

# PAKGEN POWER LIMITED



SECY/STOCKEXC/61

March 28, 2024

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

**SUB: TRANSMISSION OF ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023**

Dear Sir,

We have to inform you that the Annual Report of Pakgen Power Limited for the year ended December 31, 2023 have been transmitted through PUCARS and is also available on Company's website.

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

Thanking you,

Yours truly,

  
**KHALID MAHMOOD CHOCHAN**  
**COMPANY SECRETARY**

**HEAD OFFICE**

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: 92-42-35717239, WEBSITE: [www.pakgenpower.com](http://www.pakgenpower.com), E-MAIL: [pakgen@lalpir.com](mailto:pakgen@lalpir.com)

**REGISTERED OFFICE**

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

**POWER STATIONS**

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: 92-66-2300030, FAX: 92-66-2300260, [www.pakgenpower.com](http://www.pakgenpower.com)

# **PAKGEN POWER LIMITED**

## **STATEMENT OF FREE FLOAT OF SHARES**

## INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

### To the Chief Executive of Pakgen Power Limited

#### 1. Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed Statement of Free Float of Shares ("the Statement") of Pakgen Power Limited, ("the Company") as of 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

#### 2. Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations ("PSX Regulations") which requires every listed company to submit directly to Pakistan Stock Exchange ("PSX") an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulation 5.6.9(a) of the PSX Regulations.

#### 3. Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement as of 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023 in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error.

#### 4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **5. Our Responsibility and Summary of the Work Performed**

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to Pakgen Power Limited's preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of the Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedures performed included verification of information in the Statement with the underlying data and record comprising of Central Depository Company statements, forms submitted by the Company with Securities & Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX Regulations also forms part of our assurance procedures.

With respect to identification of associates of an individual as defined in section 2(ii)(a) of the Securities Act, 2015, we have obtained and relied on management's representations that are based on written declarations from individuals (i.e. directors, sponsors and senior management officers of the Company) about their associates.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Riaz Ahmad & Company

Chartered Accountants

## 6. Opinion

In our opinion, the Statement as of 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023 is prepared, in all material respects, in accordance with the PSX Regulations.

## 7. Restriction on Use and Distribution

This report is issued in relation to the requirements as stipulated under Regulation No. 5.7.2(b)(ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**Name of engagement partner:**  
Atif Anjum

**Date:** 27 FEB 2024

**LAHORE**

# PAKGEN POWER LIMITED



## PAKGEN POWER LIMITED STATEMENT OF FREE FLOAT OF SHARES

	As of 31 March 2023	As of 30 June 2023	As of 30 September 2023	As of 31 December 2023
Total Outstanding Shares	372,081,591	372,081,591	372,081,591	372,081,591
<b>Less:</b> Government Holdings	-	-	-	-
<b>Less:</b> Shares held by Directors / Sponsors / Senior Management Officers and their associates (Note 1)	(80,486,294)	(80,486,794)	(80,486,294)	(80,486,294)
<b>Less:</b> Shares in Physical Form	(350,503)	(350,503)	(350,503)	(348,003)
<b>Less:</b> Shares held by Associate companies / Group Companies (Cross holdings)	(135,799,705)	(145,823,205)	(145,823,205)	(145,823,205)
<b>Less:</b> Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-	-	-	-
<b>Less:</b> Treasury shares	-	-	-	-
<b>Less:</b> Any other category that are barred from selling at the review date	-	-	-	-
	(216,636,502)	(226,660,502)	(226,660,002)	(226,657,502)
<b>Free Float</b>	<b>155,445,089</b>	<b>145,421,089</b>	<b>145,421,589</b>	<b>145,424,089</b>

**Basis of Preparation:** This Statement is prepared in accordance with the requirements of Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations).

Note 1: "Sponsors" has the same meaning as defined in The Companies (Issue of Capital) Rules, 1996. "Senior Management Officers" and "Associates" have the same meaning as defined in the Securities Act, 2015.

Company Secretary



Chief Executive



### HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: 92-42-35717239, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@lalpir.com

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N I S H A T

PAKGEN POWER LIMITED



# ANNUAL REPORT 2023



Growth - Expansion - Progress

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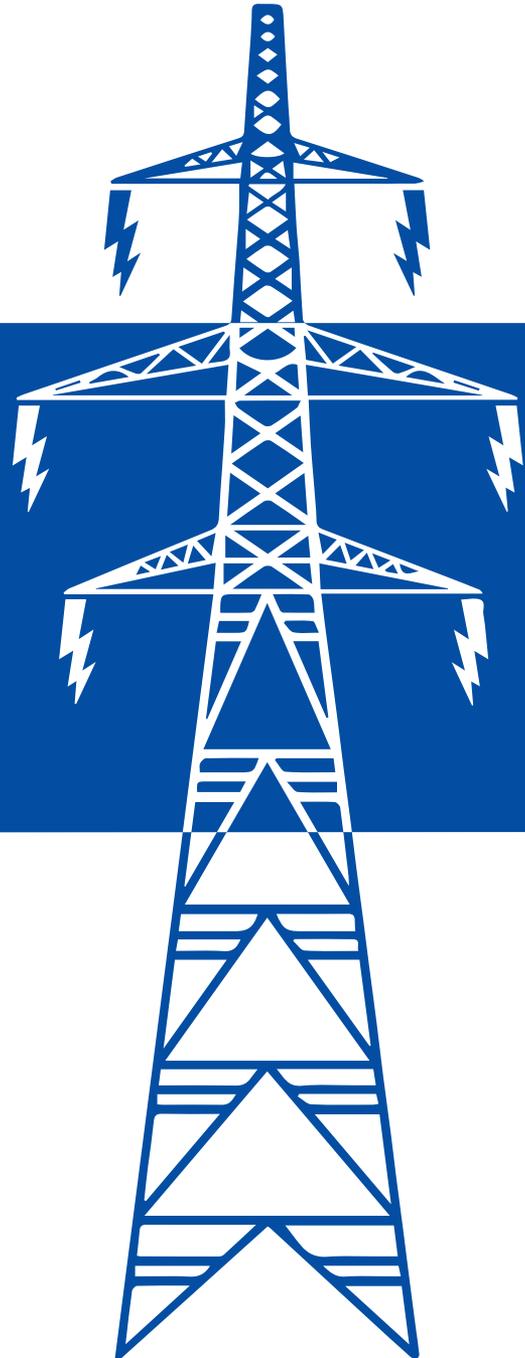
# VISION & MISSION STATEMENT

## VISION

ENLIGHTEN THE FUTURE  
THROUGH EXCELLENCE,  
COMMITMENT, INTEGRITY  
AND HONESTY

## MISSION

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





# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Members of Pakgen Power Limited (the “Company”) will be held on April 22, 2024 (Monday) at 11:30 a.m. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended December 31, 2023 along with the Chairman Review, Directors’ and Auditors’ reports thereon.
2. To ratify and approve already paid 150% (Rs.15/- per share) Interim Cash Dividend for the year ended December 31, 2023.
3. To appoint statutory Auditors for the year ending December 31, 2024 and fix their remuneration.
4. **Special Business:-**

- a. **To ratify and approve transactions conducted with the Related Parties for the year ended December 31, 2023 by passing the following Special Resolution with or without modification.**

“Resolved that the Related Party Transactions as disclosed in the Annual Audited Financial Statements for the year ended December 31, 2023 and as already approved by the Board of Directors of Pakgen Power Limited be and are hereby ratified, approved and confirmed in all respects.”

- b. **To authorize the Board of Directors of the Company to approve transaction with the Related Parties for the financial year ending December 31, 2024 by passing the following special resolution with or without modification.**

**RESOLVED** that the Board of Directors of Pakgen Power Limited be and is hereby authorized to approve the transactions to be conducted with the related parties during the financial year ending on December 31, 2024 and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their ratification.

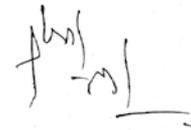
- c. **To Consider and if deemed fit, to pass the following resolutions as special resolutions in pursuance of S.R.O. 389(1)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink with or without modification, addition(s) or deletion(s).**

**RESOLVED** that the approval of the members of Pakgen Power Limited (“the Company”) be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the financial year 2024 through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(1)/2023 dated March 21, 2023.

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

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

By order of the Board



(KHALID MAHMOOD CHOCHAN)  
COMPANY SECRETARY

LAHORE  
February 27, 2024



## NOTES:

### BOOK CLOSURE NOTICE:-

The Share Transfer Books of the Company will remain closed from **16-04-2024** to **22-04-2024** (both days inclusive) for attending and voting at AGM. The Physical transfers/CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 15-04-2024 at CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi will be considered in time for attending the meeting.

