوصول رقم زائد المعیاد ہے۔ کاروباری نتائج:

سال کے دوران پلانٹ زیادہ سے زیادہ باکفایت کارکردگی پر چلایا گیا اور پاور پر چیز کو اوسط 31.44 فیصد (2022: 46.42 فیصد) صلاحیت کے ساتھ 538 GWh (2022: 794 GWh) بجلی ترسیل کی گئی۔

Capacity Factor / Percent Load (%)
(July 2022 - June 2023)



کلیدی آپریٹنگ اور مالی اعداد و شمار:

2022	2023	30 جون کو مختتمہ مالی سال
روپے بلین میں	روپے بلین میں	
23,684	23,069	آمدنی
3,323	4,091	خالص منافع
8,505	8,581	کل نان کرنٹ اثاثہ جات
3,541	3,541	اجراء، سبسکرائبڈ اور ادا شدہ سرمایہ
37	Nil	طویل مدتی فنانسنگ
4,488	Nil	قلیل مدتی فنانسنگ
794,242	537,893	جنریشن (MWh)
9.38	11.55	آمدنی فی حصص - بنیادی اور کم ہوا (روپے)
19.50	16.95	شیر آمدنی (مارکیٹ ویلیو روپے فی شیر)

مجموعی اقتصادی سرگرمی میں سست روی اور ماحولیاتی حالات میں تغیرات نے رواں سال کے دوران بجلی کی طلب کو کم کر دیا۔ اس لئے، کمپنی کی صلاحیت کا استعمال کم ہوا یعنی گزشتہ سال کے 46 فیصد سے کم ہو کر اس سال میں 31 فیصد ہوا۔ مزید برآں، مینجمنٹ کا خیال ہے کہ پاور پریچر کو اب بھی ہمارے پاور پلانٹ کو چلانے کی ضرورت ہوگی، کیونکہ کمپنی کو RFO کی بنیاد پر گیارہ ("11") انجن اور ایک ("01") بھاپ ٹربائن کا منفرد تکنیکی فائدہ ہے، وہ یہ کہ ان اوقات میں جب بجلی کی طلب انتہا کو چھوتی ہے، ہم بہت ہی مختصر نوٹس پر بجلی مہیا کر سکتے ہیں۔

اندرونی آڈٹ اور کنٹرول:

بورڈ نے آڈٹ کمیٹی کو رپورٹنگ کے لئے ایک تعلیم یافتہ شخص کی سربراہی میں ایک آزاد آڈٹ قائم کیا ہے۔ کمیٹی کے اندر اندرونی آڈٹنگ کا دائرہ کار واضح طور پر بیان شدہ ہے جو اندرونی کنٹرول کے نظام کا جائزہ اور تشخیص ہے۔

اندرونی مالیاتی کنٹرولوں کا استعمال:

کمپنی کے اثاثوں کی حفاظت اور دھوکہ دہی اور دیگر غیر قانونی کاموں؛ مناسب اکاؤنٹنگ پالیسیوں کا انتخاب اور اطلاق؛ مناسب اور محتاط فیصلہ اور تخمینہ سازی؛ مناسب داخلی مالیاتی کنٹرولز کے ڈیزائن، عملدرآمد اور بحالی، جو اکاؤنٹنگ کے ریکارڈ کی درستگی اور تکمیل کو یقینی بنانے کے لئے مؤثر طریقے سے کام کر رہے ہیں، مالی حسابات جو حقیقی اور منصفانہ نظریہ فراہم کرنے والے اور مواد کی غلطی، چاہے دھوکہ دہی یا غلطی کی وجہ سے ہو، سے پاک کی تیاری اور پیش کرنے سے متعلقہ کی روک تھام اور پتہ لگانے کے لئے ایکٹ کی دفعات کے مطابق مناسب اکاؤنٹنگ ریکارڈز کی دیکھ بھال بحالی پر عمل کرتی ہے۔

ماحولیاتی تحفظ کے اقدامات:

ڈیزل جنریٹر اور گندے پانی کے ٹیسٹنگ سے اخراج کے لئے ماحولیاتی نگرانی نیشنل انوائزمنٹل 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 آبادی کے معیار زندگی کو بہتر بنانے اور ترقی کے مواقع کی نشاندہی کی ہے مثلاً صاف پانی کی فراہمی، سکولوں میں تجدید اور مرمتی کام، مستحق طلباء کی مالی مدد اور شجرکاری۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی بینجمنٹ اپنی ذمہ داری سے مکمل طور پر واقف ہے جیسا کہ کنکینز ایکٹ 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 ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اور بینڈیشن 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:

پراویڈینٹ فنڈ: 30 جون 2023 کو 500.012 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 بگلش	(ممبر)	3

ایچ آر کمیٹی کے اجلاس میں ارکان کی شمولیت

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

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

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)	3
5	جناب شہزاد احمد ملک		4
6	جناب نوریز عبداللہ		2
7	محترمہ ملیحہ ہمایوں بگلش		3

سپیکلینز (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 2023 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 بگش
3	میاں حسن منشاء
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 ڈائریکٹرز 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 ریمیزیشن کمیٹی:

نمبر شمار	نام ڈائریکٹر
1	جناب احمد عقیل (آزاد ڈائریکٹر) چیئر مین
2	میاں حسن منشاء (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 30 میں منکشف کی گئی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

کمپنی نے لنڈیکمپنیز (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 2023 نمونہ حصص داری کا بیان منسلک ہے۔

کمپنی کے حصص میں ٹریڈنگ:

30 جون 2023 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹو اور ان کے زوج اور نابالغ بچوں کی طرف سے لنڈیکمپنی 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۔

چیئر مین کا جائزہ

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

مینجمنٹس کے لئے مختص رقم:

ڈائریکٹرز کے مطابق پچھلے برسوں میں کمپنی کی برقرار آمدنی میں سے مختص شدہ باقی رقم جو کہ 2.636 ملین روپے ہے، اہم مرمت اور دیکھ بھال کے اخراجات کے لیے کافی ہے۔

تصرفات:

ڈائریکٹرز 3 روپے فی شیئر کے حتمی نقد منافع کی سفارش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 30 جون 2023 کو ختم ہونے والے سال کے لئے 26 اکتوبر 2023 کو منعقدہ سالانہ اجلاس عام میں شیئر ہولڈرز کی طرف سے منظور کیے جانے والا کل منافع منقسمہ 3 روپے فی شیئر ہوگا یعنی 30 فیصد، بمطابق 1,062.266 ملین روپے ہوگی۔

محاسب:

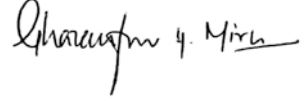
موجودہ محاسب میسرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائز ہو گئے ہیں اور انہوں نے اہل ہونے کی بناء پر سال 2023-24 کے لئے دوبارہ تعیناتی کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ریٹائز ہونے والے محاسب کی دوبارہ تقرری کی سفارش کی ہے۔

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: 21 اگست 2023ء

PATTERN OF HOLDINGS

OF THE SHARES HELD BY THE SHAREHOLDERS
OF NISHAT POWER LIMITED AS AT JUNE 30, 2023

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
537	1 -	100	16,544	0.00
1484	101 -	500	673,645	0.19
688	501 -	1000	649,288	0.18
1205	1001 -	5000	3,465,970	0.98
452	5001 -	10000	3,654,378	1.03
173	10001 -	15000	2,275,990	0.64
145	15001 -	20000	2,655,338	0.75
110	20001 -	25000	2,582,505	0.73
74	25001 -	30000	2,148,359	0.61
53	30001 -	35000	1,753,763	0.50
28	35001 -	40000	1,078,133	0.30
23	40001 -	45000	987,199	0.28
56	45001 -	50000	2,760,683	0.78
17	50001 -	55000	905,033	0.26
18	55001 -	60000	1,042,765	0.29
6	60001 -	65000	383,898	0.11
10	65001 -	70000	684,765	0.19
13	70001 -	75000	959,700	0.27
15	75001 -	80000	1,178,000	0.33
7	80001 -	85000	589,000	0.17
13	85001 -	90000	1,149,575	0.32
5	90001 -	95000	466,204	0.13
37	95001 -	100000	3,680,450	1.04
5	100001 -	105000	513,550	0.15
4	105001 -	110000	440,000	0.12
8	110001 -	115000	898,135	0.25
4	115001 -	120000	476,000	0.13
9	120001 -	125000	1,111,629	0.31
6	125001 -	130000	772,736	0.22
4	130001 -	135000	533,000	0.15
3	135001 -	140000	415,000	0.12
6	140001 -	145000	858,349	0.24
11	145001 -	150000	1,644,964	0.46
5	150001 -	155000	763,097	0.22
5	155001 -	160000	791,700	0.22
1	160001 -	165000	162,153	0.05
4	165001 -	170000	671,500	0.19
6	170001 -	175000	1,041,000	0.29
2	175001 -	180000	358,200	0.10
3	180001 -	185000	552,000	0.16
2	185001 -	190000	377,500	0.11
8	195001 -	200000	1,598,483	0.45
2	200001 -	205000	410,000	0.12
3	205001 -	210000	624,000	0.18
1	210001 -	215000	215,000	0.06

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
3	215001 -	220000	652,500	0.18
1	225001 -	230000	226,429	0.06
2	230001 -	235000	466,000	0.13
2	235001 -	240000	476,500	0.13
2	240001 -	245000	486,871	0.14
8	245001 -	250000	1,995,507	0.56
3	250001 -	255000	761,951	0.22
4	260001 -	265000	1,050,240	0.30
1	265001 -	270000	267,500	0.08
2	270001 -	275000	548,500	0.15
1	280001 -	285000	283,500	0.08
1	290001 -	295000	290,471	0.08
6	295001 -	300000	1,796,260	0.51
1	310001 -	315000	312,500	0.09
1	315001 -	320000	317,001	0.09
1	340001 -	345000	343,500	0.10
1	350001 -	355000	352,000	0.10
1	370001 -	375000	374,000	0.11
1	385001 -	390000	388,500	0.11
6	395001 -	400000	2,399,000	0.68
1	405001 -	410000	410,000	0.12
1	430001 -	435000	431,050	0.12
1	455001 -	460000	457,119	0.13
1	465001 -	470000	467,525	0.13
10	495001 -	500000	4,999,000	1.41
1	500001 -	505000	505,000	0.14
2	515001 -	520000	1,039,500	0.29
1	525001 -	530000	527,279	0.15
1	555001 -	560000	558,000	0.16
1	560001 -	565000	565,000	0.16
1	580001 -	585000	583,000	0.16
4	595001 -	600000	2,397,500	0.68
1	600001 -	605000	603,500	0.17
1	665001 -	670000	670,000	0.19
2	675001 -	680000	1,352,243	0.38
1	680001 -	685000	682,405	0.19
2	695001 -	700000	1,400,000	0.40
1	735001 -	740000	737,313	0.21
1	750001 -	755000	751,000	0.21
1	760001 -	765000	762,600	0.22
1	765001 -	770000	770,000	0.22
1	770001 -	775000	775,000	0.22
3	880001 -	885000	2,654,547	0.75
1	910001 -	915000	910,225	0.26
1	920001 -	925000	923,500	0.26
6	995001 -	1000000	6,000,000	1.69

