

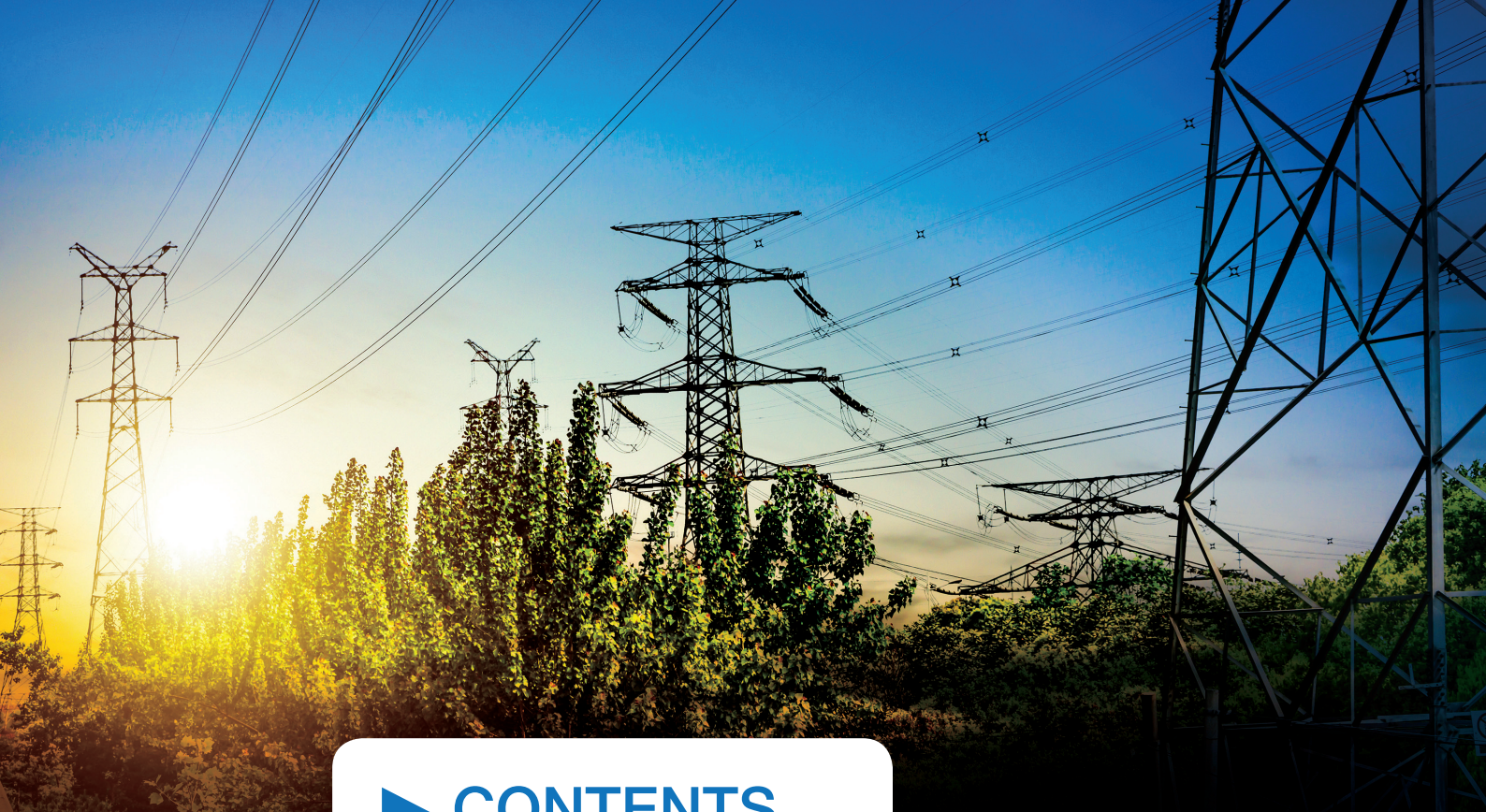


NISHAT POWER LIMITED  
**ANNUAL REPORT 2024**



**Enlighten the Future  
Through Excellence,  
Commitment, Integrity  
and Honesty**





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# CORPORATE PROFILE

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## BOARD OF DIRECTORS

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

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## AUDIT COMMITTEE

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

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## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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## CHIEF FINANCIAL OFFICER

Mr. Tanvir Khalid

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## COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

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## BANKERS OF THE COMPANY

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

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## AUDITORS

Riaz Ahmad & Co.  
Chartered Accountants

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## LEGAL ADVISOR

Cornelius, Lane & Mufti  
Advocates & Solicitors

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## REGISTERED OFFICE

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

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## HEAD OFFICE

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

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## SHARE REGISTRAR

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

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## PLANT

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





# MISSION

## STATEMENT

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



# VISION

## STATEMENT

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ENLIGHTEN THE FUTURE  
THROUGH EXCELLENCE,  
COMMITMENT, INTEGRITY  
AND HONESTY





# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Members of Nishat Power Limited (**the "Company"**) will be held on October 24, 2024 (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, 2024 with the Chairman Review, Directors' and Auditor's reports thereon.



Scan QR Code for  
Annual Report 2024

<http://nishatpower.com/wp-content/uploads/2024/09/Nishat-Power-Limited-Annual-Report-2024.pdf>

2. To approve Final Cash Dividend @ 50% [i.e. Rs. 5/- (Rupees Five Only) Per Ordinary Share] as recommended by the Board of Directors for the year ended June 30, 2024, in addition to the 45% i.e. Rs. 4.50/- per share Interim Cash Dividend already paid.
3. To appoint statutory Auditors for the year ending June 30, 2025 and fix their remuneration.
4. **Special Business:**

**To ratify and approve all Related Party Transactions approved by the Board of Directors during the year ended June 30, 2024 by passing the following resolution as Special Resolution with or without modification(s):**

**Resolved** that pursuant to the powers conferred upon the Board of Directors of Nishat Power Limited ("the Company") by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 26, 2023, the Related Party Transactions made during the financial year ended June 30, 2024 as disclosed in Annual Financial Statements of the Company for the year ended 30 June 2024 and as approved by the Board of Directors of the Company be and are hereby ratified, approved and confirmed in all respects.

A Statement of Material Facts as required under Section 134(3) of the Companies Act, 2017 is annexed to the notice of meeting circulated to the members of the Company.

By order of the Board

**(KHALID MAHMOOD CHOCHAN)**  
COMPANY SECRETARY

Lahore  
03 September, 2024



## NOTES:

### BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from **17-10-2024 to 24-10-2024 (both days inclusive)** for entitlement of **50% Final Cash Dividend [i.e. Rs. 5/- (Rupees Five Only) Per Ordinary Share]** for the year ended June 30, 2024 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 16-10-2024 at Share Registrar, Hameed Majeed Associates (Pvt) Ltd, 7-Bank Square, Lahore, will be considered in time for entitlement of above said 50% 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 through Central Depository System 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 whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

### B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.



- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

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

### Deduction of Withholding Tax on Dividend

The rates of deduction of income tax from dividend payments shall be applicable as per the Income Tax Ordinance.

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.

### 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 16-10-2024 otherwise each joint holder shall be assumed to have an equal number of shares.

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

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

### EXEMPTION OF WITHHOLDING TAX:-

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is submitted to Share Registrar, Hameed Majeed Associates (Pvt) Ltd, up to 16-10-2024.

### 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 if applicable, 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 wants to claim exemption, should submit valid Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, Share Registrar, Hameed Majeed Associates (Pvt) Ltd., **otherwise no exemption will be granted.** The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio Numbers/CDC Account Numbers.

## MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company.

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

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

## Transmission of Annual Financial Statements through Email:

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



## Circulation of Annual Reports through QR enabled code and web link

Pursuant to the SECP's S.R.O. 389(I)/2023 dated March 21, 2023, the Members of Nishat Power Limited had accorded their consent for transmission of annual reports including Annual Audited Financial Statements to the members through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB. 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.

## 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 available on the website of the Company.

## E-voting / 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 24-10-2024, 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 17-10- 2024.
- 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.
- IV. E-Voting lines will start from 21-10-2024, 09:00 a.m. and shall close on 23-10-2024 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 23-10- 2024 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:-**

To attend the meeting through video link, members or 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 within working hours by October 16, 2024.

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 24, 2024.

### Approval / Ratification of transactions conducted with the Related Parties during the year ended June 30, 2024

Following transactions, as disclosed in Annual Financial Statements of the Company for the year ended 30 June 2024, 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 the powers conferred by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 26, 2023, the Board has recommended for placement of the same before the shareholders of the Company in annual general meeting for approval / ratification.

Relationship With Company	Type of Transaction	Rupees in Thousand
Holding Company	Dividend	1,354,747
Other Related Parties	Purchase of services	158,605
	Purchase of goods	17,139
	Insurance premium	463,170
	Profit on bank deposits	254,767
	Dividend on investments	337,853
	Contribution towards staff retirement benefit	36,921
Key management personnel	Remuneration and Dividends Paid	35,633

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 Annual General Meeting.

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business 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, 2024 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2023-24.

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 15.22 in current year as compared to Rs 11.55 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 2024 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: 3 September, 2024

## چیرمین کی جائزہ رپورٹ

30 جون، 2024 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 2023-24 کے دوران آپ کی کمپنی کی 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 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 اسٹیک ہولڈرز کی طرف سے بھیجے گئے اعتماد اور تعاون کی تعریف کرنا چاہوں گا جس نے کمپنی کو گزشتہ سال 11.55 روپے کے مقابلے میں موجودہ سال میں 15.22 روپے کی فی حصص آمدنی پوسٹ کرنے میں مدد کی۔

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 کنٹرولز کی موثرگی کو یقینی بناتے ہوئے کمپنی کی مالی حیثیت کی منصفانہ نمائندگی کرتے ہیں، جبکہ ایچ آر کمیٹی ایچ آر پالیسی کے فریم ورک کا جائزہ لیتی ہے اور سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضے کی سفارش کرتی ہے۔

بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے، بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کا سالانہ جائزہ لینے کا طریقہ کار وضع کیا ہے۔ اسی مناسبت سے، بورڈ نے سال 2024 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۔ موثر 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: 3 ستمبر 2024ء



## **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 30 June, 2024.

## 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 22,505 million (2023: Rs 23,069 million) during the year against operating cost of Rs 17,365 million (2023: Rs 18,496 million) resulting in a gross profit of Rs 5,140 million (2023: Rs 4,573 million). The current year's net profit after tax amounts to Rs 5,390 million resulting earnings per share of Rs 15.22 compared to previous year's profit after tax of Rs 4,091 million and earnings per share of Rs 11.55.

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, 2024 stand at Rs 15,319 million, out of which overdue receivables are Rs 9,984 million.

## OPERATIONS:

The plant operated at average capacity factor of 26.45% (2023: 31.44%) and dispatched 454 GWh (2023: 538 GWh) of electricity to the national grid during the year.