### Proxies

A member eligible to attend and vote at this meeting may appoint another member as 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 Share Registrar/Company of change in address and their contact number, if any.

Kindly quote your folio number/CDC A/C number in all correspondence with the Company.

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

#### A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport (in case of non-resident) 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 of the witnesses shall be furnished with the proxy form.



### 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.pakgenpower.com](http://www.pakgenpower.com) and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar Office, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi

### Circulation of Annual Reports through Digital Storage

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of Pakgen Power Limited had accorded their consent for transmission of annual reports including audited annual financial statements and other information contained therein of the Company through CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand.

### Unclaimed Dividend / Shares

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

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

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

### Video Conference Facility

In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given here in above 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.

### 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 Pakgen Power Limited 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 22-04-2024, 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 16-04-2024.
- 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 19-04-2024, at 09:00 a.m. and shall close on 21-04-2024 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@pakgenpower.com one day before the Annual General Meeting on 21-04-2024 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.Pakgenpower.com](http://www.Pakgenpower.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:-

The members can attend the AGM via video link using smart phones/tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at kchohan@pakgenpower.com or smahmood@dgcement.com by April 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 April 22, 2024.

a) Item No. 4(a)

Approval of transactions conducted with the Related Parties during the year ended December 31, 2023

Following transactions carried out with associated companies/related parties as disclosed in Note No. 32 of the Annual Audited Financial Statements for the year ended December 31, 2023 have been approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to provisions of applicable laws. However, as majority of Company Directors were interested in certain related party transactions due to their common directorship and holding of shares in the associated companies/related parties, the Board has recommended for placement of the same before the shareholders of the Company in general meeting for ratification/approval.

Associated companies	Nature of transaction	2023 (Rupees in thousand)
Nishat Mills Limited	Dividend	1,902,387
Adamjee Insurance Company Limited	Dividend Insurance premium paid Insurance claim received	435,730 4,524 335
Security General Insurance Company Limited	Dividend Insurance premium paid	127,736 1,570,943
Pakistan Aviators and Aviation (Private) Limited	Flying services	140,493
Nishat (Aziz Avenue) Hotels and Properties Limited	Dividend	1,445
Nishat Real Estate Development Company (Private) Limited	Dividend	782
Nishat Hotels and Properties Limited	Boarding and lodging services	870
MCB Bank Limited	Profit on bank deposits received	95,442
<b>OTHER RELATED PARTIES</b>		
D.G. Khan Cement Company Limited	Purchase of goods	480
Adamjee Life Assurance Company Limited	Insurance premium paid	1,374
Mian Hassan Mansha	Dividend	248,733
Mrs. Sadia Younas Mansha	Dividend	9
Mr. Muhammad Ali Zeb	Dividend	8
Mr. Omer Zubair Khan	Dividend	8
Mr. Farrukh Ifzal	Dividend	9
Mr. Samir Mustapha Chinoy	Dividend	9
Mr. Ghazanfar Hussain Mirza	Dividend	17
Dr. Arif Bashir	Dividend	17
Mr. Shahid Malik (Ex-director)**	Dividend	9
Mr. Amir Mehmood (Ex-director)**	Dividend	9

Staff retirement benefit plans		
Provident fund trust	Contributions	17,955
Gratuity fund trust	Benefits paid on behalf of fund	13,511

\*\* Ceased to be the director of the Company with effect from 01 September 2023.

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

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

b) [Item No. 4\(b\)](#)

[To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on December 31, 2024](#)

The Company shall be conducting transactions with its related parties during the year ending December 31, 2024 on an arm's length basis as per approved policy with respect to transactions with related parties' in the normal course of business. The majority of Directors are interested in certain transactions due to their relationship with the Company. In order to promote the transparent business practices, the Board of Directors has to be authorized to approve all transactions with the related parties from time to time during the year ending December 31, 2024 and the same will be placed before the Shareholders in the next AGM for their ratification/approval.

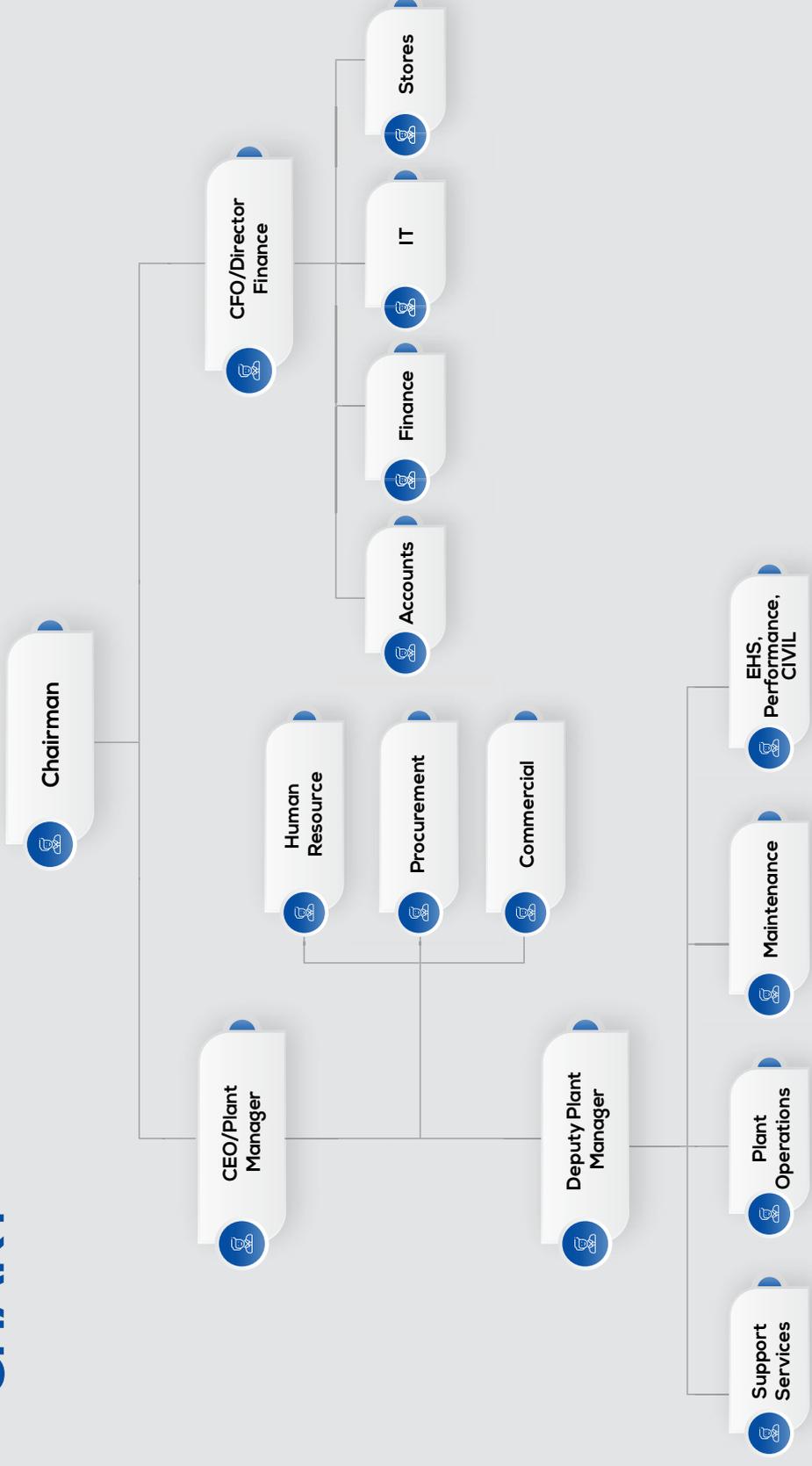
c) [Item No. 4\(c\)](#)

[Transmission of Annual Audited Financial Statements through QR Enabled Code and Weblink](#)

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023 has allowed companies to circulate annual audited financial statements to its members through QR enabled code and Weblink, therefore, the Board of Directors of Pakgen Power Limited in their meeting held on February 27, 2024 has recommended for transmission of Annual Reports including Audited Financial Statements of the Company to its members through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, however, hard copy of the annual audited financial statements will be supplied to the shareholders, on demand, at their registered addresses, free of cost, within one week of receipt of such demand.

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

# ORGANIZATION CHART



# DIRECTORS' PROFILE



**Mian Hassan Mansha**  
Chief Executive Officer

Mian Hassan Mansha has over 24 years of diversified experience and serving on the Board of various listed and unlisted companies. Currently he is serving on the Boards of Nishat Power Limited, Security General Insurance Company Limited, Nishat Mills Limited, Lalpir Power Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Dairy (Private) Limited, Pakistan Aviators and Aviation (Private) Limited, Nishat Real Estate Development Company (Private) Limited, Nishat Agriculture Farming (Private) Limited, and Hyundai Nishat (Pvt) Limited, Nishat Developer (Pvt) Limited and Nishat Paper Products Company Limited.