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM TO		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
1	1000001 -	1005000	1,001,627	0.28
1	1070001 -	1075000	1,075,000	0.30
1	1120001 -	1125000	1,124,000	0.32
1	1170001 -	1175000	1,175,000	0.33
1	1195001 -	1200000	1,200,000	0.34
2	1230001 -	1235000	2,465,912	0.70
1	1255001 -	1260000	1,259,257	0.36
1	1300001 -	1305000	1,305,000	0.37
1	1315001 -	1320000	1,319,969	0.37
1	1320001 -	1325000	1,325,000	0.37
4	1495001 -	1500000	6,000,000	1.69
1	1510001 -	1515000	1,513,462	0.43
1	1540001 -	1545000	1,541,500	0.44
1	1640001 -	1645000	1,644,000	0.46
1	1720001 -	1725000	1,725,000	0.49
1	1845001 -	1850000	1,847,000	0.52
2	1995001 -	2000000	4,000,000	1.13
1	2300001 -	2305000	2,302,000	0.65
1	2370001 -	2375000	2,371,000	0.67
1	2385001 -	2390000	2,390,000	0.67
1	2540001 -	2545000	2,540,500	0.72
1	2795001 -	2800000	2,798,168	0.79
1	2995001 -	3000000	3,000,000	0.85
1	3825001 -	3830000	3,826,488	1.08
1	4475001 -	4480000	4,478,245	1.26
1	4595001 -	4600000	4,598,500	1.30
1	4995001 -	5000000	5,000,000	1.41
1	11985001 -	11990000	11,986,500	3.39
1	180585001 -	180590000	180,585,155	51.00
5,401			354,088,500	100.00

Categories of Shareholders as at June 30th, 2023

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	23,796,912	6.7206
5	Insurance Companies	5,004,488	1.4133
6	Modarabas and Mutual Funds	1,855,918	0.5241
7	Shareholders holding 10% or more	180,632,955	51.0135
8	General Public		
	a. Local	127,378,205	35.9736
	b. Foreign	105,200	0.0297
9	Others	15,310,821	4.3240

CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2023

Categories of Shareholders	Shares Held	Percentage
NISHAT MILLS LIMITED	47,800	0.0135
NISHAT MILLS LIMITED	180,585,155	51.0000
	180,632,955	51.0135
Mutual Funds		
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	251,951	0.0712
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	457,119	0.1291
CDC - TRUSTEE FAYSAL MTS FUND - MT	262,500	0.0741
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	114,000	0.0322
CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	14,349	0.0041
CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	123,500	0.0349
CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN	104,930	0.0296
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	290	0.0001
CDC - TRUSTEE HBL ENERGY FUND	527,279	0.1489
	1,855,918	0.5241
Directors and their spouses and Minor Children		
MIAN HASSAN MANSHA	1	0.0000
NOREZ ABDULLAH	500	0.0001
MR. 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
Executives	Nil	Nil
Public Sector Companies and Corporations		
Joint Stock Companies	12,793,954	3.6132
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		
Banks, DFIs and NBFIs	23,796,912	6.7206
Insurance Companies	5,004,488	1.4133
Pension Funds/ Providend Funds etc.	1,646,367	0.4650
Trusts/Foundation etc.	870,500	0.2458
	31,318,267	8.8448
Shareholders holding 5% or more voting rights:		
NISHAT MILLS LIMITED	180,632,955	51.0135

INFORMATION UNDER LISTING REGULATION NO. 5.6.1(D) OF PSX RULE BOOK AS ON JUNE 30, 2023

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, 2022 to June 30, 2023.

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, 2023

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

1. The total number of directors are Seven (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(Female Director)
Non-executive Director	Mian Hassan Mansha Mr. Mahmood Akhtar Mr. Shahzad Ahmad Malik Mr. Norez Abdullah
Executive Directors	Mr. Ghazanfar Husain Mirza(Chief Executive Officer)

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

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

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 Chairman
 2. Ms. Maleeha Humayun Bangash Member
 3. Mr. Shahzad Ahmad Malik Member
 - b) **HR and Remuneration Committee**
 1. Mr. Ahmad Aqeel Chairman
 2. Mian Hassan Mansha Member
 3. Mr. Ghazanfar Husain Mirza Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) **Audit Committee:**

Four meetings were held during the financial year ended 30 June 2023..
 - b) **HR and Remuneration Committee**

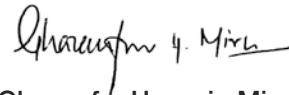
One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2023.
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr No.	Requirement	Explanation of Non-Compliance	Reg. No.
1	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
2	Directors' Training It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it	Six directors of the Company have acquired Directors' Training Program certification. The Company has planned to arrange Directors' Training Program certification for remaining one director.	19(1)
3	Directors' Training Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
4	Directors' Training Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department over the next few years.	19(3)
5	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the Human Resource and Remuneration Committee.	29
6	Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the board has not constituted a risk management committee and a senior officer of the company performs the requisite functions and apprises the Board accordingly.	30
7	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35

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



Mian Hassan Mansha
Chairman and Director



Ghazanfar Hussain Mirza
Chief Executive Officer and Director

Lahore: August 21, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF NISHAT POWER LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat Power Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 21 August 2023

UDIN: CR202310132knEUAMm2K



FINANCIAL STATEMENTS

For the year ended June 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Nishat Power Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Contingencies</p> <p>As disclosed in note 9.1.1 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> <p>Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Contingent liabilities [note 2.1(c) and note 2.19 to the financial statements]. - Contingencies [note 9.1.1 to the financial statements]. 	<p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have</p> <ul style="list-style-type: none"> • Obtained and reviewed detail of the pending matters and discussed the same with the Company's management; • Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the pending tax cases and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters; • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.

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 report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including

the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements for the year ended 30 June 2022 were audited by another firm of Chartered Accountants whose auditor's report dated 06 September 2022 expressed un-modified opinion.

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



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore:
Date: 21 August 2023

UDIN: AR202310132Ky5Diuzrl

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 (Rupees in thousand)	2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (June 30, 2022: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital	3	3,540,885	3,540,885
Capital reserve	4	2,636,469	3,153,633
Revenue reserve - un-appropriated profit		23,705,660	21,399,042
Total equity		29,883,014	28,093,560
NON-CURRENT LIABILITY			
Long term financing	5	-	-
CURRENT LIABILITIES			
Trade and other payables	6	1,471,262	648,853
Accrued mark-up / profit	7	5,101	82,884
Short term borrowings	8	-	4,487,946
Current portion of long term financing	5	-	36,903
Unclaimed dividend		22,238	20,144
		1,498,601	5,276,730
TOTAL LIABILITIES		1,498,601	5,276,730
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		31,381,615	33,370,290

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


CHIEF EXECUTIVE


DIRECTOR

	Note	2023 (Rupees in thousand)	2022
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	8,573,425	8,503,711
Intangible Assets	11	-	-
Long term investment	12	-	-
Long term loans to employees	13	7,887	1,228
		<hr/> 8,581,312	<hr/> 8,504,939
CURRENT ASSETS			
Stores, spares and loose tools	14	987,692	891,851
Inventories	15	1,546,686	4,172,155
Trade debts	16	14,152,106	11,533,456
Loans, advances, deposits, prepayments and other receivables	17	1,294,644	1,976,426
Advance income tax - net of provision for taxation	18	58,462	50,624
Short term investments	19	-	5,733,711
Cash and bank balances	20	4,760,713	507,128
		<hr/> 22,800,303	<hr/> 24,865,351
TOTAL ASSETS		<hr/> 31,381,615 <hr/>	<hr/> 33,370,290 <hr/>



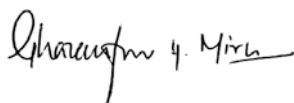
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 (Rupees in thousand)	2022
REVENUE FROM CONTRACT WITH CUSTOMER	21	23,068,964	23,684,340
COST OF SALES	22	(18,495,640)	(19,809,291)
GROSS PROFIT		4,573,324	3,875,049
ADMINISTRATIVE EXPENSES	23	(401,493)	(334,334)
OTHER EXPENSES	24	(162,761)	(73,179)
		(564,254)	(407,513)
OTHER INCOME	25	178,452	91,247
PROFIT FROM OPERATIONS		4,187,522	3,558,783
FINANCE COST	26	(88,434)	(235,800)
PROFIT BEFORE TAXATION		4,099,088	3,322,983
TAXATION	27	(8,059)	(377)
PROFIT AFTER TAXATION		4,091,029	3,322,606
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	28	11.55	9.38

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



CHIEF EXECUTIVE



DIRECTOR



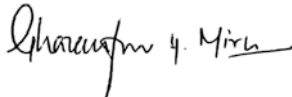
CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023 (Rupees in thousand)	2022
PROFIT AFTER TAXATION	4,091,029	3,322,606
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss	-	-
Items that will be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,091,029	3,322,606

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

SHARE CAPITAL	RESERVES			TOTAL EQUITY
	CAPITAL RESERVE: MAINTENANCE RESERVE	REVENUE RESERVE: UN-APPROPRIATED PROFIT	TOTAL RESERVES	

(Rupees in thousand)

Balance as at 30 June 2021 3,540,885 3,153,633 19,315,746 22,469,379 26,010,264

Transactions with owners:

Final dividend for the year ended 30 June 2021 @ Rupees 1.5 per share

-	-	(531,133)	(531,133)	(531,133)
---	---	-----------	-----------	-----------

Interim dividend for the half year ended 31 Dec 2021 @ Rupees 2.0 per share

-	-	(708,177)	(708,177)	(708,177)
---	---	-----------	-----------	-----------

- - (1,239,310) (1,239,310) (1,239,310)

Profit for the year ended 30 June 2022

-	-	3,322,606	3,322,606	3,322,606
---	---	-----------	-----------	-----------

Other comprehensive income for the year ended 30 June 2022

-	-	-	-	-
---	---	---	---	---

Total comprehensive income for the year ended 30 June 2022 - - 3,322,606 3,322,606 3,322,606

Balance as at 30 June 2022 3,540,885 3,153,633 21,399,042 24,552,675 28,093,560

Transactions with owners:

Final dividend for the year ended 30 June 2022 @ Rupees 2.5 per share

-	-	(885,221)	(885,221)	(885,221)
---	---	-----------	-----------	-----------

Interim dividend for the quarter ended 30 September 2022 @ Rupees 2.0 per share

-	-	(708,177)	(708,177)	(708,177)
---	---	-----------	-----------	-----------

Interim dividend for the half year ended 31 December 2022 @ Rupees 2.0 per share

-	-	(708,177)	(708,177)	(708,177)
---	---	-----------	-----------	-----------

- - (2,301,575) (2,301,575) (2,301,575)

Transfer of maintenance reserve - (517,164) 517,164 - -

Profit for the year ended 30 June 2023

-	-	4,091,029	4,091,029	4,091,029
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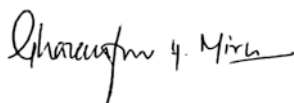
Other comprehensive income for the year ended 30 June 2023

-	-	-	-	-
---	---	---	---	---

Total comprehensive income for the year ended 30 June 2023 - - 4,091,029 4,091,029 4,091,029

Balance as at 30 June 2023 3,540,885 2,636,469 23,705,660 26,342,129 29,883,014

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


CHIEF EXECUTIVE


DIRECTOR

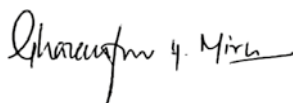

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 (Rupees in thousand)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operation	29	6,329,050	6,955,640
Finance cost paid		(166,217)	(225,319)
Net (increase) / decrease in long term loans to employees		(9,316)	233
Income tax paid		(15,897)	(8,136)
Net cash generated from operating activities		6,137,620	6,722,418
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets		(823,198)	(451,169)
Short term investments made		-	(9,534,162)
Investment in subsidiary		-	(1,750)
Interest received		99,911	21,776
Proceeds from sale of short term investments		5,663,241	3,767,658
Proceeds from disposal of operating fixed assets		341	44,723
Net cash from / (used in) investing activities		4,940,295	(6,152,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(36,903)	(73,805)
Dividends paid		(2,299,481)	(1,237,046)
Net cash used in financing activities		(2,336,384)	(1,310,851)
Net increase / (decrease) in cash and cash equivalents		8,741,531	(741,357)
Cash and cash equivalents at the beginning of the year		(3,980,818)	(3,239,461)
Cash and cash equivalents at the end of the year		4,760,713	(3,980,818)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,760,713	507,128
Short term borrowings		-	(4,487,946)
		4,760,713	(3,980,818)

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30-JUNE-2023

1. The Company and its activities

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

1.2 The principal activity of the Company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Company is 53-A, Lawrence Road, Lahore. The address of the head office of the Company is 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The Company had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty five years which commenced from 09 June 2010. On 12 February 2021, the Company entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, the Company entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on 08 June 2021 was extended by sixty eight (68) days to 15 August 2021. Therefore, the existing term of the PPA Agreement has been extended by sixty eight (68) days to twenty five years and sixty eight days ending on 15 August 2035.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) **Accounting convention**

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

c) **Critical accounting estimates and judgments**

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

Income tax

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

Useful lives, pattern of economic benefits and impairment

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

Provisions

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

Revenue from contract with customer involving sale of electricity (Note 2.29)

Contingencies

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

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

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

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

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

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

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

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

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

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

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

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

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

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Property, plant and equipment

2.2.1 Operating fixed assets

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

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

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

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

2.2.2 Capital work-in-progress

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

2.2.3 Major spare parts and stand-by equipment

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

2.2.4 Intangible assets

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

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

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

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. The Company's power plant's control due to

purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Company were to follow IFRS 16 with respect to its PPA, the effect on the financial statements would be as follows:

	2023 (Rupees in thousand)	2022
De-recognition of fixed assets	(7,933,334)	(7,918,485)
Recognition of lease debtor	6,578,935	4,032,082
De-recognition of trade debts	(3,116,574)	(487,418)
Decrease in un-appropriated profit at the beginning of the year	(4,373,821)	(4,853,815)
(Decrease) / increase in profit for the year	(135,681)	479,994
Decrease in un-appropriated profit at the end of the year	(4,509,502)	(4,373,821)

2.4 Right-of-use assets

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

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

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

2.5 Lease liabilities

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments

arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.6 Investments and other financial assets

a) *Classification*

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

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

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

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

b) *Measurement*

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

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

Debt instruments

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

Amortised cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

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

2.7 Financial liabilities – classification and measurement

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

method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.8 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.9 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 riskmanagement purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

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

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

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

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

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

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

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

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

2.10 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 67(I)/2023 dated 20 January 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

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

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

2.11 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.

2.12 Investment in equity instruments of associate

Associates are all entities over which the Company has significant influence but not control. Investment in equity instruments of associates are accounted for using the equity method of accounting and are initially recognised at cost. The Company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on the acquisition. The Company's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. At each reporting date, the Company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognised as expense in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

2.13 Functional and presentation currency

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

2.14 Foreign currency transactions and translation

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

2.15 Employee benefits

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.

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.

2.16 Inventories

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

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

2.17 Stores, spares and loose tools

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

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

2.18 Provisions

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

2.19 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

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

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

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

Contingent liabilities and assets are generally estimated using:

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

2.20 Taxation

2.20.1 Current

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

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the statement of profit or loss on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations 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 balance 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.

2.20.2 Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in statement of the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.21 Cash and cash equivalents

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

2.22 Borrowings

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

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

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

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

2.23 Borrowing costs

aGeneral and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.24 Contract asset and contract liability

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

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

2.25 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 2.29 and therefore are all classified as current. Trade debts are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.26 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.

2.27 Trade and other payables

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

2.28 Impairment of non-financial assets

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

2.29 Revenue recognition

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

Sale of electricity

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

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

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

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

Interest

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

Dividend

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

2.30 Finance income

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

2.31 Earnings per share

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

2.32 Dividend and appropriation to reserves

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

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2023 (NUMBER OF SHARES)	2022 (NUMBER OF SHARES)		2023 (Rupees in thousand)	2022 (Rupees in thousand)
	354,088,500	354,088,500	Ordinary shares of Rupees 10 each fully paid-up in cash	3,540,885	3,540,885
3.1	180,632,955 (2022: 180,632,955) ordinary shares of the Company are held by Nishat Mills Limited - holding company.				
3.2	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.				
4.	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. The reserve is utilized on actual occurrence of expenditure.				

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
5 LONG TERM FINANCING - SECURED		
From banking company:		
Opening balance	36,903	110,708
Less: Repayments during the year	(36,903)	(73,805)
	-	36,903
Less: Current portion shown under current liabilities	-	(36,903)
	-	-

- 5.1 This running musharakah facility, aggregating to Rupees 156.469 million (2022: Rupees 156.469 million) was obtained by the Company from Faysal Bank Limited under State Bank of Pakistan (SBP) Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This facility was secured against pari passu charge over all present and future fuel stock / inventory and energy revenue receivables of the Company. It carried profit at the rate of SBP refinance rate plus 0.5% to 0.75% per annum, payable on quarterly basis. The base rate applicable during the year was SBP rate, which was zero, hence, the profit rate charged during the year on outstanding balance ranged from 0.5% to 0.75% (2022: 0.5% to 0.75%) per annum. This facility was not initially recognised at fair value in accordance with IFRS 9 'Financial Instruments' and resultantly, the government grant in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' was also not recognized, as the effect was not considered material in respect of these financial statements.

		2023	2022
		(Rupees in thousand)	
6	TRADE AND OTHER PAYABLES		
	Creditors (Note 6.1)	949,785	113,898
	Accrued liabilities	15,032	13,343
	Payable to contractors	2,016	3,911
	Workers' profit participation fund payable (Note 6.2)	204,954	300,207
	Workers' welfare fund (Note 6.3)	299,475	217,494
		1,471,262	648,853
6.1	These includes amounts due to the following related parties :		
	Hyundai Nishat Motor (Private) Limited	59	91
	Adamjee Insurance Company Limited	-	3,133
		59	3,224
6.2	Workers' profit participation fund payable		
	Balance as at 01 July	300,207	568,963
	Allocation for the year (Note 17.2)	204,954	166,149
	Adjustment against prior years	-	702
		505,161	735,814
	Payments made during the year	(300,207)	(435,607)
		204,954	300,207
6.3	Workers' welfare fund		
	Balance as at 01 July	217,494	151,035
	Provision for the year (Note 17.3)	81,981	66,459
		299,475	217,494
	Payments made during the year	-	-
		299,475	217,494
7	ACCRUED MARK-UP / PROFIT		
	Long term financing	-	5
	Short term borrowings	5,101	82,879
		5,101	82,884
		2023	2022
		(Rupees in thousand)	
8	SHORT TERM BORROWINGS		
	From banking companies - Secured		
	Running finances (Note 8.1)	-	899,443
	Running musharaka finances (Note 8.2)	-	2,838,503
	Term finances (Note 8.3)	-	750,000
		-	4,487,946