## KEY OPERATING AND FINANCIAL DATA:

Financial year ended June 30,	2024	2023
	(Rupees in Million)	
Turnover	22,505	23,069
Net Profit	5,390	4,091
Total non-current assets	8,288	8,581
Issued, subscribed and paid up capital	3,541	3,541
Long term financing	Nil	Nil
Short term financing	2,960	Nil
Generation (MWh)	453,692	537,893
Earnings per share-basic and diluted (Rs.)	15.22	11.55
Share prices (Market value rupees per share)	39.53	16.95

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 31% (2023) to 26% 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 year, 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 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, 2024 is Rs 565.082 million

## ATTENDANCE OF MEMBERS IN AUDIT COMMITTEE MEETINGS

During the year, four Audit Committee Meetings were held. Audit Committee was re-constituted after Election of Directors held on August 22, 2023 and attendance position was as under:-

Sr. #	Name of Member	No. of Meetings Attended
1.	Mr. Ahmad Aqeel <sup>1</sup> (Member/Chairman)	1
2.	Mr. Shahzad Ahmad Malik <sup>2</sup> (Member)	1
3.	Ms. Maleeha Humayun Bangash (Member)	3
4.	Mr. Humayun Maqbool <sup>3</sup> (Member/Chairman)	2
5.	Mr. Muhammad Aqib Zulfiqar <sup>4</sup> (Member)	3

<sup>1</sup> Retired on August 22, 2023

<sup>2</sup> Retired on August 22, 2023

<sup>3</sup> Appointed in place of Mr. Ahmad Aqeel

<sup>4</sup> Appointed in place of Mr. Shahzad Ahmad Malik

## ATTENDANCE OF MEMBERS IN HR COMMITTEE

During the year, one HR&R Committee Meeting was held, HR&R Committee was re-constituted after Election of Directors held on August 22, 2023 and attendance position was as under:-

Sr. #	Name of Member	No. of Meetings Attended
1.	Mr. Hassan Mansha (Member)	1
2.	Ms. Maleeha Humayun Bangash <sup>1</sup> (Member/Chairperson)	1
3.	Mr. Ghazanfar Hussain Mirza (Member)	1
4.	Mr. Ahmad Aqeel <sup>2</sup> (Member/Chairman)	0

<sup>1</sup> Appointed in place of Mr. Ahmad Aqeel

<sup>2</sup> Retired on August 22, 2023

## ATTENDENCE OF DIRECTORS IN BOD MEETINGS

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

Sr. #	Name of Directors	No. of Meetings Attended
1.	Mian Hassan Mansha Chairman	6
2.	Mr. Ghazanfar Hussain Mirza Chief Executive Officer	6
3.	Mr. Ahmad Aqeel <sup>1</sup>	2
4.	Mr. Mahmood Akhtar	6
5.	Mr. Shahzad Ahmad Malik	6
6.	Ms. Maleeha Humayun Bangash	4
7.	Mr. Norez Abdullah <sup>2</sup>	0
8.	Mr. Humayun Maqbool <sup>3</sup>	3
9.	Mr. Muhammad Aqib Zulfiqar <sup>4</sup>	4

1 Retired on August 22, 2023

2 Retired on August 22, 2023

3 Elected in election of Directors held on August 22, 2023

4 Elected in election of Directors held on August 22, 2023

## 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, 2023.

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 2024.

Sr. #	Name of Directors
1	Mr. Humayun Maqbool
2	Ms. Maleeha Humayun Bangash
3	Mian Hassan Mansha
4	Mr. Shahzad Ahmad Malik
5	Mr. Muhammad Aqib Zulfiqar
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 Director	1

## COMMITTEES OF THE BOARD:

### Audit Committee of the Board:

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

### Human Resource and Remuneration Committee:

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

## **DIRECTORS' REMUNERATION:**

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 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, 2024 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, 2024 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



**CHIEF EXECUTIVE OFFICER**

Lahore: 3 September, 2024

effectiveness of the role played by the board in achieving the Company's objectives. The directors endorse the contents of the review.

## **MAINTENANCE RESERVE:**

The Directors consider that the remaining balance of maintenance reserve of Rs. 2.114 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.5 per share. The total dividend to be approved by the shareholders at the Annual General Meeting on October 24, 2024 will be Rs.5 per share i.e., 50% amounting to Rs.1,770.443 million for the year ended June 30, 2024.

## **AUDITORS:**

The present auditors M/s Riaz Ahmad & Company Chartered Accountants retire and being eligible, offer themselves for re-appointment for the year 2024-25. 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 all the employees 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 2024 کو ختم ہونے والے مالی سال کے لئے کمپنی کے نظر ثانی کئے ہوئے مالیاتی گوشوارے کی سالانہ رپورٹ مع اس پراڈیٹری کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

## بنیادی سرگرمی:

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

## مالیاتی نتائج:

کمپنی نے سال کے دوران 17,365 ملین روپے (2023: 18,496 ملین روپے) کی آپریٹنگ لاگت کے عوض 22,505 ملین روپے (2023: 23,069 ملین روپے) کا کاروبار کیا، جس کے نتیجے میں 5,140 ملین روپے (2023: 4,573 ملین روپے) کا مجموعی منافع ہوا ہے۔ موجودہ سال کا بعد از ٹیکس خالص منافع گزشتہ سال کے بعد از ٹیکس منافع 4,091 ملین روپے اور 11.55 روپے فی شیئر آمدنی کے مقابلہ میں 5,390 ملین روپے اور 15.22 روپے فی شیئر آمدنی رہا ہے۔

پاور پراجیزر اپنی ادائیگی کی ذمہ داریوں پر مسلسل نادرہنگی پر کاربند ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے اور Implementation Agreement کے تحت پاور پراجیزر 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 2024 کو پاور پراجیزر سے کل واجب وصولی 15,319 ملین روپے ہے، جن میں سے 9,984 ملین روپے کی واجب الوصول رقم زائد المعیاد ہے۔

## کاروباری نتائج:

سال کے دوران پلانٹ سے پاور پراجیزر کو اوسط 26.45 فیصد (2023: 31.44 فیصد) صلاحیت کے ساتھ 454 GWh (2023: 538 GWh) بجلی ترسیل کی گئی۔

## کلیدی آپریٹنگ اور مالی اعداد و شمار:

2023	2024	30 جون کو ختم ہونے والی مالی سال
( روپے بلین میں )		
23,069	22,505	آمدنی
4,091	5,390	خالص منافع
8,581	8,288	کل نان کرنٹ اثاثہ جات
3,541	3,541	اجراء، سبسکرائبڈ اور ادا شدہ سرمایہ
Nil	Nil	طویل مدتی فنانسنگ
Nil	2,960	قلیل مدتی فنانسنگ
537,893	453,692	جنریشن (MWh)
11.55	15.22	آمدنی فی حصص - بنیادی اور کم ہوا (روپے)
16.95	39.53	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 31 فیصد سے کم ہو کر اس سال میں 26 فیصد ہوا۔ مزید برآں، مینجمنٹ کا خیال ہے کہ پاور پر چیز 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 فنکشن قائم کیا ہے۔ کمپنی 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 کنٹرول 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 جنریٹرز اور گندے پانی کے ٹیسٹنگ سے اخراج کے لئے ماحولیاتی نگرانی نیشنل انوائرنمنٹل کوالٹی سٹینڈرڈز (NEQS) کی تعمیل کے لئے متواتر بنیاد پر کی جاتی ہے۔

## کارپوریٹ سماجی ذمہ داری

سال کے دوران، کمپنی نے اپنے پلانٹ کے قریب مقامی آبادی کے معیار زندگی کو بہتر بنانے اور ترقی کے مواقعوں کی نشاندہی کی ہے مثلاً صاف پانی کی فراہمی، سکولوں میں تجزیہ اور مرمتی کام، مستحق طلباء کی مالی مدد اور شجر کاری۔

## کارپوریٹ اور ماحولیاتی رپورٹنگ فریم ورک

کمپنی مینجمنٹ اپنی ذمہ داری سے مکمل طور پر واقف ہے جیسا کہ کمپنیز 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 کوششوں کا ثبوت ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اور مینجمنٹ کو ریسز 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 2024 کو 565.082 ملین روپے ہے۔

## آڈٹ کمیٹی کے اجلاسوں میں ارکان کی شمولیت

سال کے دوران چار آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔ 22 اگست 2023 کو ڈائریکٹرز کے الیکشن کے بعد آڈٹ کمیٹی کی دوبارہ تشکیل کی گئی اور حاضری کی پوزیشن حسب ذیل تھی:

نمبر شمار	نام رکن	عہدہ	تعداد حاضری
1	جناب احمد عقیل *	(ممبر) چیئرمین	1
2	جناب شہزاد احمد ملک *	(ممبر)	1
3	محترمہ ملیحہ ہمایوں بنگش	(ممبر)	3
4	جناب ہمایوں مقبول **	(ممبر) چیئرمین	2
5	جناب محمد عاقب ذوالفقار ***	(ممبر)	3

\* 22 اگست 2023 کو ریٹائر ہوئے۔

\*\* جناب احمد عقیل کی جگہ مقرر

\*\*\* جناب شہزاد احمد ملک کی جگہ مقرر ہوئے۔

## ایچ آر کمیٹی کے اجلاس میں ارکان کی شمولیت

سال کے دوران ہیومن ریسورس اینڈ ریمزیشن (ایچ آر اینڈ آر) کمیٹی کا ایک اجلاس منعقد ہوا۔ 22 اگست 2023 کو ڈائریکٹرز کے الیکشن کے بعد (ایچ آر اینڈ آر) کمیٹی کی دوبارہ تشکیل کی گئی اور حاضری کی پوزیشن حسب ذیل تھی:

نمبر شمار	نام رکن	عہدہ	تعداد حاضری
1	میاں حسن منشاء	(ممبر)	1
2	محترمہ ملیحہ ہمایوں بنگش *	(ممبر) چیئر پرسن	1
3	جناب غضنفر حسین مرزا	(ممبر)	1
4	جناب احمد عقیل **	(ممبر) چیئرمین	0

\* جناب احمد عقیل کی جگہ مقرر

\*\* 22 اگست 2023 کو ریٹائر ہوئے۔

## بورڈ آف ڈائریکٹرز کے اجلاس میں ڈائریکٹرز کی شمولیت

سال کے دوران، بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل تھی:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	میاں حسن منشاء	(چیرمین)	6
2	جناب غضنفر حسین مرزا	(چیف ایگزیکٹو آفیسر)	6
3	جناب احمد عقیل *		2
4	جناب محمود اختر		6
5	جناب شہزاد احمد ملک		6
6	محترمہ ملیحہ ہمایوں بنگش		4
7	جناب نوریز عبداللہ *		0
8	جناب ہمایوں مقبول **		3
9	جناب محمد عاقب ذوالفقار **		4

\*22 اگست 2023 کو ریٹائر ہوئے۔

\*\*22 اگست 2023 کو ہونے والے ڈائریکٹرز کے انتخاب میں منتخب ہوئے۔

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

کمپنی نے 22 اگست 2023 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 2024 کے دوران، مندرجہ ذیل افراد نے کمپنی کے ڈائریکٹرز کی حیثیت سے خدمات سرانجام دی ہیں:

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

بورڈ کی ترتیب:

ڈائریکٹرز کی کل تعداد

6 (a) مرد

1 (b) عورت

ترتیب

2 (i) آزاد ڈائریکٹرز

4 (ii) دیگر نان ایگزیکٹو ڈائریکٹرز

1 (iii) ایگزیکٹو ڈائریکٹر

بورڈ کی کمیٹیاں

بورڈ کی آڈٹ کمیٹی

نمبر شمار	نام ڈائریکٹر
1	جناب ہمایوں مقبول (آزاد ڈائریکٹر) چیئرمین
2	محترمہ ملیحہ ہمایوں بنگش (آزاد ڈائریکٹر)
3	جناب محمد عاقب ذوالفقار (نان ایگزیکٹو ڈائریکٹر)

نمبر شمار	نام ڈائریکٹر
1	محترمہ ملیحہ ہمایوں بنگش (آزاد ڈائریکٹر) چیئر پرسن
2	میاں حسن منشاء (نان ایگزیکٹو ڈائریکٹر)
3	جناب غضنفر حسین مرزا (ایگزیکٹو ڈائریکٹر)

### ڈائریکٹرز کا مشاہرہ:

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز ادا کئے گئے مشاہرہ کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 30 میں منکشف کی گئی ہے۔

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

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

### حصص داری کا نمونہ:

برطابق 30 جون 2024 نمونہ حصص داری کا بیان منسلک ہے۔

### کمپنی کے حصص میں ٹریڈنگ:

30 جون 2024 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹو اور ان کے زوج اور نابالغ بچوں کی طرف سے لسٹڈ کمپنی کے حصص میں کی گئی تمام تجارت اس سالانہ رپورٹ کے ہمراہ منسلک ہے۔