He is also serving as Chief Executive Officer of Hyundai Nishat Motor (Private) Limited and is an Honorary Consulate of Brazil in Pakistan.



**Mrs. Sadia Younas Mansha**  
Non-Executive / Female Director

Sadia Younas Mansha has more than 22 years of diversified professional experience in Textile, Knitwear, Dairy and Agriculture Farming. She is currently serving in the capacity of Managing Director of Nishat Dairy (Pvt) Limited and Nishat Agriculture Farming (Pvt) Limited. She is also the Chief Executive Officer of Golf View Land (Pvt) Limited.



**Mr. Muhammad Ali Zeb – Chairman**  
Non-Executive Director

Muhammad Ali Zeb is a fellow member of the Institute of Chartered Accountants of Pakistan and completed post graduate diploma in Organizational Leadership from Saïd Business School, University of Oxford. He has over 30 years of diverse experience in the Manufacturing, Financial and Insurance sectors. He started his professional career from Nishat Mills in 1995 and joined Adamjee Insurance as the Chief Financial Officer in 2005 where he was promoted as Executive Director Finance. He was appointed as the Chief Executive Officer in 2008 and remained in this position until March, 2011 and re-joined in 2013 as Chief Executive Officer of Adamjee Insurance Company Limited. He is also serving as Director on the Board of Nishat Sutas Dairy Limited.



**Mr. Samir Mustapha Chinoy**  
Independent Director

Mr. Samir M. Chinoy is the Chief Operating Officer of International Steels Ltd. He is a graduate of Babson College, USA with a Bachelor's of Science in Finance and Entrepreneurship and a minor in Human Communication. Prior to International Steels Limited Mr. Chinoy worked at Pakistan Cables, Deloitte and Touché, New York and Foothill Capital (A Wells Fargo Company), Boston. Mr. Chinoy has served on the management committee of Landhi Association of Trade and Industry and has held the position of Vice Chairman. In addition to being the Chairman, of the Amir Sultan Chinoy Foundation he is a director of Pakgen Power Ltd., Intermark (Pvt) Ltd., Haball (Pvt) Ltd. and IIL Australia Pty Ltd. Mr. Chinoy is a certified Director from the Pakistan Institute of Corporate Governance.



**Mr. Farrukh Ifzal**  
Independent Director

Mr. Farrukh Ifzal is a Fellow member of the Institute of Chartered Accountants of Pakistan. He has over 36 years of diversified experience in the field of Accounts, Finance, Legal and General Management. He is currently serving as Chief Executive Officer of Nishat Chunian Power Limited, Chairman Board of Directors Nishat (Chunian) Limited and Director Quaid-e-Azam Thermal Limited.



**Dr. Arif Bashir**  
Non-Executive Director

Dr. Arif Bashir holds PhD degree in Chemical Engineering and has over 38 years of experience in the fields of project planning and execution, operation and maintenance of Cement Plant, Power Plants, Paper Plant etc. Currently he is working as Director (Technical Operations) of D.G Khan Cement Company Limited (DGKCC) and responsible for smooth operation and maintenance of Cement Production lines having capacity over 4.8 million tons/year. Captive Power Plants of about 100 MW capacity of 500,000 bag/day. Also responsible for Captive Coal based Power Plant, Alternate Fuels, Waste Heat Recovery projects of DGKCC. He is also serving on the Board of Nishat Paper Products Co. Ltd.



**Mr. Ghazanfar Hussain Mirza**  
Non-Executive Director

Mr. Ghazanfar Hussain Mirza has a Bachelor's degree in Mechanical Engineering from NED University of Engineering & Technology. Mr. Mirza has 45 years of experience in business and corporate management in technical, commercial and multinational environment. He has served as Managing Director of Wartsila Corporation (Finland) companies in Pakistan and Saudi Arabia. He also serves on the Board of Pakgen Power Limited.



**Mr. Omer Zubair Khan**  
Non-Executive Director

Mr. Omer is a FCCA from Association of Chartered Certified Accountants, England and ACA from Institute of Chartered Accountants of England & Wales. He has over 30 years of diverse work experience. Currently, he is working as Chief Financial Officer of City Schools.

# CHAIRMAN'S REVIEW

I am pleased to present the annual report of the Company for the year ended December 31, 2023 to our valued shareholders. The Company, as well as the Board of Directors, have shown good performance during the current year.

The Company has earned a profit after tax of Rs.5.863 billion as against a profit of Rs.3.136 billion earned during the previous year. The profit in current year has increased by Rs.2.727 billion, because of low dispatch in current year which helped the Company minimize its fuel losses.

I would like to appreciate overall performance of the Board during this year despite multiple challenges and tough economic conditions prevalent in the Country. They have provided strategic directions to the management and always remained available for guidance. The Board has formed various Committees, like Audit Committee and Human Resource Committee. Through Audit Committee the Board, reviewed the internal controls and financial statements and ensured that the accounts fairly represent the financial position of the Company. While the HR Committee overviews the HR policy framework and recommends selection and compensation of senior management team.

To evaluate the performance of the Board and its Committees, the Board has put in place mechanism for annual evaluation of the performance of the Board of Directors. Accordingly, the Board has completed its annual self-evaluation for the year 2023 and I am pleased to report that the overall performance benchmarked on the basis of set criteria remained satisfactory.

Further, I am pleased to inform that the composition of the Board depicts reasonable balance of executive and non-executive Directors including female and independent Directors. This

combination, 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 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.

Our Social Responsibility continues to serve and assist the needy in the vicinity of our plant. We continue to provide health care and assistance to the schools in the vicinity of our plant. Our sponsored hospitals bring much needed care and relief in the area, and our sponsored school scholarships continue to support deserving students.

I would like to take this opportunity to express my appreciation for the untiring efforts of Company workforce and express gratitude to all the stakeholders for their continued cooperation, trust and support.



Chairman  
Lahore: February 27, 2024

# چیرمین کا جائزہ

میں 31 دسمبر، 2023ء کو ختم ہونے والے سال کے لئے، اپنے قابل قدر شیئرز ہولڈرز کو کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ موجودہ سال کے دوران کمپنی اور بورڈ آف ڈائریکٹرز نے بہترین کارکردگی کا مظاہرہ کیا ہے۔

کمپنی کو گزشتہ سال 3.136 بلین روپے منافع کے برعکس موجودہ سال میں 5.863 بلین روپے کا بعد از ٹیکس منافع ہوا۔ موجودہ سال میں منافع 2.727 بلین روپے تک زیادہ ہوا کیونکہ موجودہ سال میں ترسیل کم ہوئی جس نے اس کے ایندھن کے نقصانات کو کم کرنے میں کمپنی کی مدد کی۔

میں متعدد چیلنجوں اور ملک میں شدید اقتصادی حالات کے باوجود اس مدت کے دوران بورڈ کی مجموعی کارکردگی کو سراہتا ہوں۔ انہوں نے انتظامیہ کو اسٹریٹجک ہدایات فراہم کیں اور رہنمائی کے لیے ہمیشہ موجود رہے۔ بورڈ نے مختلف کمیٹیاں جیسے کہ آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی تشکیل دی ہیں۔ آڈٹ کمیٹی کے ذریعے بورڈ نے اندرونی کنٹرولز اور مالیاتی گوشواروں کا جائزہ لیا اور اس بات کو یقینی بنایا کہ اکاؤنٹس کمپنی کی مالی حالت کی منصفانہ نمائندگی کریں۔ جبکہ HR کمیٹی HR پالیسی فریم ورک کا جائزہ لیتی ہے اور سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضہ کی سفارش کرتی ہے۔

بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے، بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کی سالانہ تشخیص کے لیے ایک طریقہ کار وضع کیا ہے۔ اسی مناسبت سے، بورڈ نے سال 2023 کے لیے اپنی سالانہ خود تشخیص مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مقررہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار تسلی بخش رہا۔

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

بورڈ کمپنی کے مالی گوشواروں کے معیار اور موزونیت، انکشافات کی رپورٹنگ اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ مقاصد کے منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ نے ضابطہء اخلاق بھی وضع کیا ہے جو مطلوبہ رویہ کی وضاحت کرتا ہے اور اسے پوری کمپنی میں شائع کیا گیا ہے۔ مؤثر کنٹرول ماحول کو یقینی بنانے کے لیے مناسب کنٹرول اور مضبوط نظام موجود ہیں تاکہ کارپوریٹ گورننس کی بہترین پالیسیوں کی تعمیل ہو سکے۔

ہماری سماجی ذمہ داری کے طور پر ہم اپنے پلانٹ کے آس پاس ضرورت مندوں کی خدمت اور مدد کر رہے ہیں۔ ہم اپنے پلانٹس کے آس پاس کے سکولوں کو صحت کی دیکھ بھال اور مدد فراہم کرتے رہتے ہیں۔ ہمارے سپانسر شدہ ہسپتال علاقے میں بہت زیادہ ضروری دیکھ بھال اور آسانیاں دیتے ہیں، اور ہمارے سپانسر شدہ سکولوں کو وظائف حق دار طلباء کی مدد کرتے رہتے ہیں۔

میں اپنے عملے کے ارکان کی انتھک کوششوں کو سراہتا ہوں اور تمام اسٹیک ہولڈرز کے مسلسل تعاون، اعتماد اور مدد کا شکر گزار ہوں۔

  
چیرمین

لاہور: 27 فروری 2024ء

# DIRECTORS' REPORT



The Directors are pleased to present the Annual Report and the audited financial statements of the Company for the year ended December 31, 2023 together with the auditors' report thereon.