- 8.1** These running finance facilities obtained from banking companies under mark-up arrangements aggregated to Rupees 5,101.520 million (2022: Rupees 5,600.940 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 2.0% (2022: one month to three months KIBOR plus 0.25% to 2.5%) per annum payable quarterly. These facilities are secured against first joint parri passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranged from 13.89% to 23.98% (2022: 7.70% to 14.81%) per annum.
- 8.2** These running musharaka facilities obtained from banking companies under profit arrangements aggregated to Rupees 4,450 million (2022: Rupees 5,000 million). These facilities are available at profit rates ranging from one month to three months KIBOR plus 0.2% to 0.5% (2022: one month to three months KIBOR plus 0.2% to 1.5%) per annum payable quarterly. These facilities are secured against first joint parri passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The profit rate charged during the year on the outstanding balance ranges from 12.09% to 22.48% (2022: 7.65% to 15.49%) per annum.
- 8.3** These term finance facilities are utilized from banking companies as sub-limits of running finance facilities (note 8.1) under mark-up arrangements aggregating to Rupees 3,101.520 million (2022: Rupees 3,600.940 million). These facilities are secured against first joint parri passu charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA -G. These facilities have been availed during the year at mark-up rates of one month KIBOR plus 0.05% to 0.60% (2022: one week to six months KIBOR plus 0.05% to 0.60%) payable at the maturity of respective transaction. The mark-up rate charged during the year on the outstanding balance ranged from 14.46% to 16.45% (2022: 7.54% to 14.99%) per annum.
- 8.4** The main facilities for letters of credit and guarantee aggregate to Rupees 1,750 million (2022: Rupees 750 million). The amount utilised at 30 June 2023, for letters of credit was Rupees 407.370 million (2022: Rupees 135.41 million) and for letters of guarantee was Rupees 567.01 million (2022: Rupees 552.51 million). The aggregate facilities for letters of credit and guarantee are secured by charge on present and future current assets including fuel stocks/inventory of the Company and by lien over import documents.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 Contingent liabilities:

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

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

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 has been made in these financial statements.

ii) On 16 April 2019, the Commissioner Inland Revenue (CIR) through an order raised a demand of Rupees 179.046 million against the Company, mainly on account of input sales tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period of June 2016. Being aggrieved with the order of CIR, the Company filed an appeal before CIR(A). On 07 May 2020, the CIR(A) declared that the admissible forum of appeal against the order of CIR is ATIR. The Company filed application for grant of stay before the ATIR against recovery of the aforesaid demand that was duly granted on 28 January 2021. Further, the Company has filed appeal before ATIR against the order of CIR which is pending adjudication. Management has strong grounds to believe that the case will be decided in Company's favour. Therefore, no provision has been made in these financial statements.

iii) On 27 February 2015, Additional Commissioner Inland Revenue (ACIR) created a demand of Rupees 282.377 million for tax year 2013 under section 122(5A) of the Income Tax Ordinance, 2001. Aggrieved with the order of the ACIR, the Company preferred an appeal before CIR(A) who granted partial relief to the Company, while upheld the decision of ACIR in certain matters aggregating to Rupees 31.355 million inter-alia on tax credit claimed by the Company under section 65B of the Income Tax Ordinance, 2001. The Company and tax department filed appeals before ATIR against the order of CIR(A). On 02 November 2017, ATIR restated the demand to Rupees 14.072 million. Aggrieved with the order of ATIR, the Company and tax department have filed appeals before Honourable Lahore High Court, Lahore which are pending for adjudication. Management has strong grounds to believe that the case will be decided in Company's favour. Therefore, no provision has been made in these financial statements.

iv) On 13 February 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause notice to the Company along with other Independent Power Producers to provide rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against the Company by NEPRA on 18 March 2019. The Company challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on 01 April 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. Management is confident that based on the facts and law, there will be no adverse implications for the Company. Therefore, no provision has been made in these financial statements.

v) On 16 March 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including the Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. The Company rejected such claims, and discussions were made with the GoP to resolve the dispute. On 12 February 2021, the Company under the 'Master Agreement', agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between the Company and GoP. On 15 June 2022, the Company and the GoP signed the 'Arbitration Submission Agreement'. During the year ended 30 June 2023, Arbitration Tribunal has been constituted under the terms of 'Arbitration Submission Agreement', however formal adaptation of mutually agreed Terms of Reference is still pending. 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.

vi) On 28 April 2022, National Electric Power Regulatory Authority ('NEPRA') issued a notice of hearing to all the RFO based IPPs under the 2002 Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. The Company vide its letter dated 16 May 2022 replied to NEPRA to refrain from re-initiating the subject proceedings which has already been finalized and implemented by NEPRA vide its letter dated 01 September 2021. Contrary to the reply of the Company, NEPRA held its

hearing on 17 May 2022 and verbally directed to the Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, the Company filed a petition in Honourable Lahore High Court, Lahore (LHC) on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. LHC vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although CV adjustment is computed on the basis of average of two CV results, the said CV adjustment shall be subject to the final outcome of the suit pending before LHC. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of the Company. Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these financial statements.

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

a) Guarantees of Rupees 11.5 million (2022: Rupees 11.5 million) and Rupees 22.4 million (2022: Rupees 6.9 million) are given by the bank of the Company in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.

b) Guarantee of Rupees 500 million (2022: Rupees 500 million) is given by the bank of the Company in favour of Pakistan State Oil against purchase of fuel.

c) Guarantee of Rupees 1.5 million (2022: Rupees 1.5 million) is given by the bank of the Company in favour of Punjab Revenue Authority, Lahore under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for levy of infrastructure cess.

d) Guarantees of Rupees Nil (2022: Rupees 1 million) in favour of Collector of Customs, Lahore and Rupees 31.61 million (2022: Rupees 31.61 million) are given by the banks of the Company 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.

	2023	2022
	(Rupees in thousand)	
9.2 Commitments		
i) For other than capital expenditure	407,370	135,410
ii) Post dated cheques amounting to Rupees Nil (2022: Rupees 13.43 million) were issued in favour of Collector of Customs, Lahore on orders of Lahore High Court with respect to differential custom duties case.		

	2023	2022
	(Rupees in thousand)	
10 FIXED ASSETS		
Operating fixed assets (Note 10.1)	8,090,979	8,087,216
Capital work-in-progress (Note 10.2)	76,878	6,686
Major spare parts and standby equipment (Note 10.3)	405,568	409,809
	8,573,425	8,503,711

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

Description	Freehold land	Buildings and roads on freehold land	Plant and machinery	Improvements on leasehold property	Electric installations	Computer equipment	Furniture and fixtures	Office equipment	Vehicles	Total
------(Rupees in thousand)-----										
At 30 June 2021										
Cost	80,686	240,141	16,630,072	40,909	1,044	35,123	13,220	53,575	356,941	17,451,711
Accumulated depreciation	-	(89,911)	(8,390,132)	(40,543)	(741)	(29,804)	(9,264)	(40,255)	(118,729)	(8,719,379)
Net book value	80,686	150,230	8,239,940	366	303	5,319	3,956	13,320	238,212	8,732,332
Year ended 30 June 2022										
Opening net book value	80,686	150,230	8,239,940	366	303	5,319	3,956	13,320	238,212	8,732,332
Additions	98,146	525	9,395	-	-	2,864	320	1,027	18,415	130,692
Disposals / derecognitions:										
Cost	-	-	(11,278)	-	-	(1,313)	-	-	(50,882)	(63,473)
Accumulated depreciation	-	-	11,278	-	-	1,129	-	-	45,372	57,779
	-	-	-	-	-	(184)	-	-	(5,510)	(5,694)
Depreciation charge for the year	-	(10,532)	(688,434)	(366)	(38)	(3,315)	(733)	(2,942)	(63,754)	(770,114)
Closing net book value	178,832	140,223	7,560,901	-	265	4,684	3,543	11,405	187,363	8,087,216
At 30 June 2022										
Cost	178,832	240,666	16,628,189	40,909	1,044	36,674	13,540	54,602	324,474	17,518,930
Accumulated depreciation	-	(100,443)	(9,067,288)	(40,909)	(779)	(31,990)	(9,997)	(43,197)	(137,111)	(9,431,714)
Net book value	178,832	140,223	7,560,901	-	265	4,684	3,543	11,405	187,363	8,087,216
Year ended 30 June 2023										
Opening net book value	178,832	140,223	7,560,901	-	265	4,684	3,543	11,405	187,363	8,087,216
Additions	-	-	734,003	-	-	8,619	526	1,010	13,089	757,247
Disposals / derecognitions:										
Cost	-	-	(724,531)	-	-	(2,355)	-	(27)	(2,374)	(729,287)
Accumulated depreciation	-	-	724,531	-	-	2,332	-	27	2,140	729,030
	-	-	-	-	-	(23)	-	-	(234)	(257)
Depreciation charge for the year	-	(10,579)	(670,046)	-	(38)	(4,060)	(764)	(2,378)	(65,362)	(753,227)
Closing net book value	178,832	129,644	7,624,858	-	227	9,220	3,305	10,037	134,856	8,090,979
At 30 June 2023										
Cost	178,832	240,666	16,637,661	40,909	1,044	42,938	14,066	55,585	335,189	17,546,890
Accumulated depreciation	-	(111,022)	(9,012,803)	(40,909)	(817)	(33,718)	(10,761)	(45,548)	(200,333)	(9,455,911)
Net book value	178,832	129,644	7,624,858	-	227	9,220	3,305	10,037	134,856	8,090,979
Annual depreciation rate %	-	3.94 to 6.90	3.94 to 7.02 and number of hours used	10	10	33	10	10	20	

10.1.1 All items of operating fixed assets disposed of during the year had net book value of less than Rupees 500,000. Vehicles and computer equipment having net book value of Rupees 0.234 million and Rupees 0.023 million respectively have been sold to employees of the Company at Rupees 0.291 million and Rupees 0.050 million respectively as per Company policy.

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

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

10.1.3 Fixed assets having cost of Rupees 762.614 million (2022: Rupees 1,454.416 million) which are fully depreciated but still in the use of the Company.

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

	2023 (Rupees in thousand)	2022
Cost of sales (Note 22)	690,904	708,376
Administrative expenses (Note 23)	62,323	61,738
	753,227	770,114
10.2 Capital work-in-progress		
Civil works	1,878	1,624
Advances for purchase of vehicle (Note 10.2.1)	75,000	5,062
	76,878	6,686

10.2.1 This includes an amount of Rupees Nil (2022: Rupees 5.062 million) paid to Hyundai Nishat Motor (Private) Limited, a related party.