### متعلقہ پارٹیاں:

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

## چیئر مین کا جائزہ

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

## میٹھی نینس کے لئے مختص رقم:

ڈائریکٹرز کے مطابق پچھلے برسوں میں کمپنی کی برقرار آمدنی میں سے مختص شدہ باقی رقم جو کہ 2.114 بلین روپے ہے، اہم مرمت اور دیکھ بھال کے اخراجات کے لیے کافی ہے۔

## تصرفات:

ڈائریکٹرز 5 روپے فی شیئر کے حتمی نقد منافع کی سفارش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے 24 اکتوبر 2024 کو منعقدہ سالانہ اجلاس عام میں شیئر ہولڈرز کی طرف سے منظور کیے جانے والا کل منافع منقسمہ 5 روپے فی شیئر ہوگا یعنی 50 فیصد، بمطابق 1,770.443 بلین روپے ہوگا۔

## محاسب:

موجودہ محاسب میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے اہل ہونے کی بناء پر سال 2024-25 کے لئے دوبارہ تعیناتی کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے محاسب کی دوبارہ تقرری کی سفارش کی ہے۔

## اظہار تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اسٹیک ہولڈرز کے اعتماد اور مسلسل حمایت کا شکریہ ادا کرتا ہے۔ بورڈ ان تمام ملازمین کے تعاون کو تسلیم کرتا ہے جنہوں نے جوش و خروش سے کمپنی کی خدمت کی، اور امید کرتا ہے کہ مستقبل میں بھی وہ کمپنی کے لئے یہی عقیدت کا جذبہ برقرار رکھیں گے۔



ڈائریکٹر



چیئر ایگزیکٹو آفیسر

لاہور: 3 ستمبر 2024ء

# PATTERN OF HOLDINGS

OF THE SHARES HELD BY THE SHAREHOLDERS  
OF NISHAT POWER LIMITED AS AT 30 JUNE, 2024

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
	FROM	TO		
664	1 -	100	20,244	0.01
1387	101 -	500	619,622	0.17
538	501 -	1000	505,098	0.14
938	1001 -	5000	2,727,839	0.77
362	5001 -	10000	2,957,662	0.84
144	10001 -	15000	1,907,595	0.54
104	15001 -	20000	1,914,369	0.54
89	20001 -	25000	2,079,047	0.59
55	25001 -	30000	1,582,541	0.45
39	30001 -	35000	1,300,047	0.37
26	35001 -	40000	1,003,638	0.28
8	40001 -	45000	338,467	0.10
43	45001 -	50000	2,115,426	0.60
15	50001 -	55000	794,499	0.22
12	55001 -	60000	706,000	0.20
5	60001 -	65000	314,181	0.09
5	65001 -	70000	342,800	0.10
11	70001 -	75000	812,566	0.23
18	75001 -	80000	1,416,100	0.40
7	80001 -	85000	583,963	0.16
15	85001 -	90000	1,310,861	0.37
2	90001 -	95000	186,545	0.05
26	95001 -	100000	2,596,000	0.73
2	100001 -	105000	208,500	0.06
4	105001 -	110000	436,434	0.12
4	110001 -	115000	446,609	0.13
11	115001 -	120000	1,305,090	0.37
4	120001 -	125000	489,201	0.14
6	125001 -	130000	767,300	0.22
7	130001 -	135000	924,300	0.26
2	135001 -	140000	274,205	0.08
3	140001 -	145000	430,001	0.12
8	145001 -	150000	1,199,500	0.34
3	150001 -	155000	457,100	0.13
3	155001 -	160000	475,700	0.13
4	160001 -	165000	649,488	0.18
3	165001 -	170000	501,683	0.14
7	170001 -	175000	1,212,550	0.34
1	175001 -	180000	176,300	0.05
2	180001 -	185000	366,705	0.10
4	185001 -	190000	751,900	0.21

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	TO	TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
1	190001 -	195000	190,863	0.05
18	195001 -	200000	3,595,683	1.02
2	200001 -	205000	406,165	0.11
2	210001 -	215000	428,500	0.12
2	215001 -	220000	436,000	0.12
3	220001 -	225000	666,748	0.19
1	225001 -	230000	230,000	0.06
2	235001 -	240000	478,091	0.14
1	240001 -	245000	242,773	0.07
5	245001 -	250000	1,250,000	0.35
2	250001 -	255000	506,169	0.14
3	265001 -	270000	806,000	0.23
1	270001 -	275000	273,800	0.08
1	275001 -	280000	277,624	0.08
1	280001 -	285000	280,133	0.08
1	285001 -	290000	287,197	0.08
17	295001 -	300000	5,090,447	1.44
1	300001 -	305000	304,564	0.09
2	310001 -	315000	626,018	0.18
1	315001 -	320000	318,720	0.09
1	335001 -	340000	336,500	0.10
1	340001 -	345000	345,000	0.10
1	380001 -	385000	380,498	0.11
1	385001 -	390000	385,800	0.11
7	395001 -	400000	2,799,500	0.79
1	400001 -	405000	400,155	0.11
1	425001 -	430000	425,500	0.12
1	445001 -	450000	450,000	0.13
1	455001 -	460000	460,000	0.13
1	475001 -	480000	480,000	0.14
1	490001 -	495000	490,400	0.14
9	495001 -	500000	4,500,000	1.27
1	530001 -	535000	532,100	0.15
2	545001 -	550000	1,091,604	0.31
1	570001 -	575000	574,850	0.16
1	580001 -	585000	583,000	0.16
1	585001 -	590000	586,438	0.17
1	590001 -	595000	594,370	0.17
1	600001 -	605000	603,500	0.17
1	620001 -	625000	623,800	0.18
1	630001 -	635000	634,000	0.18
1	675001 -	680000	676,500	0.19
1	695001 -	700000	700,000	0.20
1	725001 -	730000	728,585	0.21
1	750001 -	755000	751,000	0.21
1	840001 -	845000	841,023	0.24
1	855001 -	860000	860,000	0.24



NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	TO	TOTAL NUMBER OF SHARES HELD	PERCENTAGE OF TOTAL CAPITAL
1	865001 -	870000	866,229	0.24
3	880001 -	885000	2,654,547	0.75
1	905001 -	910000	910,000	0.26
1	920001 -	925000	923,500	0.26
2	995001 -	1000000	2,000,000	0.56
1	1000001 -	1005000	1,001,627	0.28
1	1155001 -	1160000	1,156,500	0.33
1	1195001 -	1200000	1,200,000	0.34
1	1205001 -	1210000	1,210,000	0.34
1	1285001 -	1290000	1,287,058	0.36
1	1300001 -	1305000	1,305,000	0.37
1	1345001 -	1350000	1,350,000	0.38
3	1495001 -	1500000	4,500,000	1.27
1	1540001 -	1545000	1,541,500	0.44
1	1595001 -	1600000	1,600,000	0.45
1	1720001 -	1725000	1,725,000	0.49
1	1810001 -	1815000	1,812,525	0.51
1	1845001 -	1850000	1,847,000	0.52
1	1910001 -	1915000	1,910,337	0.54
1	2105001 -	2110000	2,108,159	0.60
1	2255001 -	2260000	2,259,000	0.64
1	2405001 -	2410000	2,408,500	0.68
1	2435001 -	2440000	2,436,286	0.69
2	2495001 -	2500000	5,000,000	1.41
1	2515001 -	2520000	2,519,500	0.71
1	2555001 -	2560000	2,556,341	0.72
1	2785001 -	2790000	2,787,507	0.79
1	3070001 -	3075000	3,070,500	0.87
1	3380001 -	3385000	3,384,140	0.96
1	3590001 -	3595000	3,591,597	1.01
1	3745001 -	3750000	3,749,077	1.06
1	3825001 -	3830000	3,826,488	1.08
1	4475001 -	4480000	4,478,245	1.26
1	4785001 -	4790000	4,789,888	1.35
1	4995001 -	5000000	5,000,000	1.41
1	10995001 -	11000000	11,000,000	3.11
1	180585001 -	180590000	180,585,155	51.00
<b>4,743</b>			<b>354,088,500</b>	<b>100.00</b>

## Categories of Shareholders as at 30 June, 2024

Sr. #	Categories	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and Minor Children	26,001	0.0073
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	24,064,184	6.7961
5	Insurance Companies	4,922,988	1.3903
6	Modarabas and Mutual Funds	7,923,856	2.2378
7	Shareholders holding 10% or more	180,632,955	51.0135
8	General Public		
	a. Local	125,539,723	35.4543
	b. Foreign	3,436,140	0.9704
9	Others	7,542,653	2.1302
	<b>TOTAL:</b>	<b>354,088,500</b>	<b>100.0000</b>

# CATEGORIES OF SHAREHOLDERS

AS ON 30 JUNE, 2024

Categories of Shareholders	Shares Held	Percentage
<b>Associated Companies, Undertaking and Related Parties</b>		
NISHAT MILLS LIMITED	47,800	0.0135
NISHAT MILLS LIMITED	180,585,155	51.0000
	<u>180,632,955</u>	<u>51.0135</u>
<b>Mutual Funds</b>		
CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND - MT	46,500	0.0131
CDC - TRUSTEE NBP SAVINGS FUND - MT	40,000	0.0113
CDC - TRUSTEE FAYSAL MTS FUND - MT	500	0.0001
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	200,000	0.0565
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	297,704	0.0841
CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN	174,500	0.0493
CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	213,500	0.0603
CDC - TRUSTEE NBP STOCK FUND	238,091	0.0672
CDC - TRUSTEE APF-EQUITY SUB FUND	300,000	0.0847
CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	30,650	0.0087
CDC - TRUSTEE ATLAS STOCK MARKET FUND	4,789,888	1.3527
CDC - TRUSTEE AKD INDEX TRACKER FUND	50,000	0.0141
CDC - TRUSTEE JS ISLAMIC FUND	251,500	0.0710
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	450,000	0.1271
THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS MASTER TRUST	841,023	0.2375
	<u>7,923,856</u>	<u>2.2378</u>
<b>Directors and their spouses and Minor Children</b>		
MIAN HASSAN MANSHA	1	0.0000
MUHAMMAD AQIB ZULFIQAR	500	0.0001
SHAHZAD AHMAD MALIK	500	0.0001
GHAZANFAR HUSSAIN MIRZA	1,000	0.0003
MAHMOOD AKHTAR	1,000	0.0003
MALEEHA HUMAYUN BANGASH	500	0.0001
HUMAYUN MAQBOOL	22,500	0.0064
	<u>26,001</u>	<u>0.0073</u>
<b>Executives</b>		
	<u>Nil</u>	<u>Nil</u>
<b>Public Sector Companies and Corporations</b>		
Joint Stock Companies	<u>4,445,061</u>	<u>1.2554</u>
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds</b>		
Banks, DFIs and NBFIs	24,064,184	6.7961
Insurance Companies	4,922,988	1.3903
Pension Funds/ Providend Funds etc.	1,734,470	0.4898
Trusts/Foundation etc.	1,363,122	0.3850
	<u>32,084,764</u>	<u>9.0612</u>
<b>Shareholders holding 5% or more voting rights:</b>		
NISHAT MILLS LIMITED	180,632,955	51.0135

## INFORMATION UNDER LISTING REGULATION NO. 5.6.1(D) OF PSX RULE BOOK AS ON 30 JUNE, 2024

There are no trading in shares of the Company, carried out by its Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, Other Employees and their spouses and minor children during the year 01 July, 2023 to 30 June, 2024.

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

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

# GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO. 10 OF 2024 OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**Name of company : Nishat Power Limited**  
**Year ending : 30 June, 2024**

Following is the gender pay gap calculated for the year ended 30 June, 2024:

- (i) Mean Gender pay gap: 34%
- (ii) Median Gender pay gap: 3%
- (iii) Any other data/details as deemed relevant: The Company offers its employees equitable compensation based on their individual profile and performance without any discrimination with respect to their gender.