## GENERAL

Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain an oil-fired power station ("the Complex") with a dependable capacity of 350 MW against a gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Sole purchaser of the power is Central Power Purchasing Agency (Guarantee) Limited (CPPA-G).

## FINANCE AND SIGNIFICANT EVENTS

We report that during the year 2023 the total sales revenue of the Company was Rupees 20.837 billion (2022: Rupees 45.833 billion) and operating costs were Rupees 15.149 billion (2022: Rupees 42.359 billion), resulting in gross profit of Rupees 5.687 billion (2022: Rupees 3.474 billion). The Company earned a profit after tax of Rupees 5.863 billion resulting in earnings per share of Rupees 15.76 as compared to a net profit of Rupees 3.136 billion and earnings per share of Rupees 8.43 last year.

Our sole customer, CPPA-G remains unable to meet its obligations in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of Government of Pakistan. As on 31 December 2023, an amount of Rupees 10.868 billion was outstanding against CPPA-G.

## OPERATIONS AND SIGNIFICANT EVENTS

In response to load demanded by CPPA-G, the Pakgen plant operated at capacity factor of 9.6% and availability of 84.70% and dispatched 294.045 GWh of electricity during the year.

Due to induction of new power generation plants based on hydel energy, coal, renewable and RLNG at a lower price, it is expected that Pakgen will be dispatched in peak demand seasons, in case of interruption in supply of RLNG or in low water months only. This will help Company minimize its fuel losses.

## ANNUAL CAPACITY TEST

As per the requirement of PPA, the Company conducted its Annual Capacity Test on July 16, 2023 whereby it successfully maintained the capacity of 350 MW.

## PERFORMANCE IMPROVEMENT

Continuous efforts are being made to improve the plant performance. Moreover, in-house focus for optimized operation and maintenance remained in place.

## CREDIT RATINGS

The Company has continuously been receiving "AA" (Double A) as long-term rating and "A1" (A One) as short-term rating by PACRA. These ratings reflect the Company's financial management strength and denote very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

## INTERNAL AUDIT AND CONTROL

The Board of Directors (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.

## ENVIRONMENT HEALTH AND SAFETY

Pakgen Power Limited is proud of its commitment to protecting the environment and enhancing the health and safety of its employees. During the year, there was no lost time accident (LTA) due to any injury and there was no environment excursion.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) AND COMMUNITY WELFARE

The Corporate Social Responsibility (CSR) is not only an integral part of the Company's business since inception. It is part of the Company's culture and all employees show a strong commitment to same. The Company strives to accelerate the process of empowering people to work towards eradicating poverty and unemployment. Some CSR Initiatives by the Company include:

- Managing a basic health unit that is fully equipped with emergency facilities

and diagnostics laboratory for the local community. Additionally, the Company also arranges special eye camp for the local community on annual basis in collaboration with LRBT.

- The Company is awarding the scholarships to the deserving students of local community to pursue their professional education.
- Extensive plantation of trees in the surrounding areas.

## COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE 2019

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange.

The statement of compliance with the CCG Regulations, 2019 is enclosed.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom 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 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.
- The key operating and financial data of last six years is attached to the report.
- Value of investment in provident fund and gratuity scheme as at year ended 31st December 2023, were as follows;

Provident fund: 31 December 2023 is Rupees: 245.758 Million

Gratuity fund: 31 December 2023 is Rupees: 146.714 Million

## COMPOSITION OF BOARD:

<b>Total number of Directors:</b>		
(a)	Male	7
(b)	Female	1
<b>Composition:</b>		
(i)	Independent Directors	2
(ii)	Other Non-executive Directors	5
(iii)	Executive Directors (Chief Executive Officer)	1

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

<b>Sr. #</b>	<b>Name of Directors</b>	<b>No. of Meetings Attended</b>
1	Mr. Muhammad Ali Zeb <sup>1</sup> (Director/Chairman)	2
2	Mian Hassan Mansha (CEO)	5
3	Mr. Ghazanfar Hussain Mirza	6
4	Dr. Arif Bashir	4
5	Mr. Omer Zubair Khan <sup>2</sup>	2
6	Mr. Shahid Malik <sup>3</sup>	4
7	Mr. Amir Mahmood <sup>4</sup>	2
8	Mrs. Sadia Younus Mansha	5
9	Mr. Farrukh Afzal	6
10	Mr. Samir Mustapha Chinoy	2

<sup>1</sup> Elected as Director in election of Directors held on September 01, 2023 and also appointed as Chairman of the Board on September 04, 2023.

<sup>2</sup> Elected as Director in election of Directors held on September 01, 2023

<sup>3</sup> Retired on September 01, 2023

<sup>4</sup> Retired on September 01, 2023

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

Sr. #	Name of Members	No. of Meetings Attended
1	Mr. Farrukh Afzal (Member/ Chairman)	4
2	Dr. Arif Bashir (Member )	3
3	Mr. Muhmmad Ali Zeb <sup>1</sup> (Member )	1
4	Mr. Shahid Malik <sup>2</sup> (Member)	3

Audit Committee was re-constituted on September 04, 2023 after election of directors held on September 01, 2023.

<sup>1</sup> Appointed as Member Audit Committee on September 04, 2023, in place of Mr. Shahid Malik.

<sup>2</sup> Retired on September 01, 2023

**During the year under review, One Human Resource & Remuneration (HR&R) Committee meeting was held, attendance position was as under:-**

Sr. #	Name of Members	No. of Meetings Attended
1	Mr. Samir Mustapha Chinoy (Member/Chairman)	1
2	Mian Hassan Mansha (Member)	1
3	Mr. Ghazanfar Hussain Mirza (Member)	1

HR&R Committee was re-constituted on September 04, 2023 after election of directors held on September 01, 2023.

## DIRECTORS' REMUNERATION:

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration and meeting fee paid to executive and non-executive directors have been disclosed in note 33 of the annexed financial statements.

## PATTERN OF SHAREHOLDING:

The statement of pattern of shareholding as on 31 December 2023 is attached.

## TRADING IN THE SHARES OF THE COMPANY

All the trades in the shares of the listed Company, carried out by its directors, executives and their spouses and minor children during the year ended December 31, 2023 is annexed to this report.

## RELATED PARTIES

Related party transactions were placed before the Audit Committee and approved by the Board. These transactions were in line with the requirements of IFRS and the Companies Act 2017.

## FINANCIAL RISK MANAGEMENT

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 program 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. 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.

## DIVIDEND

The Board of Directors declared Interim Cash Dividend at the rate of PKR 15/- per share during the year ended December 31, 2023 which has already been paid.

## AUDITORS

The present auditors M/s Riaz Ahmad and Company, Chartered Accountants retired and being eligible, offer themselves for re-appointment for the year 2024. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

## ACKNOWLEDGEMENT

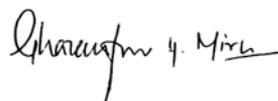
We wish to thank our valuable shareholders, CPPA-G, financial institutions, lenders, Pakistan State Oil and other suppliers for their trust and faith in the Company and their valuable support that enabled the Company to achieve better results.

We also appreciate the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also take this opportunity to thank our executives and staff members for their consistent support, hardwork and commitment for delivering remarkable results and we wish for their long-life relationship with the Company.