10.2.2 Movement in capital work in progress is as follows:

	Freehold Land	Civil works	Office equipment	Furniture and Fixtures	Computer equipment	Advances for Purchase of vehicles	Total
	(Rupees in thousand)						
As at 30 June 2021	-	579	-	-	-	-	579
Add: Additions during the year	98,146	1,045	128	64	1,276	6,762	107,421
Less: Transferred to operating fixed assets during the year	(98,146)	-	(128)	(64)	(1,276)	(1,700)	(101,314)
As at 30 June 2022	-	1,624	-	-	-	5,062	6,686
Add: Additions during the year	-	254	566	141	5,573	75,055	81,589
Less: Transferred to operating fixed assets during the year	-	-	(566)	(141)	(5,573)	(5,117)	(11,397)
As at 30 June 2023	-	1,878	-	-	-	75,000	76,878

	2023 (Rupees in thousand)	2022
10.3 Major spare parts and standby equipment		
The reconciliation of the carrying amount is as follows:		
Balance as at 01 July	409,809	93,664
Add: Additions during the year	729,762	323,765
Add: Reclassified from stores, spares and loose tools	-	1,775
	1,139,571	419,204
Less: Transferred to operating fixed assets	(734,003)	(9,395)
Balance as at 30 June	405,568	409,809
11 INTANGIBLE ASSET - Computer software		
Cost as at 30 June	7,542	7,542
Accumulated amortization	(7,542)	(7,542)
Net book value as at 30 June	-	-
Annual rate of amortization	20%	20%

- 11.1 Intangible assets having cost of Rupees 7.542 million are fully amortized and are still in use.

2023 2022
(Rupees in thousand)

12 LONG TERM INVESTMENT

12.1 Investment in Nishat Energy Limited

12.2 Associated company - under equity method

Nishat Energy Limited - unquoted
250,000 (2022: 250,000) fully paid ordinary shares of
Rupees 10 each
Equity held 25% (2022: 25%) at cost

Share of reserve

Opening balance	(1,658)	(1,658)
Less: Share of loss	-	-
Closing balance	(1,658)	(1,658)
Less: Impairment loss	(842)	(842)
Carrying amount under equity method	-	-

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

2023 2022
(Rupees in thousand)

Non-current assets	-	-
Current assets	47	47
Total assets	47	47
Liabilities	375	300
Net assets	(328)	(253)
Loss for the year (Note 12.3)	(75)	(75)

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

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

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

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

		2023 (Rupees in thousand)	2022
13	LONG TERM LOANS TO EMPLOYEES		
	Considered good:		
	Executives (Note 13.1)	5,005	1,512
	Other employees (Note 13.1)	5,823	-
		10,828	1,512
	Current portion shown under current assets (Note 17)		
	Executives	(1,427)	(284)
	Other employees	(1,514)	-
		(2,941)	(284)
		7,887	1,228
13.1	These long term loans to employees represent interest free loans given to employees, receivable in maximum 60 monthly instalments in accordance with the Company's policy. These loans are secured against registration of cars in the joint name of the Company and the employee and against the accumulated provident fund balance of the relevant employee. Fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.		
		2023 (Rupees in thousand)	2022
14	STORES, SPARES AND LOOSE TOOLS		
	Stores	17,916	10,563
	Spares (Note 14.1)	957,974	871,884
	Loose tools	11,802	9,404
		987,692	891,851
14.1	These include spare in transit of Rupees 11.350 million (2022: Rupees 2.101 million).		
14.2	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
		2023 (Rupees in thousand)	2022
15	INVENTORIES		
	Furnace oil	1,512,897	4,145,198
	Diesel	4,766	3,387
	Lubricating oil	29,023	23,570
		1,546,686	4,172,155
16	TRADE DEBTS		
	Other than related parties - considered good	14,152,106	11,533,456

16.1 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, delayed payment mark-up at the rate of three months KIBOR plus 2.00% per annum for first sixty days and three months KIBOR plus 4.50% per annum after first sixty days, each compounded semi-annually, is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 16.70% to 26.58% (2022: 11.53% to 19.49%) per annum. Trade debts include unbilled receivables of Rupees 6,079.987 million (2022: Rupees 4,574.509 million).

16.2 An amount of Rupees 816.033 million was included in trade debts in previous years relating to capacity revenue not acknowledged by NTDC/CPPA-G. Resolution of the matter was fully explained in note 17.2 to the published annual audited financial statements of the Company for the year ended 30 June 2022. During the year ended 30 June 2023, the Company and CPPA-G have jointly made submissions before the Honourable Lahore High Court for the withdrawal of the enforcement proceedings. Resultantly, on 12 January 2023, the Honourable Lahore High Court has allowed the Company and CPPA-G to withdraw the enforcement proceedings.

2023 **2022**
(Rupees in thousand)

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

Neither past due nor impaired	6,241,385	7,566,020
Past due but not impaired:		
- 1 to 30 days	550,431	2,711,324
- 31 to 90 days	877,445	1,256,112
- 91 to 180 days	3,521,780	-
- 181 to 365 days	2,961,065	-
- Above 365 days	-	-
	7,910,721	3,967,436
	14,152,106	11,533,456

17 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees	494	2,577
Advances to suppliers (Note 17.1)	201,057	509,171
Advances against letters of credit	29,108	-
Current maturity of long term loans to employees (Note 13)	2,941	284
Customs duty recoverable	2,777	7,059
Sales tax receivable	307,876	822,019
Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 17.2)	366,543	315,609
Workers' welfare fund (Note 17.3)	299,475	217,494
Private Power and Infrastructure Board's fee	11,912	-
Interest receivable (Note 17.4)	12,558	305
Security deposits and bank guarantee margins (Note 17.5)	46,823	69,965
Prepayments (Note 17.6)	7,294	6,514
Other receivables (Note 17.7)	5,786	25,429
	1,294,644	1,976,426

17.1 These include amounts prepaid to Security General Insurance Company Limited and Adamjee Insurance Company Limited, both related party, on account of insurance amounting to Rupees Nil (2022: Rupees 0.3 million) and Rupees 0.031 million (2022: Rupees Nil) respectively.

	2023 (Rupees in thousand)	2022
17.2 Workers' profit participation fund		
Opening balance	315,609	583,636
Allocation for the year (Note 6.2)	204,954	166,149
Adjustment against prior years	-	702
	520,563	750,487
Amount received during the year	(144,565)	(434,878)
Written off during the year	(9,455)	-
Closing balance	366,543	315,609
17.3 Workers' welfare fund		
Opening balance	217,494	151,035
Allocation for the year (Note 6.3)	81,981	66,459
	299,475	217,494
Amount received during the year	-	-
Closing balance	299,475	217,494
17.4	This includes interest receivable from MCB Islamic Bank Limited - related party, amounting to Rupees 12.207 million (2022: Rupees Nil).	
17.5	This includes bank guarantee margin with MCB Islamic Bank Limited - related party, amounting to Rupees 46.648 million (2022: Rupees Nil).	
17.6	These include amounts prepaid to Adamjee Insurance Company Limited and Adamjee Life Assurance Company Limited, both related parties, on account of insurance amounting to Rupees 6.020 million (2022: Rupees 5.322 million) and Rupees 1.274 million (2022: Rupees 1.192 million) respectively.	
17.7	These include an amount receivable from Security General Insurance Company Limited - related party, on account of insurance claim amounting to Rupees 4.303 million (2022: Rupees 23.732 million).	
	2023	2022
	(Rupees in thousand)	
18 ADVANCE INCOME TAX - NET OF PROVISION FOR TAXATION		
Advance income tax	66,898	51,001
Less: Provision for taxation	(8,436)	(377)
	58,462	50,624

	2023	2022
	(Rupees in thousand)	
19 SHORT TERM INVESTMENTS		
At amortised cost:		
Investment in Riba Free Certificates (Note 19.1)	-	1,600
Investment in Term Deposit Receipts (Note 19.2)	-	31,010
	-	32,610
At fair value through profit or loss (FVTPL):		
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
	-	5,733,711

- 19.1** This represented Riba Free Certificates with maturity ranged from 3 months to 6 months and carried profit rates ranged from 5.75% to 9.73% (2022: 4.42%) per annum.
- 19.2** This represented term deposit receipts with maturity of 6 months having maturity date of 13 December 2022 and carried profit at 14.5% per annum.
- 19.3** This represented investment in Pakistan Investment Bonds (PIBs) having face value of Rupees Nil (2022: Rupees 2,836 million). Profit was receivable on half yearly basis, with coupon rate of annualized weighted average yield of 6 months T-bills + 0.70% per annum. These PIB's have been encashed during the year ended 30 June 2023.
- 19.4** This represented investment in Government of Pakistan Ijarah Sukuk Bonds (GISs) having face value of Rupees Nil (2022: Rupees 2,784.50 million). Profit was receivable on half yearly basis, with coupon rate of average yield of 6 months T-bills. These GISs' have been encashed during the year ended 30 June 2023.
- 19.5** These investments were classified as FVTPL due to the managements' intention to sell them.

	2023	2022
	(Rupees in thousand)	
20. CASH AND BANK BALANCES		
Cash with banks on:		
Saving accounts (Note 20.1 and 20.2)	1,911,809	505,837
Current accounts (Note 20.2)	2,041	813
Pay order in hand	2,000,000	-
	3,913,850	506,650
Term Deposit Receipts (Note 20.3 and 20.4)	846,510	-
Cash in hand	353	478
	4,760,713	507,128

- 20.1** Saving accounts carry profit at the rates ranging from 12.25% to 19.50% (2022: 5.50% to 13.25%) per annum.
- 20.2** These include Rupees 1,325.936 million (2022: Rupees 505.564 million) in MCB Bank Limited and Rupees 585.805 million in MCB Islamic Bank Limited (2022: Rupees Nil), both related parties.

20.3 This represents Term Deposit Receipts with original maturity period of 1 month and carry profit rates ranging from 13.70% to 20% per annum.

20.4 This includes Term Deposit Receipts of Rupees 800 million held with MCB Islamic Bank Limited - a related party.

	2023 (Rupees in thousand)	2022
21 REVENUE FROM CONTRACT WITH CUSTOMER		
Energy purchase price revenue - net (Note 21.1)	17,373,293	19,294,391
Capacity purchase price revenue	3,491,010	2,799,772
Delayed payment mark-up	2,204,661	1,590,177
	<u>23,068,964</u>	<u>23,684,340</u>

21.1 Energy purchase price revenue is net of sales tax amounting to Rupees 3,053.741 million (2022: Rupees 3,280.046 million).