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



**Chief Executive Officer**

Lahore: 3 September 2024

# STATEMENT OF COMPLIANCE

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

**Name of company : Nishat Power Limited**

**Year ending : 30 June, 2024**

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

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

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

2. The composition of the Board is as follows:

Independent Director	Mr. Humayun Maqbool Ms. Maleeha Humayun Bangash (Female Director)
Non-executive Director	Mian Hassan Mansha Mr. Mahmood Akhtar Mr. Shahzad Ahmad Malik Mr. Muhammad Aqib Zulfiqar
Executive Directors	Mr. Ghazanfar Hussain 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. Following Directors have attained the directors training program certification:

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

<b>Names</b>	<b>Designation held</b>
Mr. Humayun Maqbool	Chairman
Ms. Maleeha Humayun Bangash	Member
Mr. Muhammad Aqib Zulfiqar	Member

**b) HR and Remuneration Committee**

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

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

**a) Audit Committee:**

Four meetings were held during the financial year ended 30 June 2024.

**b) HR and Remuneration Committee**

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2024.

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

Sr No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	<b>Representation of Minority shareholders</b> The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
2	<b>Responsibilities of the Board and its members</b> The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
3	<b>Significant policies</b> The Board is required to approve anti-harassment policy to safeguard the rights and well-being of employees.	During the year, Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(4)(xvi)
4	<b>Role of the Board and its members to address Sustainability Risks and Opportunities</b> The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.	During the year, SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(A)
5	<b>Directors' Training</b> It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Five directors of the Company have acquired Directors' Training Program certification and one director is exempt from Directors' Training Program due to 14 years of education and 15 years of experience on Boards of listed companies. The Company has planned to arrange Directors' Training Program certification for remaining one director.	19(1)
6	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for a female executive in next few years.	19(3)
7	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)



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

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



**Mian Hassan Mansha**  
Chairman

Lahore: 3 September 2024

# 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 2024 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 2024.



### RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

**Date: 03 September 2024**

**UDIN: CR202410132dwMyJcGYb**

# FINANCIAL STATEMENTS

For the year ended 30 June, 2024



# 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 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 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><b>Contingencies</b></p> <p>As disclosed in note 8.1.1 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> <p>Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Contingent liabilities [note 2.1(c) and note 2.15 to the financial statements].</li> <li>- Contingencies [note 8.1.1 to the financial statements].</li> </ul>	<p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed detail of the pending matters and discussed the same with the Company's management;</li> <li>• Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved;</li> <li>• Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the pending tax cases and other contingencies;</li> <li>• Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters;</li> <li>• Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

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



### RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

**Date: 03 September 2024**

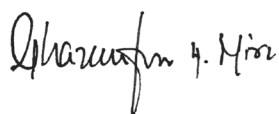
**UDIN: AR202410132NGPBd9z8y**

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2024

	Note	2024 (Rupees in thousand)	2023
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 500,000,000 (2023: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital	4	3,540,885	3,540,885
Capital reserve	5	2,113,957	2,636,469
Revenue reserve - un-appropriated profit		26,962,082	23,705,660
<b>TOTAL EQUITY</b>		<b>32,616,924</b>	<b>29,883,014</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITY</b>			
		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	2,179,673	1,471,262
Accrued mark-up / profit on short term borrowings		11,842	5,101
Short term borrowings	7	2,959,948	-
Unclaimed dividend		26,262	22,238
Taxation and levy - net	17	102,156	-
		5,279,881	1,498,601
<b>TOTAL LIABILITIES</b>		<b>5,279,881</b>	<b>1,498,601</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,896,805</b>	<b>31,381,615</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



	Note	2024 (Rupees in thousand)	2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	9	8,281,097	8,573,425
Intangible asset	10	-	-
Long term investment	11	-	-
Long term loans to employees	12	7,029	7,887
		<u>8,288,126</u>	<u>8,581,312</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	13	828,353	987,692
Inventories	14	2,558,609	1,546,686
Trade debts	15	14,425,555	14,152,106
Loans, advances, deposits, prepayments and other receivables	16	1,234,669	1,294,644
Taxation and levy - net	17	-	58,462
Short term investments	18	4,264,954	-
Cash and bank balances	19	6,296,539	4,760,713
		<u>29,608,679</u>	<u>22,800,303</u>
<b>TOTAL ASSETS</b>		<u><u>37,896,805</u></u>	<u><u>31,381,615</u></u>

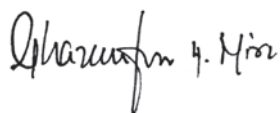


CHIEF FINANCIAL OFFICER

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 (Rupees in thousand)	2023
REVENUE FROM CONTRACT WITH CUSTOMER	20	22,505,489	23,068,964
COST OF SALES	21	(17,365,234)	(18,495,640)
GROSS PROFIT		5,140,255	4,573,324
ADMINISTRATIVE EXPENSES	22	(482,393)	(401,493)
OTHER EXPENSES	23	(9,068)	(162,761)
		(491,461)	(564,254)
OTHER INCOME	24	1,078,822	178,452
PROFIT FROM OPERATIONS		5,727,616	4,187,522
FINANCE COST	25	(33,643)	(88,434)
PROFIT BEFORE TAXATION AND LEVY		5,693,973	4,099,088
LEVY	26	(84,876)	(524)
PROFIT BEFORE TAXATION		5,609,097	4,098,564
TAXATION	27	(219,523)	(7,535)
PROFIT AFTER TAXATION		5,389,574	4,091,029
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	28	15.22	11.55

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



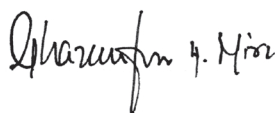
CHIEF FINANCIAL OFFICER

# STATEMENT OF COMPREHENSIVE INCOME


## FOR THE YEAR ENDED 30 JUNE 2024

	2024 (Rupees in thousand)	2023
<b>PROFIT AFTER TAXATION</b>	5,389,574	4,091,029
<b>OTHER COMPREHENSIVE INCOME:</b>		
Items that will not be reclassified to profit or loss	-	-
Items that will be reclassified subsequently to profit or loss	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>5,389,574</b>	<b>4,091,029</b>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

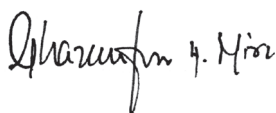


# STATEMENT OF CHANGES IN EQUITY

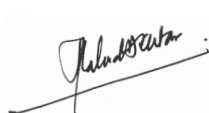
## FOR THE YEAR ENDED 30 JUNE 2024

	RESERVES			TOTAL EQUITY	
	SHARE CAPITAL	CAPITAL RESERVE - MAINTENANCE RESERVE	REVENUE RESERVE: UN-APPROPRIATED PROFIT		TOTAL RESERVES
	(Rupees in thousand)				
<b>Balance as at 30 June 2022</b>	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)
First interim dividend for the quarter ended 30 September 2022 @ Rupees 2 per share	-	-	(708,177)	(708,177)	(708,177)
Second interim dividend for the half year ended 31 December 2022 @ Rupees 2 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
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
<b>Balance as at 30 June 2023</b>	3,540,885	2,636,469	23,705,660	26,342,129	29,883,014
Transactions with owners:					
Final dividend for the year ended 30 June 2023 @ Rupees 3 per share	-	-	(1,062,266)	(1,062,266)	(1,062,266)
First interim dividend for the half year ended 31 December 2023 @ Rupees 2.5 per share	-	-	(885,221)	(885,221)	(885,221)
Second interim dividend for the period ended 31 March 2024 @ Rupees 2 per share	-	-	(708,177)	(708,177)	(708,177)
	-	-	(2,655,664)	(2,655,664)	(2,655,664)
Transfer of maintenance reserve	-	(522,512)	522,512	-	-
Profit for the year ended 30 June 2024	-	-	5,389,574	5,389,574	5,389,574
Other comprehensive income for the year ended 30 June 2024	-	-	-	-	-
Total comprehensive income for the year ended 30 June 2024	-	-	5,389,574	5,389,574	5,389,574
<b>Balance as at 30 June 2024</b>	3,540,885	2,113,957	26,962,082	29,076,039	32,616,924

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



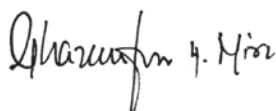
CHIEF FINANCIAL OFFICER

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 (Rupees in thousand)	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operation</b>	29	5,111,723	6,329,050
Finance cost paid		(26,902)	(166,217)
Net decrease / (increase) in long term loans to employees		392	(9,316)
Income tax paid		(143,781)	(15,897)
<b>Net cash generated from operating activities</b>		4,941,432	6,137,620
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on fixed assets		(522,689)	(823,198)
Short term investments made		(327,068,753)	-
Interest received		268,010	99,911
Proceeds from sale of short term investments		323,542,192	5,663,241
Proceeds from disposal of operating fixed assets		67,326	341
<b>Net cash (used in) / from investing activities</b>		(3,713,914)	4,940,295
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	(36,903)
Dividends paid		(2,651,640)	(2,299,481)
<b>Net cash used in financing activities</b>		(2,651,640)	(2,336,384)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(1,424,122)	8,741,531
<b>Cash and cash equivalents at the beginning of the year</b>		4,760,713	(3,980,818)
<b>Cash and cash equivalents at the end of the year</b>		3,336,591	4,760,713
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	19	6,296,539	4,760,713
Short term borrowings	7	(2,959,948)	-
		3,336,591	4,760,713

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2024

### 1. THE COMPANY AND ITS ACTIVITIES

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

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

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

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

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

#### 2.1 Basis of preparation

##### a) Statement of compliance

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

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

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

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

**b) Accounting convention**

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

**c) Critical accounting estimates and judgments**

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

**Income tax and levy**

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

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

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

**Provisions**

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

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

**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.

## Classification of investments

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

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

Following amendments to published approved accounting standards are mandatory for the Company’s accounting periods beginning on or after 01 July 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 ‘Presentation of Financial Statements’ and IFRS Practice Statement 2 ‘Making Materiality Judgement’).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 ‘Income Taxes’).
- Change in definition of Accounting Estimate (Amendments to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’).
- Amendments to IAS 12 ‘Income Taxes’ - International Tax Reform — Pillar Two Model Rules.

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 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.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company’s accounting periods beginning on or after 01 July 2024 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 2024. 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’.

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.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period 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.

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

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

The above standards and amendments 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 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

## 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 9 after taking into account their residual values. Depreciation on identifiable capital spares in plant and machinery is charged on the basis of number of hours used. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

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

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

### 2.2.2 Capital work-in-progress

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

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

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

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

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

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset

is to be accounted for as a finance lease. The Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Company were to follow IFRS 16 with respect to its PPA, the effect on the financial statements would be as follows:

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
De-recognition of fixed assets	(7,924,842)	(7,933,334)
Recognition of lease debtor	7,015,563	6,578,935
De-recognition of trade debts	(3,650,695)	(3,116,574)
Decrease in un-appropriated profit at the beginning of the year	(4,509,502)	(4,373,821)
Decrease in profit for the year	(89,002)	(135,681)
Decrease in un-appropriated profit at the end of the year	(4,598,504)	(4,509,502)

## 2.4 Investments and other financial assets

### a) Classification

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

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

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

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

### b) Measurement

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

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

## Debt instruments

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

### Amortised cost

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

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

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

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

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

## Equity instruments

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

## 2.5 Financial liabilities – classification and measurement

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

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

### a) Financial assets

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

### b) Financial liabilities

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

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

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

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

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

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

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

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

The following indicators are considered while assessing credit risk:

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

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

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

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not

- otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

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

## 2.8 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 67(l)/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.

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

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

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

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

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

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

Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the Company.