For and on behalf of the Board of Directors



**Mian Hassan Mansha**  
Chief Executive Officer



**Mr. Ghazanfar Hussain Mirza**  
Director

Lahore: 27th Feb, 2024

# ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ اور نظر ثانی شدہ مالی حسابات معائنہ پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## عام معلومات

پاک جن پاور لمیٹڈ ("کمپنی") منسوخ شدہ کمپنیز آرڈیننس، 1984 (اب کمپنیز ایکٹ 2017ء) کے تحت 22 جون 1995ء کو پاکستان میں قائم ہوئی۔ کمپنی کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ کمپنی کی اہم سرگرمیاں، محمود کوٹ، مظفر گڑھ، پنجاب، پاکستان میں 365 میگا واٹ کی مجموعی گنجائش کے مقابل 350 میگا واٹ کی ایک قابل اعتماد صلاحیت کے ساتھ تیل پر چلنے والا ایک بجلی گھر ("دی کمپلیکس") کا مالک، چلانا اور برقرار رکھنا ہیں۔ بجلی کا واحد خریدار سنٹرل پاور پراجیکٹس ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) ہے۔

## مالی نتائج اور اہم واقعات

ہم بیان کرتے ہیں کہ سال 2023 کے دوران کمپنی کی فروخت کی کل آمدنی 20.837 بلین روپے (2022: 45.833 بلین روپے) اور آپریٹنگ اخراجات 15.149 بلین روپے (2022: 42.359 بلین روپے) جس کے نتیجے میں 5.687 بلین روپے کا مجموعی منافع (2022: 3.474 بلین روپے) حاصل ہوا تھا۔ کمپنی نے گزشتہ سال 3.136 بلین روپے خالص منافع اور 8.443 روپے فی شیئر آمدنی کے مقابلے موجودہ سال 5.863 بلین روپے بعد از ٹیکس منافع کمایا جس کے نتیجے میں 15.76 روپے فی شیئر آمدنی حاصل ہوئی۔

ہمارا واحد صارف، CPPA-G بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ضمانت کے تحت حاصل کیا گیا کے مطابق اپنی ذمہ داریاں پوری کرنے میں ناکام رہا ہے۔ 31 دسمبر 2023 کو، CPPA-G کی طرف 10.868 بلین روپے کی رقم بقایا واجب الادا ہے۔

## آپریٹرز اور اہم واقعات:

سال کے دوران CPPA-G کی طرف سے مطلوبہ لوڈ کے جواب میں پاک جن پاور پلانٹ 84.70 فیصد کی دستیابی کے ساتھ 9.6 فیصد کے صلاحیتی عنصر پر چلایا گیا اور 294.045 GWh بجلی ترسیل کی گئی۔

کم قیمت میں ہائیڈرو انرجی، کوئلہ، قابل تجدید اور آرائل این جی پڑنی نئے پاور جنریشن پلانٹس کی انڈکشن کی بدولت یہ امید کی جاتی ہے کہ بہت زیادہ طلب کے موسم میں، آر ایل این جی کی عدم فراہمی کی صورت یا پانی کی کمی کے مہینوں میں پاک جن سے بجلی کی ترسیل کی توقع ہے۔ یہ کمپنی کے فیول کے نقصانات کو کم کرنے میں مدد کرے گا۔

## سالانہ صلاحیتی ٹیسٹ

PPA کے تقاضہ کے مطابق، کمپنی نے 16 جولائی 2023 کو اپنے سالانہ صلاحیتی ٹیسٹ کا انعقاد کیا جہاں کامیابی سے 350 MW کی کپسٹیٹی کو برقرار رکھا ہے۔

## کارکردگی میں بہتری

پلانٹ کی کارکردگی کو بہتر بنانے کے لئے مسلسل کوششیں کی جارہی ہیں۔ مزید برآں، زیادہ سے زیادہ آپریشن اور مینٹیننس پرمرو کو توجہ کو برقرار رکھا گیا ہے۔

## کریڈٹ ریٹنگ

کمپنی PACRA سے مسلسل "AA" (ڈبل اے) طویل مدتی ریٹنگ اور "A1" (اے ون) مختصر مدتی ریٹنگ وصول کر رہی ہے۔ یہ ریٹنگ کمپنی کے مالی انتظامات کی مضبوطی کی عکاسی اور مالیاتی وعدوں کی بروقت ادائیگی کے لئے ایک بہت مضبوط صلاحیت سے کریڈٹ خطرات کے بہت کم امکان کو ظاہر کرتی ہے۔

## اندرونی آڈٹ اور کنٹرول

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کو رپورٹ کرنے والے کو ایف ایف ڈی کی سربراہی میں ایک آزاد آڈٹ فنکشن قائم کیا ہے۔ کمپنی کے اندر اندرونی آڈٹنگ کا اسکوپ واضح بیان کیا گیا ہے جو اسکے اندرونی کنٹرول سسٹم کے جائزہ اور تشخیص میں مشغول ہے۔

## ماحول صحت اور حفاظت

پاک جن پاور لیڈنگ کو ماحول کے تحفظ اور اپنے ملازمین کی صحت اور حفاظت کو بہتر بنانے کے عزم پر فخر حاصل ہے۔ سال کے دوران کسی زخم کے باعث وقت کا کوئی ضیاع نہیں ہوا ہے اور کوئی ماحولیاتی تبدیلی نہیں ہوئی ہے۔

## کارپوریٹ سماجی ذمہ داری (CSR) اور کمیونٹی ویلفیئر

قیام کے آغاز سے کارپوریٹ سماجی ذمہ داری (CSR) پروگرام نہ صرف کمپنی کے کاروبار کا ایک لازمی حصہ ہے بلکہ یہ کمپنی کی ثقافت کا حصہ ہے اور تمام ملازمین اس کا پختہ عزم ظاہر کرتے ہیں۔ کمپنی غربت اور پیروزگاری کو ختم کرنے کے لئے کوشاں لوگوں کو بااختیار بنانے کے عمل کو تیز کرنے کی کوشش کرتی ہے۔ کمپنی کی طرف سے چند CSR اقدامات میں شامل ہیں:

- کمپنی ایک بنیادی ہیلتھ یونٹ چلا رہی ہے جو مقامی کمیونٹی کے لئے ہنگامی سہولیات اور تشخیص کی لیبارٹری سے مکمل طور پر لیس کیا گیا ہے۔ اس کے علاوہ کمپنی سالانہ بنیاد پر مقامی کمیونٹی کے لئے ایل آر بی ٹی کے تعاون سے خصوصی آئی اور سکین ڈیزیز کیپ کا بھی انتظام کرتی ہے۔
- کمپنی مقامی کمیونٹی کے مستحق طلباء کو ان کی پیشہ ورانہ تعلیم کے لئے سکا لرشپس دے رہی ہے۔
- اردگرد کے علاقوں میں وسیع پیمانے پر درختوں کی شجرکاری کی جاتی ہے۔

## کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل

ڈائریکٹرز فہرستی کمیونٹی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رول بک کی شرائط کی تعمیل اور اچھے کارپوریٹ گورننس کے لئے پُر عزم ہیں۔

CCG ریگولیشنز، 2019ء کی تعمیل کا بیان منسلک ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کی انتظامیہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی طرف سے جاری کردہ کارپوریٹ گورننس کے ضابطہء اخلاق اور کمیونٹی آرڈیننس کی دفعات کی منظوری کے مطابق اپنی ذمہ داریوں سے پوری طرح آگاہ ہے۔ حسب ذیل تبصرے کارپوریٹ گورننس اور مسلسل بہتری کے اعلیٰ معیارات ادارے کی وابستگی کا اعتراف ہے۔

- 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 مکمل کھاتہ جات 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 (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گونگ کنسنر ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

- بورڈ کے تمام ڈائریکٹرز کا رپورٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اور مینٹیننس کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- گزشتہ چھ سالوں کا کلیدی اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہے۔
- 31 دسمبر 2023 کو ختم ہونے والے سال کے مطابق پراویڈنٹ فنڈ اور گریجویٹ اسکیم میں سرمایہ کاری کی قدر حسب ذیل تھی:  
پراویڈنٹ فنڈ: 31 دسمبر 2023 کو 245.758 ملین روپے  
گریجویٹ فنڈ: 31 دسمبر 2023 کو 146.714 ملین روپے

### بورڈ کی تشکیل:

	ڈائریکٹرز کی کل تعداد
7	(a) مرد
1	(b) خاتون
	تشکیل
2	(i) آزاد ڈائریکٹرز
5	(ii) دیگر نام ایگزیکٹو ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹرز (چیف ایگزیکٹو آفیسر)

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

تعداد اجلاس	نام ڈائریکٹر	نمبر شمار
2	جناب محمد علی زبیر (چیئر مین / ڈائریکٹر) <sup>1</sup>	1
5	میاں حسن منشاء (سی ای او)	2
6	جناب غضنفر حسین مرزا	3
4	ڈاکٹر عارف بشیر	4
2	جناب عمر زبیر خان <sup>2</sup>	5
4	جناب شاہد ملک <sup>3</sup>	6
2	جناب عامر محمود <sup>4</sup>	7
5	محترمہ سعدیہ یونس منشا	8
6	جناب فرخ افضل	9
2	جناب سمیر مصطفیٰ چنائے	10