	2023 (Rupees in thousand)	2022
22 COST OF SALES		
Raw materials consumed	16,062,551	18,152,198
Salaries and other benefits (Note 22.1)	363,719	317,268
Repairs and maintenance	27,923	19,908
Stores, spares and loose tools consumed (Note 22.2)	785,993	204,286
Electricity consumed in-house	63,208	31,667
Insurance (Note 22.3)	360,090	280,607
Travelling and conveyance	43,304	26,381
Printing and stationery	1,642	905
Postage and telephone	787	662
Vehicle running expenses	9,822	5,231
Entertainment	3,004	2,455
Depreciation on operating fixed assets (Note 10.1.4)	690,904	708,376
Fee and subscription	5,240	4,645
Miscellaneous (Note 22.4)	77,453	54,702
	<u>18,495,640</u>	<u>19,809,291</u>

22.1 Salaries and other benefits include Rupees 22.595 million (2022: Rupees 20.750 million) in respect of provident fund contribution by the Company.

22.2 This includes Rupees Nil (2022: Rupees 23.73 million) against insurance claim from Security General Insurance Company Limited, a related party.

		2023	2022
		(Rupees in thousand)	
22.3	This includes insurance expense charged by the following related parties:		
	Security General Insurance Company Limited	352,171	275,440
	Adamjee Insurance Company Limited	6,160	4,317
	Adamjee Life Assurance Company Limited	1,759	850
		<u>360,090</u>	<u>280,607</u>

22.4 This includes wages of contractual employees aggregating Rupees 45.166 million (2022: Rupees 31.489 million).

		2023	2022
		(Rupees in thousand)	
23.	ADMINISTRATIVE EXPENSES		
	Salaries and other benefits (Note 23.1)	138,861	122,502
	Travelling and conveyance (Note 23.2)	140,227	96,205
	Entertainment	1,353	1,112
	Rent, rates and taxes (Note 23.3)	6,200	8,513
	Printing and stationery	1,434	1,710
	Postage and telephone	632	668
	Vehicle running expenses	11,168	6,307
	Legal and professional charges (Note 23.4)	21,539	16,563
	Insurance (Note 23.5)	6,589	5,923
	Advertisement	593	373
	Fee and subscription	2,888	2,999
	Depreciation on operating fixed assets (Note 10.1.4)	62,323	61,738
	Miscellaneous	7,686	9,721
		<u>401,493</u>	<u>334,334</u>

23.1 Salaries and other benefits include Rupees 8.900 million (2022: Rupees 7.949 million) in respect of provident fund contribution by the Company.

23.2 This includes Rupees 123.929 million (2022: Rupees 88.495 million) in respect of aviation services from Pakistan Aviators and Aviation (Private) Limited, a related party.

23.3 This includes low value lease of Rupees Nil (2022: Rupees 5.192 million) in respect of property leased from Nishat (Aziz Avenue) Hotels and Properties Limited, a related party and Rupees 0.864 million (2022: Rupees 3.221 million) in respect of reimbursement of rent to Hyundai Nishat Motor (Private) Limited, a related party.

		2023	2022
		(Rupees in thousand)	
23.4	Auditor's remuneration		
	Statutory audit	1,925	1,847
	Half yearly review	1,013	937
	Tax services	-	2,750
	Certifications required by various regulations	162	162
	Out of pocket expenses	169	169
		<u>3,269</u>	<u>5,865</u>

		2023 (Rupees in thousand)	2022
23.5	This includes insurance expense charged by the following related parties:		
	Adamjee Life Assurance Company Limited	708	342
	Adamjee Insurance Company Limited	1,954	1,702
	Security General Insurance Company Limited	3,927	3,879
		6,589	5,923
24.	OTHER EXPENSES		
	Exchange loss	54,008	36,636
	Donations (Note 24.1)	200	2,000
	Impairment loss on investment in subsidiary company	-	1,750
	Trade debts written off	28,628	-
	Other receivable written off (Note 17.2)	9,455	-
	Loss on disposal of short term investments	70,470	32,793
		162,761	73,179
24.1	There is no interest of any director or his spouse in donees' fund.		
25.	OTHER INCOME	2023 (Rupees in thousand)	2022
	Income from financial assets:		
	Profit on bank deposits (Note 25.1)	91,608	21,845
	Profit on Term Deposit Receipts (Note 25.2)	20,556	236
	Income from non-financial assets:		
	Gain on disposal of operating fixed assets	84	39,029
	Scrap sales	41,926	30,137
	Insurance claim (Note 25.3)	24,278	-
		178,452	91,247
25.1	This includes profit of Rupees 32.864 million (2022: Rupees 21.558 million) in respect of bank deposits from MCB Bank Limited and Rupees 58.624 million (2022: Rupees Nil) from MCB Islamic Bank Limited, both related parties..		
25.2	This includes profit of Rupees 14.611 million (2022: Rupees Nil) from MCB Islamic Bank Limited, a related party.		
25.3	This represents insurance claim received from Security General Insurance Company Limited - a related party		

	2023 (Rupees in thousand)	2022
26. FINANCE COST		
Mark-up / profit on:		
Long term financing	88	524
Short term borrowings	86,093	232,984
Bank charges and commission	2,253	2,292
	<u>88,434</u>	<u>235,800</u>

27. TAXATION		
Current tax - for the year	<u>8,059</u>	<u>377</u>

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

	2023 (Rupees in thousand)	2022
Relationship between tax expense and accounting profit		
Profit before taxation	4,099,088	3,322,983
Tax at the applicable rate of 29% (2022: 29%)	1,188,736	963,665
Tax effect of amounts that are:		
Exempt as referred to in note 27.1	(1,188,736)	(957,262)
Impact of income subject to minimum tax	524	377
Net interest income attributable to finance cost	7,535	(6,403)
	<u>8,059</u>	<u>377</u>

28. EARNINGS PER SHARE - BASIC AND DILUTED	2023	2022
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	<u>4,091,029</u>	<u>3,322,606</u>
Weighted average number of shares (Number)	<u>354,088,500</u>	<u>354,088,500</u>
Earnings per share - basic and diluted (Rupees)	<u>11.55</u>	<u>9.38</u>

	2023 (Rupees in thousand)	2022
29. CASH GENERATED FROM OPERATIONS		
Profit before taxation	4,099,088	3,322,983
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	753,227	770,114
Profit on bank deposits	(91,608)	(21,845)
Exchange loss	54,008	36,636
Profit on Term Deposit Receipts	(20,556)	(236)
Finance cost	88,434	235,800
Impairment loss on investment in subsidiary company	-	1,750
Trade debts written off	28,628	-
Gain on disposal of operating fixed assets	(84)	(39,029)
Other receivable written off (Note 17.2)	9,455	-
Loss on disposal of short term investments	70,470	32,793
Working capital changes (Note 29.1)	1,337,988	2,616,674
	6,329,050	6,955,640
29.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(95,841)	(236,637)
Inventories	2,625,469	(3,523,048)
Trade debts	(2,647,278)	7,430,726
Loans, advances, deposits, prepayments and other receivables	687,237	(733,834)
	569,587	2,937,207
Increase / (decrease) in trade and other payables	768,401	(320,533)
	1,337,988	2,616,674
29.2	Reconciliation of movement of liabilities to cash flows arising from financing activities is as follows:	

Liabilities from financing activities		
Long term financing	Unclaimed dividend	Total
----- (Rupees in thousand) -----		

Balance as at 01 July 2022	36,903	20,144	57,047
Repayment of financing	(36,903)	-	(36,903)
Dividends declared	-	2,301,575	2,301,575
Dividends paid	-	(2,299,481)	(2,299,481)
Balance as at 30 June 2023	-	22,238	22,238

Liabilities from financing activities		
Long term financing	Unclaimed dividend	Total

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

Balance as at 01 July 2021	110,708	17,880	128,588
Repayment of financing	(73,805)	-	(73,805)
Dividends declared	-	1,239,310	1,239,310
Dividends paid	-	(1,237,046)	(1,237,046)
Balance as at 30 June 2022	36,903	20,144	57,047

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Non - Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022
	----- (Rupees in thousand) -----					
Managerial remuneration	22,085	20,635	-	-	232,087	201,253
Bonus	5,309	5,009	-	-	37,650	25,732
Allowances						
Medical allowance and reimbursements	104	176	-	-	7,987	6,540
Leave encashment	804	759	-	-	13,033	11,796
Overtime	-	-	-	-	12,195	6,296
Meeting fee	-	-	675	750	-	-
Contribution to provident fund trust	2,008	1,876	-	-	20,959	18,296
	30,310	28,455	675	750	323,911	269,913
Number of persons	1	1	5	5	82	74

30.1 Certain executives are provided with Company maintained vehicle.

31. TRANSACTIONS WITH RELATED PARTIES

The related parties include the holding company, associates of the holding company, related parties on the basis of common directorship, key management personnel of the Company and its holding company and post employment benefit plan (Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than these which have been speciall disclosed elsewhere in this financial statement except for remuneration to key management personnel as discussed in note 30, are as follows:

(i)	Nature of Relationship	Nature of transactions	2023 (Rupees in thousand)	2022
	Holding company			
	Nishat Mills Limited	Dividend paid	1,174,114	632,215
	Associated companies			
	Nishat Hotels and Properties Limited	Boarding and lodging	2,427	1,273
	Hyundai Nishat Motors (Private) Limited	Purchase of vehicles Vehicle repair charges	5,717 1,236	21,765 720
	Key management personnel			
	Chief executive officer	Dividend paid	7	4
	Chief executive officer and non executive directors (Note 30)	Remuneration	30,985	29,205
	Other related parties			
	Mian Hassan Mansha	Dividend paid	-	-
	Mr. Ahmad Aqeel	Dividend paid	3	2
	Mr. Mahmood Akhtar	Dividend paid	7	4
	Mr. Shahzad Ahmad Malik	Dividend paid	3	2
	Mr. Norez Abdullah	Dividend paid	3	2
	Ms. Maleeha Humayun Bangash	Dividend paid	3	2
	Post employment benefit plan	Company's contribution to provident fund trust	31,495	28,699