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

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

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



currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

## 2.12 Inventories

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

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

## 2.13 Stores, spares and loose tools

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

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

## 2.14 Provisions

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

## 2.15 Contingent liabilities and assets

Contingent liability is disclosed when:

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

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

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

becomes virtually certain that the future event will confirm the asset's existence and it is virtually certain that the asset will be realised).

Contingent liabilities and assets are generally estimated using:

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

## 2.16 Taxation and levy

### 2.16.1 Current

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

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, provision for current tax and levy is made in the statement of profit or loss on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in statement of profit or loss. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountants of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
..... (Rupees in thousand) .....		
<b>Statement of profit or loss:</b>		
Taxation	Levy	524
<b>Statement of financial position:</b>		
Advance income tax	Prepaid levy	-
Provision for taxation	Levy payable	901

Had there been no change in the above referred accounting policy, amounts of levy Rupees 84.876 million, prepaid levy Rupees 50.604 million and levy payable Rupees 85.777 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in

these financial statements for the year ended 30 June 2024. Further, this change in accounting policy has no impact of earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

### 2.16.2 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.

### 2.17 Cash and cash equivalents

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

### 2.18 Borrowings

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

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

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration

paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

## **2.19 Borrowing costs**

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

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

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

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

## **2.21 Trade debts**

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 2.29 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.

## **2.22 Trade and other payables**

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

## **2.23 Revenue recognition**

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

## Sale of electricity

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

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

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

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

## Interest

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

## Dividend

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

### 2.24 Finance income

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

### 2.25 Dividend and appropriation to reserves

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

## 3. SUMMARY OF OTHER ACCOUNTING POLICIES

### 3.1 Intangible assets

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

### 3.2 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments

made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

### **3.3 Lease liabilities**

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

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

### **3.4 Functional and presentation currency**

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

### **3.5 Employee benefits**

#### **Short term 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.

### 3.6 Share capital

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

### 3.7 Impairment of non-financial assets

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

### 3.8 Earnings per share

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

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

2024 (NUMBER OF SHARES)	2023		2024 (Rupees in thousand)	2023
<u>354,088,500</u>	<u>354,088,500</u>	Ordinary shares of Rupees 10 each fully paid-up in cash	<u>3,540,885</u>	<u>3,540,885</u>

4.1 180,632,955 (2023: 180,632,955) ordinary shares of the Company are held by Nishat Mills Limited - holding company.

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

5. This represents maintenance reserve set aside from retained earnings for the purpose of repair and maintenance costs associated with major maintenance of the plant. During the year ended 30 June 2024, the board of directors of the Company has approved transfer of an amount of Rupees 522.512 million (2023: Rupees 517.164 million) from 'capital reserve' to 'revenue reserve - unappropriated profit' on the basis of actual occurrence of expenditure.

	2024 (Rupees in thousand)	2023
<b>6 TRADE AND OTHER PAYABLES</b>		
Creditors (Note 6.1)	1,648,763	949,785
Accrued liabilities	23,065	15,032
Payable to contractors	7,407	2,016
Workers' profit participation fund payable (Note 6.2)	267,805	204,954
Workers' welfare fund (Note 6.3)	232,521	299,475
Withholding income tax payable	112	-
	<u>2,179,673</u>	<u>1,471,262</u>
<b>6.1</b> These include amounts due to the following related parties:		
Hyundai Nishat Motor (Private) Limited	-	59
Nishat Hotels and Properties Limited	306	-
Security General Insurance Company Limited	60	-
	<u>366</u>	<u>59</u>
<b>6.2 Workers' profit participation fund payable</b>		
Balance as at 01 July	204,954	300,207
Allocation for the year (Note 16.2)	267,805	204,954
	<u>472,759</u>	<u>505,161</u>
Payments made during the year	(204,954)	(300,207)
Balance as at 30 June	<u>267,805</u>	<u>204,954</u>
<b>6.3 Workers' welfare fund</b>		
Balance as at 01 July	299,475	217,494
Allocation for the year (Note 16.3)	113,879	81,981
	<u>413,354</u>	<u>299,475</u>
Payments made during the year	(180,833)	-
Balance as at 30 June	<u>232,521</u>	<u>299,475</u>
<b>7 SHORT TERM BORROWINGS</b>		
<b>From banking companies - secured</b>		
Running finances (Note 7.1)	499,958	-
Running musharaka finances (Note 7.2)	1,739,990	-
Term finances (Note 7.3)	720,000	-
	<u>2,959,948</u>	<u>-</u>



- 7.1** These running finance facilities obtained from banking companies under mark-up arrangements aggregated to Rupees 5,101.520 million (2023: Rupees 5,101.520 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 2.0% (2023: one month to three months KIBOR plus 0.5% to 2.0%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The mark-up rate charged during the year on the outstanding balance ranged from 21.96% to 24.90% (2023: 13.89% to 23.98%) per annum.
- 7.2** These running musharaka facilities obtained from banking companies under profit arrangements aggregated to Rupees 4,450 million (2023: Rupees 4,450 million). These facilities are available at profit rates ranging from one month to three months KIBOR plus 0.1% to 0.5% (2023: one month to three months KIBOR plus 0.2% to 0.5%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The profit rate charged during the year on the outstanding balance ranged from 21.56% to 23.16% (2023: 12.09% to 22.48%) per annum.
- 7.3** These term finance facilities are utilized from banking companies as sub-limits of running finance facilities (note 7.1) under mark-up arrangements aggregating to Rupees 3,601.520 million (2023: Rupees 3,101.520 million). These facilities are secured against first joint pari passu charge on present and future current assets of the Company including fuel stock, inventory and energy price payments receivable from CPPA -G. These facilities have been availed during the year at mark-up rates of one week to three months KIBOR plus 0.02% to 0.80% (2023: one month 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 20.26% to 22.80% (2023: 14.46% to 16.45%) per annum.
- 7.4** The main facilities for letters of credit and guarantee aggregate to Rupees 1,850 million (2023: Rupees 1,750 million). The amount utilised at 30 June 2024, for letters of credit was Rupees 14.857 million (2023: Rupees 407.370 million) and for letters of guarantee was Rupees 40.550 million (2023: Rupees 567.01 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.

## **8 CONTINGENCIES AND COMMITMENTS**

### **8.1 Contingencies**

#### **8.1.1 Contingent liabilities:**

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

of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

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

On 29 May 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order relating to tax periods from July 2018 to June 2019 involving input sales tax on 'capacity purchase price' amounting to Rupees 530.024 million on the same grounds as explained above and disallowance of input sales tax on goods / services amounting to Rupees 6.107 million under various provisions of Sales Tax Act, 1990. The Company paid the impugned sales tax demand of Rupees 6.107 million in protest. However, recovery of input sales tax attributable to 'capacity purchase price' was held in abeyance till the decision of the case by Supreme Court of Pakistan as explained above. The Company preferred appeal before CIR(A) on 24 June 2024 relating to disallowance of input sales tax on goods / services which has not been taken up for adjudication. Based on the tax advisor's opinion, there exists reasonable grounds to defend these cases. Therefore, no provision has been made in these financial statements.

- ii) On 16 April 2019, the Commissioner Inland Revenue (CIR) through an order raised a demand of Rupees 179.046 million against the Company, mainly on account of input sales tax claimed on inadmissible expenses in sales tax return for the tax periods of July 2014 to June 2017 and sales tax default on account of suppression of sales related to tax period of June 2016. Being aggrieved with the order of CIR, the Company filed an appeal before CIR(A). On 07 May 2020, 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. The Company filed application before ATIR for rectification of order dated 02 November 2017 on non-adjudication of issue of disallowance of tax loss on disposal of fixed assets. On 30 March 2021, ATIR passed the rectification order with certain legal disputes. On 24 January 2022, the Company filed another application for rectification of order dated 30 March 2021. On 06 May 2024, ATIR rectified the order passed on 30 March 2021 as per the request of Company. Being aggrieved with the order of ATIR, the Company and tax department have also 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'. On 29 September 2023, mutually agreed Terms of Reference has been formally adapted and proceedings under these terms of Reference have been initiated. 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. NEPRA has set out further amendment (change of one of the labs) in methodology for CV adjustment, however the Company, during the reporting period, has replied to NEPRA that aforementioned matter, being similar in nature, is sub-judice before LHC. The management based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favour of the Company. Further, its financial impact cannot be reasonably estimated at this stage, therefore, no provision has been made in these financial statements.

vii) On 31 August 2016, Additional Commissioner Inland Revenue (ACIR) passed an amendment order under section 122(5A) of the Income Tax Ordinance, 2001 relating to tax year 2014 whereby tax demand aggregating to Rupees 107.822 million has been raised on various issues. Being aggrieved with the order of ACIR, the Company preferred an appeal before CIR(A) on 23 September 2016. CIR(A) passed an order on 29 November 2016 whereby relief was granted on various issues whereas matter relating to disallowance of tax credit under section 65B of the Income Tax Ordinance, 2001 was decided against the Company. Being aggrieved with the order of CIR(A), both department and the Company preferred appeals before ATIR on 11 December 2016 and 18 January 2017 respectively. On 12 October 2023, ATIR dismissed the department appeal on the issues taken up by the department. Whereas, on 14 September 2023, ATIR passed an order on Company's appeal and remanded back the case to assessing officer for fresh consideration. However, there were certain apparent factual/legal omissions in the order dated 14 September 2023. The Company filed a rectification application before ATIR. On 08 April 2024, ATIR passed rectification order with the directions to assessing officer to proceed strictly in accordance with the ratio settled by ATIR on the matter in case of another taxpayer as prayed by the Company. No remand back proceedings have been initiated by the department to date. Further, the department filed an appeal before Honourable Lahore High Court, Lahore on 04 April 2024 against the order passed by ATIR dated 12 October 2023. Based on the advice of tax advisor, the management is confident of favourable outcome the matter. Therefore, no provision has been made in these financial statements.

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

a) Guarantees of Rupees 11.5 million (2023: Rupees 11.5 million) and Rupees 27.55 million (2023: Rupees 22.4 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 Nil (2023: 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 (2023: 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) Guarantee of Rupees Nil (2023: Rupees 31.61 million) is given by the bank of the Company in favour of Collector of Customs, Karachi under directions of Sindh High Court in respect of suit filed for concessionary rate of duty under Customs Act, 1969.