<sup>1</sup> یکم ستمبر 2023 کو منعقدہ ڈائریکٹرز کے انتخابات میں ڈائریکٹر منتخب ہوئے اور 04 ستمبر 2023 کو بورڈ کے چیئر مین بھی مقرر کئے گئے۔

2 یکم ستمبر 2023 کو منعقدہ ڈائریکٹرز کے انتخابات میں ڈائریکٹر منتخب ہوئے

3 یکم ستمبر 2023 کو مستعفی ہو گئے۔

4 یکم ستمبر 2023 کو مستعفی ہو گئے۔

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

نمبر شمار	نام رکن	تعداد اجلاس
1	جناب فرخ افضل (ممبر / چیئر مین)	4
2	ڈاکٹر عارف بشیر (ممبر)	3
3	جناب محمد علی زیب (ممبر) <sup>1</sup>	1
4	جناب شاہد ملک (ممبر) <sup>2</sup>	3

یکم ستمبر 2023 کو ڈائریکٹرز کے انتخابات کے بعد 04 ستمبر 2023 کو آڈٹ کمیٹی دوبارہ تشکیل دی گئی۔

1 جناب شاہد ملک کی جگہ 04 ستمبر 2023 کو آڈٹ کمیٹی کے رکن مقرر کئے گئے۔

2 یکم ستمبر 2023 کو مستعفی ہو گئے۔

زیر جائزہ سال کے دوران، ہیومن ریسورس & ریٹرنیشن (HR & R) کمیٹی کا ایک (1) اجلاس منعقد ہوا، حاضری کی پوزیشن حسب ذیل تھی:-

نمبر شمار	نام رکن	تعداد اجلاس
1	جناب سیمر مصطفیٰ چنائے (ممبر / چیئر مین)	1
2	میاں حسن منشا (ممبر)	1
3	جناب غضنفر حسین مرزا (ممبر)	1

یکم ستمبر 2023 کو ڈائریکٹرز کے انتخابات کے بعد 04 ستمبر 2023 کو ایچ آر اینڈ آر کمیٹی دوبارہ تشکیل دی گئی۔

ڈائریکٹرز کا مشاہرہ:

کمپنی اپنے آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کو اجلاس فیس کے علاوہ کوئی مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ اور اجلاس فیس کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 33 میں منکشف ہے۔

حصص داری کا نمونہ:

برطانیق 31 دسمبر 2023 نمونہ حصص داری منسلک ہے۔

کمپنی کے حصص میں ٹریڈنگ:

31 دسمبر 2023 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹو اور نان ایگزیکٹو پچوں 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 آڈٹ کمیٹی کے سامنے پیش کیا گیا اور بورڈ نے منظور کیا۔ یہ لین دین IFRS اور کمپنیز ایکٹ 2017ء کی ضروریات کے مطابق تھے۔

## فنانشل رسک مینجمنٹ:

کمپنی کی سرگرمیاں مختلف مالیاتی خطرات کو بے نقاب کرتی ہیں:

مارکیٹ رسک (بشمول کرنسی رسک، دیگر پرائس رسک اور شرح سود کا خطرہ)، کریڈٹ رسک اور لیکویڈیٹی رسک۔ کمپنی کی مجموعی رسک مینجمنٹ نے مالیاتی مارکیٹوں کی غیر متوقع صلاحیت پر توجہ مرکوز کی ہے اور کمپنی کی مالی کارکردگی پر ممکنہ منفی اثرات کو کم سے کم کرنے کے لئے کوشاں ہے۔

رسک مینجمنٹ کو بورڈ آف ڈائریکٹرز (بورڈ) کی منظور شدہ پالیسیوں کے تحت کمپنی کا فنانس ڈیپارٹمنٹ سرانجام دیتا ہے۔ کمپنی کا فنانس ڈیپارٹمنٹ مالیاتی خطرات کی تشخیص اور احاطہ کرتا ہے۔ مجموعی رسک مینجمنٹ اصولوں کے ساتھ ساتھ مخصوص شعبوں جیسے کہ کرنسی رسک، دیگر پرائس رسک، شرح سود کا خطرہ، کریڈٹ رسک، لیکویڈیٹی رسک اضافی لیکویڈیٹی سرمایہ کاری کے احاطہ کی پالیسیاں بھی بورڈ فراہم کرتا ہے۔ خزانہ سے متعلقہ تمام ٹرانزیکشنز پالیسیوں کی حدود کے مطابق کی جاتی ہیں۔

## ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2023 کو ختم ہونے والے سال کے دوران 15 روپے فی شیئر عبوری نقد ڈیویڈنڈ کا اعلان کیا جو کہ پہلے ہی ادا کر دیا گیا ہے۔

## محاسب:

موجودہ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے اہل ہونے کی بناء پر سال 2024 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:

ہم اپنے قابل قدر حصہ داران، CPPA-G، مالیاتی اداروں، قرض دہندگان، پاکستان اسٹیٹ آنل اور دیگر سپلائرز کے کمپنی پر اعتماد، یقین اور مسلسل حمایت کا شکریہ ادا کرتے ہیں جن کی بدولت کمپنی بہتر نتائج حاصل کرنے کے قابل ہوئی ہے۔

ہم ایک جدید اور حوصلہ افزاء کام کا ماحول قائم کرنے اور پاور پلانٹ کے تمام شعبوں میں کارکردگی کی اعلیٰ سطح کو فروغ دینے کے لئے انتظامیہ کی محنت کو سراہتے ہیں۔ ہم قابل ذکر نتائج کی فراہمی کے لئے ایگزیکٹوز اور عملے کے ارکان کی مسلسل حمایت، کوششوں اور عزم کے لئے بھی شکریہ ادا کرتے ہیں اور کمپنی کے ساتھ ان کے طویل تعلقات کے خواہش مند ہیں۔

منجانب مجلس نطاء

*Shauqatun N. Mirza*

جناب غضنفر حسین مرزا

ڈائریکٹر

*Hassan Mirza*

میاں حسن منشا

چیف ایگزیکٹو آفیسر

لاہور: 27 فروری 2024ء

# FINANCIAL DATA

	2023	2022	2021	2020	2019
Dispatch Level %	70.70%	78.30%	71.60%	54.50%	48.60%
Dispatch (GWH)	294	1,124	798	191	324
<b>Revenue (Rupees.000)</b>					
Revenue	20,836,512	45,833,179	19,900,766	10,645,671	12,185,385
Cost of Sales	(15,149,438)	(42,359,309)	(18,236,639)	(5,078,317)	(7,618,200)
<b>Gross Profit</b>	<b>5,687,074</b>	<b>3,473,870</b>	<b>1,664,127</b>	<b>5,567,354</b>	<b>4,567,185</b>
<b>Profitability (Rupees.000)</b>					
Profit/(Loss) before Tax	6,045,227	3,136,234	1,049,344	4,411,282	2,911,041
Provision for Income Tax	(181,928)	-	-	-	-
<b>Profit/(Loss) after Tax</b>	<b>5,863,299</b>	<b>3,136,234</b>	<b>1,049,344</b>	<b>4,411,282</b>	<b>2,911,041</b>
<b>Financial Position (Rupees.000)</b>					
<b>Non Current Assets</b>	<b>3,897,821</b>	<b>4,520,845</b>	<b>5,292,081</b>	<b>5,957,842</b>	<b>6,832,035</b>
Current Assets	25,575,347	21,985,512	20,338,833	23,527,432	24,623,019
Less: Current Liabilities	4,782,719	1,352,354	3,064,260	6,800,928	12,380,051
<b>Net Working Capital</b>	<b>20,792,628</b>	<b>20,633,158</b>	<b>17,274,573</b>	<b>16,726,504</b>	<b>12,242,968</b>
Capital Employed	24,690,449	25,154,003	22,566,654	22,684,346	19,075,003
Less: Long Term Loans	-	-	-	-	-
Less: Deferred Liabilities	2,770	4,574	2,267	48,986	20,941
Less: Deferred Income - Government Grant	-	-	-	957	-
<b>Share Holders Equity</b>	<b>24,687,679</b>	<b>25,149,429</b>	<b>22,564,387</b>	<b>22,634,403</b>	<b>19,054,062</b>
<b>Represented by (Rupees.000)</b>					
Share Capital	3,720,816	3,720,816	3,720,816	3,720,816	3,720,816
Capital Reserves	116,959	116,959	116,959	116,959	116,959
Un-appropriated profit	20,849,904	21,311,654	18,726,612	18,796,628	15,216,287
	<b>24,687,679</b>	<b>25,149,429</b>	<b>22,564,387</b>	<b>22,634,403</b>	<b>19,054,062</b>
Dividends (Rupees.000)	6,325,387	558,122	1,116,246	837,184	558,122
Earning Per Share (Rupees)	15.76	8.43	2.82	11.86	7.82
Delta Loss (Rupees.000)	514,842	1,853,850	811,154	264,613	513,275
<b>Ratios:</b>					
Return on assets	0.20	0.12	0.04	0.15	0.09
Break up value per share of					
Rs. 10 each- Rupees	66.35	67.59	60.64	60.83	51.21
Current Ratio	5.35	16.26	6.64	3.46	1.99
Net Profit / (Loss) to sales (%age)	28.14%	6.84%	5.27%	41.44%	23.89%