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

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year		Percentage of shareholding held in the Company
		2023	2022	
Nishat Mills Limited	Holding Company	Yes	Yes	51.01%
Adamjee Insurance Company Ltd	Associated company of holding company	Yes	Yes	0.26%
Security General Insurance Company Limited	Common Directorship	Yes	Yes	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	Yes	Yes	None
Nishat Hotels and Properties Ltd	Common Directorship	Yes	Yes	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common Directorship	No	Yes	None
Hyundai Nishat Motors (Private) Limited	Common Directorship	Yes	Yes	None
MCB Bank Limited	Associated company of holding company	Yes	Yes	None
Adamjee Life Assurance Company Limited	Associated company of holding company	Yes	Yes	0.01%
Nishat Energy Limited	Associated company of holding company	No	No	None
MCB Islamic Bank Limited	Associated company of holding company	Yes	Yes	None
Nishat Power Limited - Employee Provident Fund	Post employment benefit plan	Yes	Yes	None
Mian Hassan Mansha	Director	Yes	Yes	0.0000%
Mr. Ahmad Aqeel	Director	Yes	Yes	0.0001%
Mr. Mahmood Akhtar	Director	Yes	Yes	0.0003%
Mr. Shahzad Ahmad Malik	Director	Yes	Yes	0.0001%
Mr. Norez Abdullah	Director	Yes	Yes	0.0001%
Ms. Maleeha Humayun Bangash	Director	Yes	Yes	0.0001%
Mr. Ghazanfar Hussain Mirza	Chief Executive	Yes	Yes	0.0003%

	2023	2022
32. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	214	207
Average number of employees during the year	210	206
	2023 MWH	2022 MWH
33. CAPACITY AND PRODUCTION		
Installed capacity [based on 8,760 hours (2022: 8,760 hours)]	1,710,872	1,710,872
Actual energy delivered	537,893	794,242

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

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2023	2022
Trade and other payables		
- USD	(202,916)	(1,512)
- Euro	-	(21,178)
Net exposure - USD	(202,916)	(1,512)
Net exposure - Euro	-	(21,178)

The following significant exchange rates were applicable during the year:

Rupees per US Dollar

Average rate	252.58	181.90
Reporting date rate	287.10	206.00

Rupees per Euro

Average rate	267.16	202.23
Reporting date rate	314.27	215.75

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and EURO with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 2.913 million (2022: Rupees 0.244 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

(iii) Interest rate risk

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

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

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

	2023 (Rupees in thousand)	2022
Fixed rate instruments		
Financial assets		
Trade debts - overdue	7,910,721	3,967,436
Bank balances - Term Deposit Receipts	846,510	-
Short term investments - at amortised cost	-	32,610
Financial liabilities		
Long term financing	-	(36,903)
	8,757,231	3,963,143
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	1,911,809	505,837
Short term investments - at fair value through profit or loss	-	5,701,101
Financial liabilities		
Short term borrowings	-	(4,487,946)
	1,911,809	1,718,992
Net exposure	10,669,040	5,682,135

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 19.118 million (2022: Rupees 17.190 million) higher / lower, mainly as a result of higher / lower interest income on floating rate bank balances and short term investments. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2023 (Rupees in thousand)	2022
Long term loans to employees	10,828	1,512
Trade debts	14,152,106	11,533,456
Short term investments	-	5,733,711
Advances, deposits and other receivables	760,787	631,379
Bank balances	4,760,360	506,650
	<u>19,684,081</u>	<u>18,406,708</u>

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

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

	Rating			2023	2022
	Short term	Long term	Agency	(Rupees in thousand)	
CPPA-G		Not available		6,241,385	7,566,020
Short term investments					
The Bank of Punjab	A-1+	AA+	PACRA	-	1,600
State Bank of Pakistan		Not available		-	5,701,101
Term Deposit Receipts					
Soneri Bank Limited	A-1+	AA-	PACRA	46,510	31,010
MCB Islamic Bank Limited	A-1+	A	PACRA	800,000	-

Rating				2023	2022
Short term		Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A1	A+	VIS	-	
Allied Bank Limited	A1+	AAA	PACRA	18	19
Askari Bank Limited	A1+	AA+	PACRA	94	26
Bank Alfalah Limited	A1+	AA+	PACRA	14	14
Bank Islami Pakistan Limited	A1	AA-	PACRA	2	1
Bank Al-Habib Limited	A1+	AAA	PACRA	4	5
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	13	1
Faysal Bank Limited	A1+	AA	PACRA	12	124
First Women Bank Limited	A2	A-	PACRA	-	-
Habib Bank Limited	A1+	AAA	VIS	941	664
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	13	1
MCB Bank Limited	A1+	AAA	PACRA	1,325,936	505,564
MCB Islamic Bank Limited	A1	A	PACRA	585,805	19
National Bank of Pakistan	A1+	AAA	PACRA	21	5
National Bank of Pakistan - Pay order	A1+	AAA	PACRA	2,000,000	
Meezan Bank Limited	A1+	AAA	VIS	54	5
Soneri Bank Limited	A1+	AA-	PACRA	185	11
The Bank of Punjab	A1+	AA+	PACRA	716	15
The Bank of Khyber	A1	A+	PACRA	5	5
United Bank Limited	A1+	AAA	VIS	17	171
				3,913,850	506,650
				11,001,745	13,806,381

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2023, the Company had Rupees 9,551.520 million (2022: Rupees 6,232.560 million) available borrowing limits from banking companies and Rupees 4,760.713 million (2022: Rupees 507.128 million) cash and bank balances to meet the short-term funding requirements due to delay in payments by CPPA-G. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including mark-up / profit payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 Years
----- Rupees in thousand -----						
Non-derivative financial liabilities:						
Unclaimed dividend	22,238	22,238	22,238	-	-	-
Trade and other payables	966,833	966,833	966,833	-	-	-
Accrued mark-up / profit	5,101	5,101	5,101	-	-	-
	994,172	994,172	994,172	-	-	-

Contractual maturities of financial liabilities as at 30 June 2022:

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

----- Rupees in thousand -----

Non-derivative financial liabilities:

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 / profit	82,884	82,884	82,884	-	-	-
	<u>4,759,029</u>	<u>4,759,029</u>	<u>4,759,029</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of mark-up / profit have been disclosed in note 5 and note 8 to these financial statements.

34.2 Offsetting financial assets and financial liabilities

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

34.3 Financial instruments by categories

2023		
At amortized cost	At fair value through profit or loss	Total

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

Financial assets

Long term loans to employees	10,828	-	10,828
Trade debts	14,152,106	-	14,152,106
Advances, deposits and other receivables	760,787	-	760,787
Cash and bank balances	4,760,713	-	4,760,713
	<u>19,684,434</u>	<u>-</u>	<u>19,684,434</u>

2022		
At amortized cost	At fair value through profit or loss	Total

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

Financial assets

Long term loans to employees	1,512	-	1,512
Trade debts	11,533,456	-	11,533,456
Short term investments	32,610	5,701,101	5,733,711
Advances, deposits and other receivables	631,379	-	631,379
Cash and bank balances	507,128	-	507,128
	<u>12,706,085</u>	<u>5,701,101</u>	<u>18,407,186</u>

Financial liabilities at amortised cost

2023
(Rupees in thousand)

2022

Financial liabilities

Long term financing	-	36,903
Short term borrowings	-	4,487,946
Trade and other payables	966,833	131,152
Unclaimed dividend	22,238	20,144
Accrued mark-up / profit	5,101	82,884
	994,172	4,759,029

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

2023		
Financial assets	Non-financial assets	Total as per statement of financial position

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

Assets

Long term loans to employees	7,887	-	7,887
Trade debts	14,152,106	-	14,152,106
Advances, deposits, prepayments and other receivables	760,787	533,857	1,294,644
Cash and bank balances	4,760,713	-	4,760,713
	19,681,493	533,857	20,215,350

2023		
Financial liabilities	Non-financial liabilities	Total as per statement of financial position

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

Liabilities

Trade and other payables	966,833	504,429	1,471,262
Accrued mark-up / profit	5,101	-	5,101
Unclaimed dividend	22,238	-	22,238
	994,172	504,429	1,498,601

2022		
Financial assets	Non-financial assets	Total as per statement of financial position

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

Assets

Long term loans to employees	1,228	-	1,228
Trade debts	11,533,456	-	11,533,456
Advances, deposits, prepayments and other receivables	631,379	1,345,047	1,976,426
Short term investments	5,733,711	-	5,733,711
Cash and bank balances	507,128	-	507,128
	<u>18,406,902</u>	<u>1,345,047</u>	<u>19,751,949</u>

2022		
Financial liabilities	Non-financial liabilities	Total as per statement of financial position

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

Liabilities

Long term financing	36,903	-	36,903
Trade and other payables	131,152	517,701	648,853
Accrued mark-up / profit	82,884	-	82,884
Unclaimed dividend	20,144	-	20,144
Short term borrowings	4,487,946	-	4,487,946
	<u>4,759,029</u>	<u>517,701</u>	<u>5,276,730</u>

34.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure and make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings including current and non-current borrowings, as disclosed in notes 5 and 8 to these financial statements, less cash and bank balances as disclosed in note 20 to these financial statements. Total capital employed includes equity as shown in the statement of financial position, plus net borrowings. The decrease in gearing ratio is due to the fact that the Company has settled all its borrowings at reporting date.

	2023 (Rupees in thousand)	2022
Long term financing	-	36,903
Short term borrowings	-	4,487,946
Less: Cash and bank balances	4,760,713	507,128
Net (cash and bank balances) / borrowings	(4,760,713)	4,017,721
Total equity	29,883,014	28,093,560
Gearing ratio	0%	14.30%

35. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 June 2023	Level 1	Level 2	Level 3	Total
..... Rupees in thousand				
Financial assets				
Financial assets at fair value through profit or loss	-	-	-	-

Recurring fair value measurements at 30 June 2022	Level 1	Level 2	Level 3	Total
..... Rupees in thousand				
Financial assets				
Financial assets at fair value through profit or loss	-	5,701,101	-	5,701,101

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

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

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

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

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

36. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023	2022	2023	2022
	----- (Rupees in thousand) -----			
Total facilities	1,750,000	750,000	9,551,520	10,757,409
Utilized at the end of the year	974,380	687,920	-	4,524,849
Unutilized at the end of the year	775,620	62,080	9,551,520	6,232,560

37. PROVIDENT FUND

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

38. SEGMENT INFORMATION

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

39. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed final cash dividend for the year ended 30 June 2023 of Rupees 3 per share (2022: Rupee 2.5 per share). However, this event has been considered as non-adjusting event under IAS 10 'Events after Reporting Period' and has not been recognized in these financial statements.