	2024 (Rupees in thousand)	2023
<b>8.2 Commitments</b>		
i) For other than capital expenditure	14,857	407,370
<b>9 FIXED ASSETS</b>		
Operating fixed assets (Note 9.1)	8,078,596	8,090,979
Capital work-in-progress (Note 9.2)	132,744	76,878
Major spare parts and standby equipment (Note 9.3)	69,757	405,568
	<u>8,281,097</u>	<u>8,573,42</u>

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

Description	Freehold land	Buildings and roads on freehold land	Plant and machinery	Improvements on leasehold property	Electric installations	Computer equipment	Furniture and fixtures	Office equipment	Vehicles	Total
----- (Rupees in thousand) -----										
<b>At 30 June 2022</b>										
Cost	178,832	240,666	16,628,189	40,909	1,044	36,874	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)	(9,481,714)
Net book value	178,832	140,223	7,560,901	-	265	4,884	3,543	11,405	187,363	8,087,216
<b>Year ended 30 June 2023</b>										
Opening net book value	178,832	140,223	7,560,901	-	265	4,884	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
Depreciation charge for the year	-	(10,579)	(670,046)	-	(8)	(4,060)	(764)	(2,378)	(65,362)	(763,227)
Closing net book value	178,832	129,644	7,624,858	-	227	9,220	3,305	10,037	134,856	8,080,979
<b>At 30 June 2023</b>										
Cost	178,832	240,666	16,637,661	40,909	1,044	42,938	14,066	55,585	335,189	17,546,880
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	8,080,979
<b>Year ended 30 June 2024</b>										
Opening net book value	178,832	129,644	7,624,858	-	227	9,220	3,305	10,037	134,856	8,080,979
Additions	-	1,878	697,635	-	-	6,011	85	341	96,684	802,634
Disposals / derecognitions:										
Cost	-	-	(487,716)	-	-	(1,622)	(44)	(316)	(66,452)	(556,150)
Accumulated depreciation	-	-	487,716	-	-	1,446	36	316	38,101	527,615
Depreciation charge for the year	-	(10,737)	(697,267)	-	(8)	(176)	(8)	-	(28,851)	(786,535)
Closing net book value	178,832	120,785	7,625,226	-	189	9,823	2,615	7,952	133,174	8,078,596
<b>At 30 June 2024</b>										
Cost	178,832	242,544	16,847,560	40,909	1,044	47,327	14,107	55,610	365,421	17,793,374
Accumulated depreciation	-	(121,759)	(9,222,354)	(40,909)	(855)	(37,504)	(11,492)	(47,658)	(232,247)	(9,714,778)
Net book value	178,832	120,785	7,625,226	-	189	9,823	2,615	7,952	133,174	8,078,596
<b>Annual depreciation rate %</b>	-	3.94 to 7.41	3.94 to 7.06	10	10	33	10	10	10	20
			and number of hours used							

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

Particulars of assets	Sold to	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal
Vehicles							
	Faraz Ahmad	2,015	1,478	537	537	-	Company's policy
	Usman Naeem	4,249	637	3,612	3,612	-	Company's policy
	Prestige Cars	56,901	33,192	23,709	62,500	38,791	Negotiation
		63,165	35,307	27,858	66,649	38,791	
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000							
		492,985	492,308	677	677	-	
		556,150	527,615	28,535	67,326	38,791	

9.1.2 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	-

9.1.3 Fixed assets having cost of Rupees 894.984 million (2023: Rupees 762.614 million) which are fully depreciated but still in the use of the Company.

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

	2024 (Rupees in thousand)	2023
Cost of sales (Note 21)	720,239	690,904
Administrative expenses (Note 22)	66,243	62,323
	<u>786,482</u>	<u>753,227</u>
<b>9.2 Capital work-in-progress</b>		
Buildings and roads on freehold land	-	1,878
Advances for purchase of vehicles	132,744	75,000
	<u>132,744</u>	<u>76,878</u>

9.2.1 Movement in capital work in progress is as follows:

	Buildings and roads on freehold land	Office equipment	Furniture and fixtures	Computer equipment	Advances for purchase of vehicles	Total
	----- (Rupees in thousand) -----					
<b>As at 30 June 2022</b>	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)
<b>As at 30 June 2023</b>	1,878	-	-	-	75,000	76,878
Add: Additions during the year	-	331	85	1,485	132,744	134,645
Less: Transferred to operating fixed assets during the year	(1,878)	(331)	(85)	(1,485)	(75,000)	(78,779)
<b>As at 30 June 2024</b>	-	-	-	-	132,744	132,744

	2024 (Rupees in thousand)	2023
<b>9.3 Major spare parts and standby equipment</b>		
The reconciliation of the carrying amount is as follows:		
Balance as at 01 July	405,568	409,809
Add: Additions during the year	361,824	729,762
	<u>767,392</u>	<u>1,139,571</u>
Less: Transferred to operating fixed assets	(697,635)	(734,003)
Balance as at 30 June	<u>69,757</u>	<u>405,568</u>
<b>10 INTANGIBLE ASSET - Computer software</b>		
Cost as at 30 June	7,542	7,542
Accumulated amortization	(7,542)	(7,542)
Net book value as at 30 June	<u>-</u>	<u>-</u>
Annual rate of amortization	<u>20%</u>	<u>20%</u>

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

	2024 (Rupees in thousand)	2023
<b>11 LONG TERM INVESTMENT</b>		
<b>11.1 Investment in Nishat Energy Limited</b>		
<b>11.2 Associated company - under equity method</b>		
Nishat Energy Limited - unquoted 250,000 (2023: 250,000) fully paid ordinary shares of Rupees 10 each Equity held 25% (2023: 25%) at cost	2,500	2,500
<b>Share of reserve</b>		
Opening balance	(1,658)	(1,658)
Less: Share of loss	-	-
Closing balance	(1,658)	(1,658)
Less: Impairment loss	(842)	(842)
Carrying amount under equity method	<u>-</u>	<u>-</u>

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



	2024 (Rupees in thousand)	2023
Non-current assets	-	-
Current assets	47	47
Total assets	47	47
Liabilities	450	375
Net assets	(403)	(328)
Loss for the year (Note 11.3)	(75)	(75)

**11.3** 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.

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

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

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

	2024 (Rupees in thousand)	2023
<b>12 LONG TERM LOANS TO EMPLOYEES</b>		
<b>Considered good:</b>		
Executives (Note 12.1)	5,546	5,005
Other employees (Note 12.1)	4,890	5,823
	10,436	10,828
Current portion shown under current assets (Note 16)		
Executives	(1,771)	(1,427)
Other employees	(1,636)	(1,514)
	(3,407)	(2,941)
	7,029	7,887

- 12.1** 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.

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>13 STORES, SPARES AND LOOSE TOOLS</b>		
Stores	18,285	17,916
Spares (Note 13.1)	806,045	957,974
Loose tools	4,023	11,802
	<u>828,353</u>	<u>987,692</u>

- 13.1** These include spare in transit of Rupees 4.249 million (2023: Rupees 11.350 million).

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

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>14 INVENTORIES</b>		
Furnace oil	2,525,590	1,512,897
Diesel	4,531	4,766
Lubricating oil	28,488	29,023
	<u>2,558,609</u>	<u>1,546,686</u>
<b>15 TRADE DEBTS</b>		
Other than related parties - considered good	<u>14,425,555</u>	<u>14,152,106</u>

- 15.1** 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 20.31% to 27.98% (2023: 16.70% to 26.58%) per annum.

	2024 (Rupees in thousand)	2023
<b>15.2 As at 30 June, age analysis of trade debts - net is as follows:</b>		
Neither past due nor impaired	4,441,995	6,241,385
Past due but not impaired:		
- 1 to 30 days	314,762	550,431
- 31 to 90 days	1,353,936	877,445
- 91 to 180 days	6,583,953	3,521,780
- 181 to 365 days	1,730,909	2,961,065
- Above 365 days	-	-
	9,983,560	7,910,721
	14,425,555	14,152,106
<b>16 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances to employees:		
-against salary	1,081	350
-for expenses	1,248	144
Advances to suppliers (Note 16.1)	15,727	201,057
Advances against letters of credit	-	29,108
Current maturity of long term loans to employees (Note 12)	3,407	2,941
Customs duty recoverable	252	2,777
Sales tax receivable	324,245	307,876
Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 16.2)	463,840	366,543
Workers' welfare fund (Note 16.3)	413,208	299,475
Private Power and Infrastructure Board's fee	-	11,912
Interest receivable (Note 16.4)	7,680	12,558
Security deposits and bank guarantee margins (Note 16.5)	623	46,823
Prepayments (Note 16.6)	1,889	7,294
Other receivables (Note 16.7)	1,469	5,786
	1,234,669	1,294,644

**16.1** These include amounts prepaid to Adamjee Insurance Company Limited - related party on account of insurance amounting to Rupees Nil (2023: Rupees 0.031 million).

	2024 (Rupees in thousand)	2023
<b>16.2 Workers' profit participation fund</b>		
Opening balance	366,543	315,609
Allocation for the year (Note 6.2)	267,805	204,954
	<u>634,348</u>	<u>520,563</u>
Amount received during the year	(161,586)	(144,565)
Written off during the year	(8,922)	(9,455)
Closing balance	<u>463,840</u>	<u>366,543</u>
<b>16.3 Workers' welfare fund</b>		
Opening balance	299,475	217,494
Allocation for the year (Note 6.3)	113,879	81,981
	<u>413,354</u>	<u>299,475</u>
Amount received during the year	-	-
Written off during the year	(146)	-
Closing balance	<u>413,208</u>	<u>299,475</u>

**16.4** This includes interest receivable from MCB Islamic Bank Limited - related party, amounting to Rupees 6.434 million (2023: Rupees 12.207 million).

**16.5** This includes bank guarantee margin with MCB Islamic Bank Limited - related party, amounting to Rupees 0.448 million (2023: Rupees 46.648 million).

**16.6** 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 Nil (2023: Rupees 6.020 million) and Rupees 0.881 million (2023: Rupees 1.274 million) respectively.

**16.7** These include an amount receivable from Security General Insurance Company Limited - related party, on account of insurance claim amounting to Rupees Nil (2023: Rupees 4.303 million).

	2024 (Rupees in thousand)	2023
<b>17 TAXATION AND LEVY - NET</b>		
<b>(Provision for taxation - net ) / Advance income tax - net</b>		
Advance income tax	160,076	66,898
Less: Provision for taxation	(227,059)	(7,535)
	<u>(66,983)</u>	<u>59,363</u>
<b>Levy - net</b>		
Prepaid levy	50,604	-
Less: Levy payable	(85,777)	(901)
	<u>(35,173)</u>	<u>(901)</u>
	<u>(102,156)</u>	<u>58,462</u>

	2024 (Rupees in thousand)	2023
<b>18 SHORT TERM INVESTMENTS</b>		
Equity instruments (Note 18.1)	4,264,954	-
<b>18.1 Equity instruments</b>		
<b>At fair value through profit or loss</b>		
<b>Quoted - related party:</b>		
Alhamra Daily Dividend Fund 32,351,855 (2023: Nil) units	3,235,185	-
MCB DCF Fixed Return Plan I 10,297,678 (2023: Nil) units	1,029,769	-
	<u>4,264,954</u>	<u>-</u>

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

	2024 (Rupees in thousand)	2023
<b>19. CASH AND BANK BALANCES</b>		
Cash with banks on:		
Saving accounts (Note 19.1 and 19.2)	4,528,602	1,911,809
Current accounts (Note 19.2)	1,224	2,041
Pay order in hand	-	2,000,000
	<u>4,529,826</u>	<u>3,913,850</u>
Term Deposit Receipts (Note 19.3 and 19.4)	1,766,500	846,510
Cash in hand	213	353
	<u>6,296,539</u>	<u>4,760,713</u>

**19.1** Saving accounts carry profit at the rates ranging from 12.00% to 20.50% (2023: 12.25% to 19.50%) per annum.

**19.2** These include Rupees 4,516.805 million (2023: Rupees 1,325.936 million) in MCB Bank Limited and Rupees 11.813 million (2023: Rupees 585.805) in MCB Islamic Bank Limited, both related parties.

**19.3** These represent Term Deposit Receipts with original maturity period of 1 month and carry profit rates ranging from 16.50% to 21.75% (2023: 13.70% to 20%) per annum.

**19.4** These include Term Deposit Receipts of Rupees 1,151 million (2023: Rupees 800 million) held with MCB Islamic Bank Limited - a related party.

	2024	2023
	(Rupees in thousand)	
<b>20 REVENUE FROM CONTRACT WITH CUSTOMER</b>		
Energy purchase price revenue - net (Note 20.1)	16,069,151	17,373,293
Capacity purchase price revenue	3,884,690	3,491,010
Delayed payment mark-up	2,551,648	2,204,661
	22,505,489	23,068,964

**20.1** Energy purchase price revenue is net of sales tax amounting to Rupees 2,943.712 million (2023: Rupees 3,053.741 million).