## VERTICAL ANALYSIS - PROFIT AND LOSS ACCOUNT

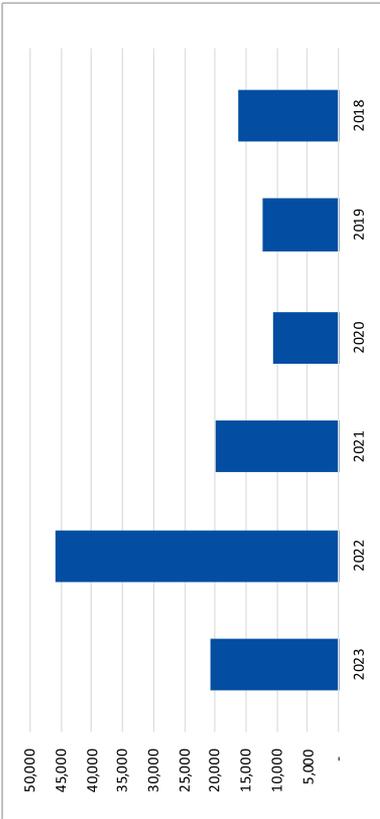
Description	2023	% of Turnover	2022	% of Turnover	2021
	(..... Rupees '000' .....) )				
Revenue	20,836,512	100	45,833,179	100	19,900,766
Cost of Sales	(15,149,438)	(72.71)	(42,359,309)	(92.42)	(18,236,639)
<b>Gross Profit</b>	<b>5,687,074</b>	<b>27.29</b>	<b>3,473,870</b>	<b>7.58</b>	<b>1,664,127</b>
Administration Expenses	(329,817)	(1.58)	(260,865)	(0.57)	(228,689)
Other operating Expenses	(15,298)	(0.07)	(4,943)	(0.01)	(136,274)
Other income	734,618	3.53	202,302	0.44	75,267
Finance Cost	(31,350)	(0.15)	(274,130)	(0.60)	(325,087)
<b>Profit for the year</b>	<b>6,045,227</b>	<b>29.01</b>	<b>3,136,234</b>	<b>6.84</b>	<b>1,049,344</b>

## HORIZONTAL ANALYSIS - PROFIT AND LOSS ACCOUNT

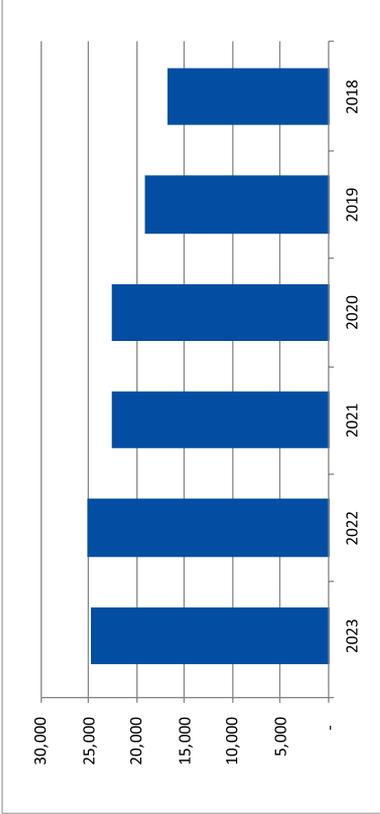
Description	2023	23 v 22 % age	2022	22 v 21 % age	2021
	(..... Rupees '000' .....) )				
Revenue	20,836,512	(54.54)	45,833,179	130.31	19,900,766
Cost of Sales	(15,149,438)	(64.24)	(42,359,309)	132.28	(18,236,639)
<b>Gross Profit</b>	<b>5,687,074</b>	<b>63.71</b>	<b>3,473,870</b>	<b>108.75</b>	<b>1,664,127</b>
Administration Expenses	(329,817)	26.43	(260,865)	14.07	(228,689)
Other operating Expenses	(15,298)	209.49	(4,943)	(96.37)	(136,274)
Other income	734,618	263.13	202,302	168.78	75,267
Finance Cost.	(31,350)	(88.56)	(274,130)	(15.67)	(325,087)
<b>Profit for the year</b>	<b>6,045,227</b>	<b>92.75</b>	<b>3,136,234</b>	<b>198.88</b>	<b>1,049,344</b>

# PERFORMANCE REVIEW

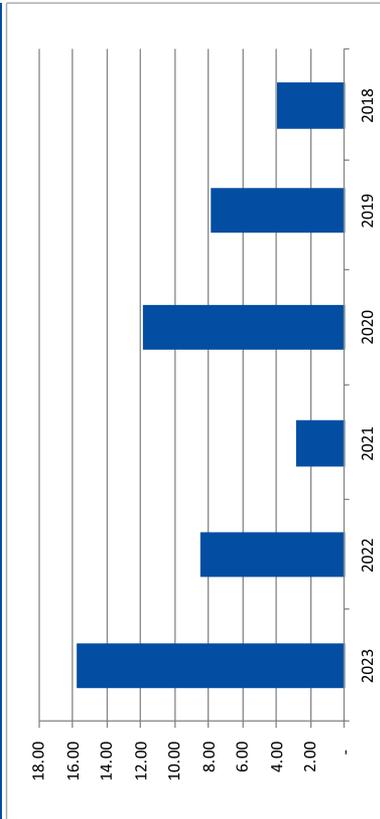
TURNOVER (RS. IN MILLION)



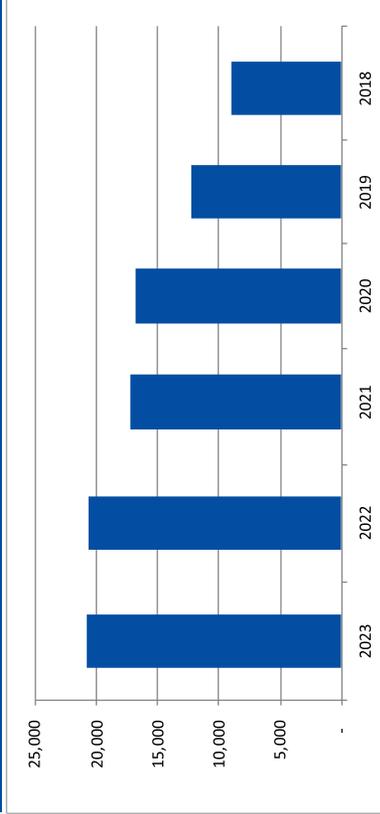
SHAREHOLDER EQUITY (RS. IN MILLION)



EARNING PER SHARE (RS. PER SHARE)



WORKING CAPITAL (RS. IN MILLION)



# PATTERN OF SHAREHOLDINGS

As at December 31, 2023

# of Shareholders	Shareholdings' Slab		Total Shares Held
301	1	to 100	5,348
430	101	to 500	201,911
267	501	to 1000	260,121
319	1001	to 5000	951,932
104	5001	to 10000	879,733
30	10001	to 15000	397,300
26	15001	to 20000	476,800
15	20001	to 25000	356,000
14	25001	to 30000	402,221
3	30001	to 35000	102,000
6	35001	to 40000	235,500
6	40001	to 45000	252,500
17	45001	to 50000	842,500
2	50001	to 55000	107,000
2	55001	to 60000	114,000
3	60001	to 65000	188,500
3	70001	to 75000	225,000
1	75001	to 80000	80,000
1	80001	to 85000	85,000
2	85001	to 90000	178,000
10	95001	to 100000	1,000,000
1	100001	to 105000	100,954
1	115001	to 120000	117,500
1	135001	to 140000	140,000
2	140001	to 145000	284,000
1	150001	to 155000	155,000
3	155001	to 160000	478,500
1	170001	to 175000	175,000
1	180001	to 185000	181,500
4	195001	to 200000	796,000
1	200001	to 205000	205,000
1	235001	to 240000	236,000
1	265001	to 270000	268,737
1	295001	to 300000	300,000
1	330001	to 335000	331,500
1	395001	to 400000	400,000
1	420001	to 425000	424,000