40. CORRESPONDING FIGURES

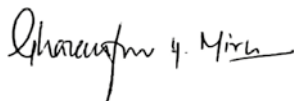
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

41. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 21 August 2023 by the Board of Directors of the Company.

42. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

FORM OF PROXY

I/We, _____

of _____ CDC A/C NO. / FOLIO NO. _____

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

Mr./Miss/Ms. _____

of _____ CDC A/C NO. / FOLIO NO. _____

and or failing him/her _____ of _____

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on October 26, 2023 (Thursday) at 11:30 Am 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 _____ 2023.

Signature _____

Address _____

CNIC No. _____

Revenue
Stamp
of Rs. 50/-

No. of shares held _____

Witness:-

Name _____

Address _____

CNIC No. _____

Name _____

Address _____

CNIC No. _____

IMPORTANT:

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



The Company Secretary

NISHAT POWER LIMITED

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

AFFIX
CORRECT
POSTAGE

پراکسی فارم (مختارنامہ)

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

کو اپنے / ہمارے ایما پر _____ مورخہ 26 اکتوبر 2023ء بروز جمعرات دوپہر 11:30 بجے
بمقام: _____ امپوریم 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 2023ء 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، لارنس روڈ لاہور میں سالانہ اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل پراکسیز مقرر کرنے کے لئے لازماً وصول ہو جانے چاہئیں۔
- 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۔

AFFIX
CORRECT
POSTAGE

The Company Secretary

NISHAT POWER LIMITED

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

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Nishat Power Limited to be held on (Thursday) October 26, 2023 at 11:30 AM (PST) at Emporium Mall, the Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nishatpower.com.

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio No. / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (In case of foreigner)(Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporates, corporations and Federal Government)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by giving my/our assent or dissent to the following resolutions by placing tick (✓) mark in the appropriate box below:

Special Resolutions
<p>Agenda Item 4(a)</p> <p>To ratify and approve transactions conducted with the Related Parties during the year ended June 30, 2023 by passing the following special resolution with or without modification:</p> <p>Resolved that the Related Party Transactions made during the financial year ended June 30, 2023 as approved by the Board of Directors of Nishat Power Limited ("the Company") be and are hereby ratified, approved and confirmed in all respects.</p>
<p>Agenda Item 4(b)</p> <p>To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on June 30, 2024 by passing the following special resolution with or without modification:</p> <p>Resolved that the Board of Directors of Nishat Power Limited ("the Company") be and is hereby authorized to approve the transactions to be conducted with the related parties during the financial year ending on June 30, 2024 and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their ratification.</p>
<p>Agenda Item 4(c)</p> <p>To consider and if deemed fit, to pass the following resolutions as special resolutions in pursuance of S.R.O. 389(I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink with or without modification, addition(s) or deletion(s).</p> <p>Resolved that the approval of the members of Nishat Power Limited (the "Company") be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the financial year 2023 through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023.</p> <p>RESOLVED further that that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.</p>

I/we hereby exercise my/our vote in respect of above mentioned special resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick (✓) mark in the appropriate box below:

Sr No.	Nature and Description of resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Resolution as per the Agenda Item No. 4(a) (as given above)		
2	Special Resolution as per the Agenda Item No. 4(b) (as given above)		
3	Special Resolution as per the Agenda Item No. 4(c) (as given above)		

 Shareholder / Proxy holder Signature/Authorized Signatory
 (In case of corporate entity, please affix company stamp)

Place: _____

Date: _____

NOTES:

1. Duly filled postal ballots should be sent to the Chairman at Nishat House, 53-A, Lawrence Road, Lahore or through email at: chairman@nishatpower.com.
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before October 25, 2023 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

ایجنڈا آئٹم 4(c)

غور و خوض اور اگر مناسب سمجھا جائے تو، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی بیروی میں اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو QR فعال کوڈ اور ویب لنک کے ذریعے ارسال کرنے کا کمپنی کو اختیار دینے کے لئے مندرجہ ذیل قراردادوں کو ترمیم کے ساتھ یا بغیر، اضافے یا حذف کے خصوصی قراردادوں کے طور پر پاس کرنا۔

قرار پایا ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی رو سے اجازت کے مطابق نشاط پاور لمیٹڈ ("کمپنی") کے ممبران کی منظوری ہے اور بذریعہ ہذا سال 2023 سے شروع ہونے والے آئندہ سالوں کے لیے سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ممبرز کو منتقلی USB/DVD/CD کے ذریعے منتقل کرنے کی بجائے QR فعال کوڈ اور ویب لنک کے ذریعے کرنے کی منظوری دی جاتی ہے۔

مزید قرار پایا ہے کہ کمپنی کے چیف ایگزیکٹو آفیسر اور/یا چیف فنانشل آفیسر اور/یا کمپنی سیکرٹری تمام کاموں، اعمال اور چیزوں کو کرنے، تمام قانونی تقاضے، ضروری اقدامات اٹھانے یا کرنے کا سبب بننے اور ضروری دستاویزات فائل کرنے جو کہ اس قرارداد کو نافذ کرنے کے مقاصد کے لیے ضروری یا اتفاقی ہوں گے مجاز ہیں۔

میں/ہم مندرجہ بالا خصوصی قراردادوں کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا/ہمارے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب خانہ میں ٹک (✓) کا نشان لگا کر درج ذیل قراردادوں پر اپنی رضامندی یا اختلاف رائے دیتا ہوں/دیتے ہیں:

نمبر شمار	قراردادوں کی نوعیت اور تفصیل	میں/ہم قراردادوں پر رضامند ہیں (FOR)	میں/ہم قراردادوں پر کے خلاف ہیں (AGAINST)
1-	ایجنڈا آئٹم نمبر 4(a) کے مطابق خصوصی قرارداد (مذکورہ بالا)		
2-	ایجنڈا آئٹم نمبر 4(b) کے مطابق خصوصی قرارداد (مذکورہ بالا)		
3-	ایجنڈا آئٹم نمبر 4(c) کے مطابق خصوصی قرارداد (مذکورہ بالا)		

شیئر ہولڈر/پراکسی ہولڈر دستخط/مجاز کنندہ کے دستخط:

(بصورت کارپوریٹ ادارہ، براہ مہربانی کمپنی کی مہر ثبت کریں)

مقام:

تاریخ:

نوٹس:

- صحیح طریقے سے پُر شدہ پوسٹل بیلٹ چیئر مین کو نشاط پاور، 53-A، لارنس روڈ، لاہور، یا chairman@nishatpower.com پر ای میل بھیجنا چاہیے۔
- NICOP، CNIC / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہیے۔
- پوسٹل بیلٹ فارم 25 اکتوبر 2023 شام 5:00 بجے کو یا اس سے پہلے چیئر مین اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ/وقت کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے قبول نہیں کیا جائے گا۔
- ہاڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندہ کی صورت میں، قابل اطلاق کمپنیز ایکٹ 2017 کی دفعہ 138 یا 139 کے مطابق بیلٹ پیپر فارم لازماً مجاز فرد کے CNIC کی کاپی، بورڈ کی قرارداد/مختار نامہ/اتھرائزیشن لیٹر وغیرہ کی مصدقہ کاپی کے ہمراہ ہونا چاہئے۔ غیر ملکی ہاڈی کارپوریٹ وغیرہ کی صورت میں، تمام دستاویزات رکن کی جو رسد کشن کے پاکستان کے کنسل جنرل سے تصدیق شدہ ہونے چاہئیں۔
- پوسٹل بیلٹ پر دستخط NICOP، CNIC / پاسپورٹ (غیر ملکی کی صورت میں) کے دستخط سے مماثل ہونا چاہئے۔
- نامکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھٹا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔

نشاط پاور لمیٹڈ

ڈاک کے ذریعے ووٹنگ کے لیے بیلٹ پیپر

بروز جمعرات، 26 اکتوبر 2023 کو صبح 11:30 بجے (PST) ایمپوریم مال، نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپو سنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور، پر منعقد ہونے والے نشاط پاور لمیٹڈ کے سالانہ اجلاس عام میں ڈاک کے ذریعے ووٹنگ برائے خصوصی امور کے لیے۔

چیئر مین کا نامزد کردہ ای میل ایڈریس جس پر صحیح طریقے سے پُر شدہ بیلٹ پیپر بھیجا جاسکتا ہے: chairman@nishatpower.com

شیر ہولڈر/مشتہر کہ شیر ہولڈرز کا نام	
رجسٹرڈ ایڈریس	
فولیو نمبر / سی ڈی سی پارٹنر شپ / انویسٹر آئی ڈی مع سب اکاؤنٹ نمبر	
ملکیتی حصص کی تعداد	
NICOP، CNIC / پاسپورٹ نمبر (بصورت غیر ملکی) (کاپی منسلک ہو)	
اضافی معلومات اور ملفوظات (ہاڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندہ کی صورت میں)	
مجاز دستخط کنندہ کا نام:	
مجاز دستخط کنندہ کا NICOP، CNIC / پاسپورٹ نمبر (بصورت غیر ملکی) (کاپی منسلک ہو)	

میں/ہم مندرجہ ذیل خصوصی قراردادوں کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا/اپنے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر درج ذیل قراردادوں پر اپنی رضامندی یا اختلاف رائے دیتے ہیں:

خصوصی قراردادیں

ایجنڈا آئٹم 4(a)

30 جون 2023 کو ختم ہونے والے سال کے دوران متعلقہ فریقین کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لیے درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر منظور کرنا:-

قرار پایا کہ 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کئے گئے لین دین جیسا کہ نشاط پاور لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے اور ہر لحاظ سے ان کی توثیق، منظوری اور تصدیق کی جاتی ہے۔

ایجنڈا آئٹم 4(b)

کمپنی کے بورڈ آف ڈائریکٹرز کو درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر منظور کر کے 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ لین دین کی منظوری کا اختیار دینا:

قرار پایا کہ نشاط پاور لمیٹڈ ("کمپنی") کا بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کیے جانے والے لین دین کی منظوری دینے کا مجاز ہے اور ان لین دین کو شیر ہولڈرز کی طرف سے منظور کیا گیا سمجھا جائے گا اور اگلے سالانہ اجلاس عام میں شیر ہولڈرز کے سامنے ان کی توثیق کے لیے پیش کیا جائے گا۔



N I S H A T

NISHAT POWER LIMITED

53-A, Lawrence Road, Lahore.

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