	2024	2023
	(Rupees in thousand)	
<b>21 COST OF SALES</b>		
Raw materials consumed	14,733,874	16,062,551
Salaries and other benefits (Note 21.1)	422,926	363,719
Repairs and maintenance	31,350	27,923
Stores, spares and loose tools consumed	733,333	785,993
Electricity consumed in-house	79,797	63,208
Insurance (Note 21.2)	455,188	360,090
Travelling and conveyance	61,276	43,304
Printing and stationery	990	1,642
Postage and telephone	848	787
Vehicle running expenses	11,772	9,822
Entertainment	3,055	3,004
Depreciation on operating fixed assets (Note 9.1.4)	720,239	690,904
Fee and subscription	7,003	5,240
Miscellaneous (Note 21.3)	103,583	77,453
	17,365,234	18,495,640

**21.1** Salaries and other benefits include Rupees 26.485 million (2023: Rupees 22.595 million) in respect of provident fund contribution by the Company.

	2024	2023
	(Rupees in thousand)	
<b>21.2</b> This includes insurance expense charged by the following related parties:		
Security General Insurance Company Limited	448,316	352,171
Adamjee Insurance Company Limited	5,296	6,160
Adamjee Life Assurance Company Limited	1,576	1,759
	455,188	360,090

**21.3** These include wages of contractual employees aggregating Rupees 55.962 million (2023: Rupees 45.166 million).

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>22. ADMINISTRATIVE EXPENSES</b>		
Salaries and other benefits (Note 22.1)	166,999	138,861
Travelling and conveyance (Note 22.2)	169,964	140,227
Entertainment	2,028	1,353
Rent, rates and taxes (Note 22.3)	6,698	6,200
Printing and stationery	2,545	1,434
Postage and telephone	694	632
Vehicle running expenses	15,314	11,168
Legal and professional charges (Note 22.4)	29,333	21,539
Insurance (Note 22.5)	7,982	6,589
Advertisement	793	593
Fee and subscription	3,095	2,888
Depreciation on operating fixed assets (Note 9.1.4)	66,243	62,323
Miscellaneous	10,705	7,686
	<u>482,393</u>	<u>401,493</u>

**22.1** Salaries and other benefits include Rupees 10.436 million (2023: Rupees 8.900 million) in respect of provident fund contribution by the Company.

**22.2** This includes Rupees 152.380 million (2023: Rupees 123.929 million) in respect of aviation services from Pakistan Aviators and Aviation (Private) Limited, a related party.

**22.3** This includes low value lease of Rupees Nil (2023: Rupees 0.864 million) in respect of reimbursement of rent to Hyundai Nishat Motor (Private) Limited, a related party.

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>22.4 Auditor's remuneration</b>		
Statutory audit	2,118	1,925
Half yearly review	1,114	1,013
Certifications required by various regulations	197	162
Out of pocket expenses	242	169
	<u>3,671</u>	<u>3,269</u>

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

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
Adamjee Life Assurance Company Limited	644	708
Adamjee Insurance Company Limited	2,296	1,954
Security General Insurance Company Limited	5,042	3,927
	<u>7,982</u>	<u>6,589</u>
<b>23 OTHER EXPENSES</b>		
Exchange loss	-	54,008
Donations (Note 23.1)	-	200
Trade debts written off	-	28,628
Other receivables written off	9,068	9,455
Loss on disposal of short term investments	-	70,470
	<u>9,068</u>	<u>162,761</u>

**23.1** There was no interest of any director or his / her spouse in donees' fund.

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>24 OTHER INCOME</b>		
<b>Income from financial assets:</b>		
Profit on bank deposits (Note 24.1)	141,309	91,608
Profit on Term Deposit Receipts (Note 24.2)	121,823	20,556
Gain on disposal of Government Treasury Bills	74,474	-
Gain on disposal of Pakistan Investment Bonds	326,066	-
Dividend income (Note 24.3)	337,853	-
<b>Income from non-financial assets:</b>		
Gain on disposal of operating fixed assets	38,791	84
Exchange gain	5,471	-
Scrap sales	33,035	41,926
Insurance claim (Note 24.4)	-	24,278
	<u>1,078,822</u>	<u>178,452</u>

**24.1** This includes profit of Rupees 123.446 million (2023: Rupees 32.864 million) in respect of bank deposits from MCB Bank Limited and Rupees 16.817 million (2023: Rupees 58.624 million) from MCB Islamic Bank Limited, both related parties.

**24.2** This includes profit of Rupees 114.504 million (2023: Rupees 14.611 million) from MCB Islamic Bank Limited, a related party.



- 24.3** This represents dividend income from mutual funds of MCB Investment Management Limited, a related party.
- 24.4** This represented insurance claim received from Security General Insurance Company Limited - a related party

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>25. FINANCE COST</b>		
Mark-up / profit on:		
Long term financing	-	88
Short term borrowings	32,284	86,093
Bank charges and commission	1,359	2,253
	<u>33,643</u>	<u>88,434</u>
<b>26 LEVY</b>		
Final tax on dividend	50,678	-
Minimum tax on scrap sales	413	524
Super tax	33,785	-
	<u>84,876</u>	<u>524</u>
<b>27 TAXATION</b>		
Current tax - for the year	<u>219,523</u>	<u>7,535</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:

	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>Relationship between tax expense and accounting profit</b>		
Profit before taxation	5,609,097	4,098,564
Tax at the applicable rate of 29% (2023: 29%)	1,626,638	1,188,584
Tax effect of amounts that are:		
Exempt as referred to in note 27.1	(1,540,428)	(1,188,584)
Net interest income attributable to finance cost	66,946	7,535
Super tax	66,367	-
	<u>219,523</u>	<u>7,535</u>

	2024	2023
<b>28 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	5,389,574	4,091,029
Weighted average number of shares (Number)	354,088,500	354,088,500
Earnings per share - basic and diluted (Rupees)	15.22	11.55
	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousand)</b>	
<b>29 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation and levy	5,693,973	4,099,088
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets (Note 9.1)	786,482	753,227
Profit on bank deposits (Note 24)	(141,309)	(91,608)
Exchange (gain) / loss	(5,471)	54,008
Profit on Term Deposit Receipts (Note 24)	(121,823)	(20,556)
Finance cost (Note 25)	33,643	88,434
Trade debts written off (Note 23)	-	28,628
Gain on disposal of operating fixed assets (Note 24)	(38,791)	(84)
Other receivables written off (Note 23)	9,068	9,455
(Gain) / loss on disposal of short term investments	(400,540)	70,470
Dividend income	(337,853)	-
Working capital changes (Note 29.1)	(365,656)	1,337,988
	5,111,723	6,329,050
<b>29.1 Working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	159,339	(95,841)
Inventories	(1,011,923)	2,625,469
Trade debts	(273,449)	(2,647,278)
Loans, advances, deposits, prepayments and other receivables	46,495	687,237
	(1,079,538)	569,587
Increase in trade and other payables	713,882	768,401
	(365,656)	1,337,988

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

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

	<b>Liabilities from financing activities</b>		
	<b>Long term financing</b>	<b>Unclaimed dividend</b>	<b>Total</b>
	<b>------(Rupees in thousand)-----</b>		
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

**30 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

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

	<b>Chief Executive Officer</b>		<b>Non - Executive Directors</b>		<b>Executives</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>------(Rupees in thousand)-----</b>					
Managerial remuneration	24,311	22,085	-	-	298,617	232,087
Bonus	5,734	5,309	-	-	48,423	37,650
Allowances						
Medical allowance and reimbursements	181	104	-	-	12,768	7,987
Leave encashment	1,842	804	-	-	18,933	13,033
Overtime	-	-	-	-	9,627	12,195
Others	-	-	-	-	120	-
Meeting fee	-	-	1,160	675	-	-
Contribution to provident fund trust	2,210	2,008	-	-	27,033	20,959
	<b>34,278</b>	<b>30,310</b>	<b>1,160</b>	<b>675</b>	<b>415,521</b>	<b>323,911</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>104</b>	<b>82</b>

**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 those which have been specifically disclosed elsewhere in these financial statements, except for remuneration to key management personnel as discussed in note 30, are as follows:

(i) Nature of Relationship	Nature of transactions	2024 (Rupees in thousand)	2023
<b>Holding company</b>			
Nishat Mills Limited	Dividend paid	1,354,747	1,174,114
<b>Associated companies</b>			
Nishat Hotels and Properties Limited	Boarding and lodging	3,242	2,427
Hyundai Nishat Motor (Private) Limited	Purchase of vehicles	17,139	5,717
	Vehicle repair charges	1,342	1,236
Nishat Hospitality (Private) Limited	Expenses paid	1,641	-
<b>Key management personnel</b>			
Chief executive officer	Dividend paid	8	7
Chief executive officer and non executive directors (Note 30)	Remuneration	35,438	30,985
<b>Other related parties</b>			
Mutual funds of MCB Investment Management Limited	Dividend received	302,831	-
Mr. Mian Hassan Mansha	Dividend paid	-	-
Mr. Ahmad Aqeel*	Dividend paid	-	3
Mr. Mahmood Akhtar	Dividend paid	8	7
Mr. Shahzad Ahmad Malik	Dividend paid	4	3
Mr. Norez Abdullah*	Dividend paid	-	3
Ms. Maleeha Humayun Bangash	Dividend paid	4	3
Mr. Humayun Maqbool	Dividend paid	169	-
Mr. Muhammad Aqib Zulfiqar	Dividend paid	4	-
<b>Post employment benefit plan</b>	Company's contribution to provident fund trust	36,921	31,495

\*Ceased to be director of the Company with effect from 22 August 2023.

**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
		2024	2023	
Nishat Mills Limited	Holding Company	Yes	Yes	51.01%
Adamjee Insurance Company Limited	Associated company of holding company	Yes	Yes	0.26%
Security General Insurance Company Limited	Common Directorship	Yes	Yes	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	Yes	Yes	None
Nishat Hotels and Properties Limited	Common Directorship	Yes	Yes	None
Hyundai Nishat Motor (Private) Limited	Common Directorship	Yes	Yes	None
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	No	No	None
MCB Islamic Bank Limited	Group Company	Yes	Yes	None
MCB Investment Management Limited	Group Company	Yes	No	None
Nishat Hospitality (Private) Limited	Common Directorship	Yes	No	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	No	Yes	0.0001%
Mr. Mahmood Akhtar	Director	Yes	Yes	0.0003%
Mr. Shahzad Ahmad Malik	Director	Yes	Yes	0.0001%
Mr. Norez Abdullah*	Director	No	Yes	0.0001%
Ms. Maleeha Humayun Bangash	Director	Yes	Yes	0.0001%
Mr. Ghazanfar Hussain Mirza	Chief Executive Officer	Yes	Yes	0.0003%
Mr. Humayun Maqbool	Director	Yes	No	0.0063%
Mr. Muhammad Aqib Zulfiqar	Director	Yes	No	0.0001%

\*Ceased to be director of the Company with effect from 22 August 2023.

	2024	2023
<b>32. NUMBER OF EMPLOYEES</b>		
Number of employees as on 30 June	210	214
Average number of employees during the year	212	210
	<b>2024</b>	<b>2023</b>
	<b>MWH</b>	<b>MWH</b>
<b>33. CAPACITY AND PRODUCTION</b>		
Installed capacity [based on 8,784 hours (2023: 8,760 hours)]	1,715,559	1,710,872
Actual energy delivered	453,692	537,893
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). 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:

	2024	2023
Trade and other payables		
- USD	(13,286)	(202,916)
Net exposure - USD	(13,286)	(202,916)

The following significant exchange rates were applicable during the year:

##### Rupees per US Dollar

Average rate	283.70	252.58
Reporting date rate	278.80	287.10

##### Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.185 million (2023: Rupees 2.913 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, Term Deposit Receipts, past due trade debts and short term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

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

	2024	2023
	(Rupees in thousand)	
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Trade debts - overdue	9,983,560	7,910,721
Bank balances - Term Deposit Receipts	1,766,500	846,510
<b>Financial liabilities</b>	-	-
	11,750,060	8,757,231
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	4,528,602	1,911,809
<b>Financial liabilities</b>		
Short term borrowings	(2,959,948)	-
	1,568,654	1,911,809
<b>Net exposure</b>	13,318,714	10,669,040

### 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 15.687 million (2023: Rupees 19.118 million) higher / lower, mainly as a result of higher / lower interest income on floating rate bank balances. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

### (b) Credit risk

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

	2024 (Rupees in thousand)	2023
Long term loans to employees	10,436	10,828
Trade debts	14,425,555	14,152,106
Short term investments	4,264,954	-
Advances, deposits and other receivables	887,901	760,643
Bank balances	6,296,326	4,760,360
	<u>25,885,172</u>	<u>19,683,937</u>

Age analysis of trade debts as at reporting date is given in Note 15.2.

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			2024	2023
	Short term	Long term	Agency	(Rupees in thousand)	
<b>CPPA-G</b>		Not available		4,441,995	6,241,385
<b>Term Deposit Receipts</b>					
Soneri Bank Limited	A1+	AA-	PACRA	615,500	46,510
MCB Islamic Bank Limited	A+	A1	PACRA	1,151,000	800,000



Rating			2024	2023	
Short term	Long term	Agency	(Rupees in thousand)		
<b>Banks</b>					
Allied Bank Limited	A1+	AAA	PACRA	23	18
Askari Bank Limited	A1+	AA+	PACRA	24	94
Bank Alfalah Limited	A1+	AAA	PACRA	15	14
Bank Islami Pakistan Limited	A1	AA-	PACRA	2	2
Bank AL-Habib Limited	A1+	AAA	PACRA	-	4
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	1	13
Faysal Bank Limited	A1+	AA	PACRA	1	12
Habib Bank Limited	A1+	AAA	VIS	972	941
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	7	13
MCB Bank Limited	A1+	AAA	PACRA	4,516,804	1,325,936
MCB Islamic Bank Limited	A+	A1	PACRA	11,814	585,805
National Bank of Pakistan	A1+	AAA	PACRA	3	21
National Bank of Pakistan - Pay order	A1+	AAA	PACRA	-	2,000,000
Meezan Bank Limited	A1+	AAA	VIS	5	54
Soneri Bank Limited	A1+	AA-	PACRA	74	185
The Bank of Punjab	A1+	AA+	PACRA	64	716
The Bank of Khyber	A1	A+	PACRA	5	5
United Bank Limited	A1+	AAA	VIS	12	17
				4,529,826	3,913,850
				10,738,321	11,001,745

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

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2024, the Company had Rupees 9,551.520 million (2023: Rupees 9,551.520 million) available borrowing limits from banking companies and Rupees 6,296.539 million (2023: Rupees 4,760.713 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 2024:**

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 Years
<b>Non-derivative financial liabilities:</b>						
Short term borrowings	2,959,948	2,959,948	2,959,948	-	-	-
Unclaimed dividend	26,262	26,262	26,262	-	-	-
Trade and other payables	1,679,235	1,679,235	1,679,235	-	-	-
Accrued mark-up / profit	11,842	11,842	11,842	-	-	-
	<u>4,677,287</u>	<u>4,677,287</u>	<u>4,677,287</u>	<u>-</u>	<u>-</u>	<u>-</u>

**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
<b>Non-derivative financial liabilities:</b>						
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	-	-	-
	<u>994,172</u>	<u>994,172</u>	<u>994,172</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

### 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

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

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

#### Financial assets

Long term loans to employees	10,436	-	10,436
Trade debts	14,425,555	-	14,425,555
Short term investments	-	4,264,954	4,264,954
Advances, deposits and other receivables	887,901	-	887,901
Cash and bank balances	6,296,539	-	6,296,539
	<u>21,620,431</u>	<u>4,264,954</u>	<u>25,885,385</u>

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	760,643	-	760,643
Cash and bank balances	4,760,713	-	4,760,713
	<u>19,684,290</u>	<u>-</u>	<u>19,684,290</u>

#### Financial liabilities at amortised cost

2024  
(Rupees in thousand)

2023

#### Financial liabilities

Short term borrowings	2,959,948	-
Trade and other payables	1,679,235	966,833
Unclaimed dividend	26,262	22,238
Accrued mark-up / profit	11,842	5,101
	<u>4,677,287</u>	<u>994,172</u>

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

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

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

#### Assets

Long term loans to employees	7,029	-	7,029
Trade debts	14,425,555	-	14,425,555
Loans, advances, deposits, prepayments and other receivables	887,901	346,768	1,234,669
Short term investments	4,264,954	-	4,264,954
Cash and bank balances	6,296,539	-	6,296,539
	<u>25,881,978</u>	<u>346,768</u>	<u>26,228,746</u>

### Liabilities

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

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

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

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

### Assets

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

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

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

7,887	-	7,887
14,152,106	-	14,152,106
760,643	534,001	1,294,644
4,760,713	-	4,760,713
<u>19,681,349</u>	<u>534,001</u>	<u>20,215,350</u>

### Liabilities

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

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

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

966,833	504,429	1,471,262
5,101	-	5,101
22,238	-	22,238
<u>994,172</u>	<u>504,429</u>	<u>1,498,601</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. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity. Net borrowings are calculated as short term borrowings as disclosed in 7 to these financial statements less cash and bank balances as disclosed in note 19 to these financial statements. Total capital employed includes equity as shown in the statement of financial position plus net borrowings.

	2024 (Rupees in thousand)	2023
Short term borrowings	2,959,948	-
Less: Cash and bank balances	6,296,539	4,760,713
Net cash and bank balances	(3,336,591)	(4,760,713)
Total equity	32,616,924	29,883,014
Gearing ratio	0%	0%

### 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 2024	Level 1	Level 2	Level 3	Total
--	---------	---------	---------	-------

..... Rupees in thousand .....

#### Financial assets

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

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

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered

to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

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

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

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

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

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

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

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

**36. UNUTILIZED CREDIT FACILITIES**

	Non-funded		Funded	
	2024	2023	2024	2023
	..... Rupees in thousand .....			
Total facilities	1,850,000	1,750,000	9,551,520	9,551,520
Utilized at the end of the year	55,407	974,380	2,959,948	-
Unutilized at the end of the year	<u>1,794,593</u>	<u>775,620</u>	<u>6,591,572</u>	<u>9,551,520</u>

**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 2024 of Rupees 5 per share (2023: Rupees 3.0 per share). However, this event has been considered as non-adjusting event under IAS 10 'Events after Reporting Period' and has not been recognized in these financial statements.

### 40. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, except for reclassification as disclosed in note 2.16 to these financial statements, no significant rearrangements / reclassification have been made.

### 41. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 3 September 2024 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 OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER





## FORM OF PROXY

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

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

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

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

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

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

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on October 24, 2024 (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, 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 \_\_\_\_\_ 2024.

Signature \_\_\_\_\_

Address \_\_\_\_\_

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

Revenue  
Stamp  
of Rs. 50/-

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

Witness:-

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

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

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

### IMPORTANT:

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



The Company Secretary

**NISHAT POWER LIMITED**

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

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# پراکسی فارم (مختار نامہ)

میں / ہم \_\_\_\_\_  
کا / کے \_\_\_\_\_  
بحیثیت رکن نشاط پاور لمیٹڈ (دی کمپنی) سی ڈی سی اکاؤنٹ نمبر / 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 24 اکتوبر 2024ء بروز جمعرات دوپہر 11:30 بجے  
بمقام: \_\_\_\_\_ امپوریم مال، دی نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر، نزد ایکسپوسنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور پر  
منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دی 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 ..... 2024ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

پچاس روپے کی ریپونسیٹیبلٹی  
چسپاں کریں

## گواہان

1- \_\_\_\_\_ دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

2- \_\_\_\_\_ دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
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 پراکسی مقرر کرنے کے لئے لازماً وصول ہو جانے چاہئیں۔
- بٹیفیشل اونرز کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔
- پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا۔
- بصورت کارپوریٹ ایٹنٹی، بورڈ کی قرارداد / مختار نامہ معہ پراکسی ہولڈر کے دستخط پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

The Company Secretary

**NISHAT POWER LIMITED**

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

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# NISHAT POWER LIMITED



## 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 24, 2024 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)	

### Special Resolution

#### Agenda Item 4

**Resolved** that pursuant to the powers conferred upon the Board of Directors of Nishat Power Limited ("the Company") by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 26, 2023, the Related Party Transactions made during the financial year ended June 30, 2024 as disclosed in Annual Financial Statements of the Company for the year ended 30 June 2024 and as approved by the Board of Directors of the Company be and are hereby ratified, approved and confirmed in all respects.

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

Sr No.	Nature and Description of resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special Resolution as per the Agenda Item No. 4 (as given above)		

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

Place: \_\_\_\_\_

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

#### NOTES:

- 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.
- Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
- Postal Ballot form should reach the Chairman of the Meeting on or before October 23, 2024 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
- 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.
- Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.



# NISHAT POWER LIMITED



## نشاط پاور لمیٹڈ

### ڈاک کے ذریعے ووٹنگ کے لیے بیلٹ پیپر

بروز جمعرات، 24 اکتوبر 2024 کو صبح 11:30 بجے (PST) ایچ ایم ہال، نشاط ہوٹل، نریڈ اینڈ فنانس سٹریٹ، نزد ایکسپو سنٹر، عبداللہ 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۔

چیئرمین کا نامزد کردہ ای میل ایڈریس جس پر صحیح طریقے سے پُر شدہ بیلٹ پیپر بھیجا جاسکتا ہے۔ - chairman@nishatpower.com

شیر ہولڈر/مشیر/شیر ہولڈرز کا نام	
رجسٹرڈ ایڈریس	
فولیو نمبر/سی ڈی سی پارٹیشن/انویسٹری ڈی ممبر 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 NICOP/CNIC/پاسپورٹ نمبر (بصورت غیر ملکی) (کاپی منسلک ہو)	

خصوصی قرارداد

ایجنڈا نمبر 4

قرار پایا ہے کہ نشاط پاور لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کو 26 اکتوبر 2023 کو منعقدہ سالانہ اجلاس عام میں منظور کردہ خصوصی قرارداد کے ذریعے کمپنی کے ممبران کی طرف سے دیئے گئے اختیارات کے مطابق، متعلقہ پارٹی ٹرانزیکشنز 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کی گئیں جیسا کہ 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالی گوشواروں میں انکشاف کیا گیا ہے، اور جیسا کہ کمپنی کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے ان کی توثیق، منظوری اور تصدیق ہر لحاظ سے کی جاتی ہے۔

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

نمبر شمار	قرارداد کی نوعیت اور تفصیل	میں/ہم قرارداد پر رضامند ہوں/ہیں (FOR)	میں/ہم قرارداد پر خلاف ہوں/ہیں (AGAINST)
1-	ایجنڈا نمبر 4 کے مطابق خصوصی قرارداد (مذکورہ بالا)		

شیر ہولڈر/پرائیسی ہولڈر/مجاز کنندہ کے دستخط:  
(بصورت کارپوریٹ ادارہ، براہ ہر بانی کمپنی کی مہر ثبت کریں)

تاریخ: \_\_\_\_\_

مقام: \_\_\_\_\_

### نوٹس:

- صحیح طریقے سے پُر شدہ پوسٹل بیلٹ چیئرمین کو نشاط ہاؤس، 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 23 اکتوبر 2024 شام 5:00 بجے کو یا اس سے پہلے چیئرمین 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 گینیز ایکٹ 2017 کی دفعہ 138 اور 139 کے مطابق بیلٹ پیپر فارم لازماً مجاز فرد کے CNIC کی کاپی، بورڈ کی قرارداد/اختیار نامہ/تھراؤنٹیشن لیٹر وغیرہ کی تصدیق کاپی کے ہمراہ ہونا چاہئے۔ غیر ملکی ہاڈی کارپوریٹ وغیرہ کی صورت میں، تمام دستاویزات رکن کی جو رجسٹریشن 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۔
- ناکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھنسا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسترد کر دیا 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