# of Shareholders	Shareholdings' Slab		Total Shares Held	
1	450001	to	455000	450,198
1	515001	to	520000	517,000
1	525001	to	530000	526,315
1	575001	to	580000	577,500
1	595001	to	600000	600,000
1	620001	to	625000	620,500
1	625001	to	630000	630,000
1	730001	to	735000	732,000
1	775001	to	780000	775,500
1	995001	to	1000000	1,000,000
1	1050001	to	1055000	1,052,631
1	1195001	to	1200000	1,200,000
1	1570001	to	1575000	1,575,000
1	2700001	to	2705000	2,703,000
1	3270001	to	3275000	3,270,845
1	3605001	to	3610000	3,607,100
1	3670001	to	3675000	3,672,000
1	7510001	to	7515000	7,513,296
1	8285001	to	8290000	8,285,500
1	8535001	to	8540000	8,535,800
1	10485001	to	10490000	10,486,000
1	11320001	to	11325000	11,324,500
1	12495001	to	12500000	12,500,000
1	14630001	to	14635000	14,631,340
1	15105001	to	15110000	15,107,100
1	16310001	to	16315000	16,314,000
1	17510001	to	17515000	17,511,000
1	19520001	to	19525000	19,525,000
1	25630001	to	25635000	25,631,181
1	56720001	to	56725000	56,724,500
1	112545001	to	112550000	112,547,728
1,615				372,081,591

# PATTERN OF SHAREHOLDING

As at December 31, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Officer, and their spouse(s) and minor children</b>			
HASSAN MANSHA	1	14,631,340	3.93
SAMIR MUSTAPHA CHINOY	1	500	0.00
OMER ZUBAIR KHAN	1	500	0.00
FARRUKH IFZAL	1	500	0.00
MOHAMMAD ALI ZEB	1	500	0.00
SADIA YOUNAS MANSHA	1	500	0.00
ARIF BASHIR	1	1,000	0.00
GHAZANFAR HUSAIN MIRZA	1	1,000	0.00
<b>Associated companies, undertakings and related parties</b>			
ENGEN (PRIVATE) LIMITED	1	500	0.00
SECURITY GENERAL INSURANCE CO LTD	2	7,513,796	2.02
NISHAT MILLS LIMITED	2	112,548,228	30.25
ADAMJEE INSURANCE COMPANY LIMITED	1	25,631,181	6.89
JAHANGIR FIROZ	1	100,954	0.03
ZAINAB NOOR FIROZ	2	17,518,000	4.71
AURANGZEB FIROZ	1	16,314,000	4.38
FARZANA FIROZ	1	11,324,500	3.04
IFTIKHAR FIROZ	1	19,525,000	5.25
RAZA MANSHA	1	196,000	0.05
UMER MANSHA	1	140,000	0.04
BEGUM NAZ MANSHA	2	937,000	0.25
NISHAT REAL ESTATES DEVELOPMENT COMPANY (PRIVATE) LIMITED	1	46,000	0.01
NISHAT (AZIZ AVENUE) HOTELS AND PROPERTIES LIMITED	1	85,000	0.02
<b>Executives</b>	-	-	-
<b>NIT and ICP</b>	-	-	-
<b>Banks, Development Financial Institutions, Non-Banking Financial Institutions</b>	-	-	-
<b>Insurance Companies</b>	-	-	-
<b>Modarabas &amp; Mutual Funds</b>	1	40,500	0.01
<b>General Public</b>			
a. Local	1,541	71,607,093	19.24
b. Foreign	19	156,650	0.04
<b>Foreign Companies</b>	1	100,000	0.03
<b>OTHERS</b>	27	73,661,349	19.80
<b>Totals</b>	<b>1,615</b>	<b>372,081,591</b>	<b>100.00</b>

Share holders holding 10% or more	Shares Held	Percentage
NISHAT MILLS LIMITED	112,548,228	30.25

Trading in the shares of the Company, carried out by its Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, Substantial Shareholder their Spouses and minor children during the period January 01, 2023 to December 31 2023, are as under:

Name	Status	No. of Shares		
		Purchased	Sold	Gifted
Nishat Mills Limited	Substantial Shareholder	10,023,500	-	-
Mr. Shunaid Qureshi (Gifted to his Spouse and Children)	Substantial Shareholder	-	-	38,499,700
Mr. Jahangir Firoz (Gifted to his Father, Mother, Brother and Spouse)	Substantial Shareholder	-	-	56,622,000

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

**Name of Company: Pakgen Power Limited**

**Year ended : December 31, 2023**

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

1. The total number of Directors are eight (08) as per the following:

- a. Male: 07
- b. Female: 01

2. The composition of board is as follows:

<b>Category</b>	<b>Names</b>
Independent Directors	Mr. Farrukh Ifzal Mr. Samir Mustapha Chinoy
Non-executive Directors	Mr. Ghazanfar Hussain Mirza Mrs. Sadia Younas Mansha (Female Director) Mr. Muhammad Ali Zeb Mr. Omer Zubair Khan Dr. Arif Bashir
Executive Director	Mian Hassan Mansha (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 the Regulations;

9. The Board has arranged Directors' Training program for the following:

**Name of Directors:**

Mr. Farrukh Ifzal  
 Mr. Samir Mustapha Chinoy  
 Mrs. Sadia Younas Mansha  
 Mr. Ghazanfar Hussain Mirza  
 Mr. Muhammad Ali Zeb  
 Mr. Omer Zubair Khan  
 Dr. Arif Bashir

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

**a) Audit Committee**

Names	Designation held
Mr. Farrukh Ifzal	Chairman
Dr. Arif Bashir	Member
Mr. Muhammad Ali Zeb	Member

**b) HR and Remuneration Committee**

Names	Designation held
Mr. Samir Mustapha Chinoy	Chairman
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 December 31, 2023.

**b) HR and Remuneration Committee**

One meeting of HR and Remuneration Committee was held during the financial year ended December 31, 2023.

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

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	<b>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>Directors' Training</b> It is encouraged that by June 30, 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.	7 directors of the Company have acquired Directors' Training Program certification. The Company has planned to arrange Directors' Training Program certification for remaining one director.	19(1)
4	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
5	<b>Directors' Training</b> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for at least one head of department annually over the next few years.	19(3)
6	<b>Nomination Committee</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
7	<b>Risk Management Committee</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and a senior officer of the Company performs the requisite functions and apprise the Board accordingly.	30
8	<b>Disclosure of significant policies on website</b> The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35

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

Lahore:  
February 27, 2024

  
**Muhammad Ali Zeb**  
Director and Chairman

  
**Mian Hassan Mansha**  
Chief Executive Officer

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakgen 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 Pakgen Power Limited (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2023.



**RIAZ AHMAD & COMPANY**

Chartered Accountants

Lahore

Date: 27 February 2024

UDIN: CR202310132Z43DVnJzL

# FINANCIAL STATEMENTS

For the Year Ended December 31, 2023



# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF PAKGEN POWER LIMITED**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the annexed financial statements of Pakgen Power Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other 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 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 and other 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 31 December 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matter**

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

Following is the Key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	<p><b>Contingencies</b></p> <p>As disclosed in note 9.1 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 2.19 to the financial statements).</li> <li>- Contingencies (note 9.1) 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 and other 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:** 27 February 2024

**UDIN:** AR202310132b8XoVzABW

# STATEMENT OF FINANCIAL POSITION

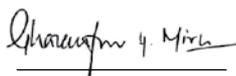
## As at 31 December 2023

	Note	2023 (Rupees in thousand)	2022
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 400,000,000 (2022 : 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid-up share capital	3	3,720,816	3,720,816
Capital reserve	4	116,959	116,959
Revenue reserve - un-appropriated profit		20,849,904	21,311,654
<b>Total equity</b>		<b>24,687,679</b>	<b>25,149,429</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITY</b>			
Employee benefit - gratuity	5	2,770	4,574
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	914,539	613,121
Accrued mark-up / profit	7	11,327	34,078
Short term borrowings	8	3,749,911	697,303
Unclaimed dividend		106,942	7,852
		4,782,719	1,352,354
<b>Total liabilities</b>		<b>4,785,489</b>	<b>1,356,928</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,473,168</b>	<b>26,506,357</b>

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



CHIEF EXECUTIVE



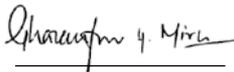
DIRECTOR



CHIEF FINANCIAL OFFICER

	Note	2023 (Rupees in thousand)	2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	10	3,869,927	4,498,749
Long term investment	11	-	-
Long term loans to employees	12	26,120	20,322
Long term security deposits		1,774	1,774
		<u>3,897,821</u>	<u>4,520,845</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and other consumables	13	680,844	761,789
Fuel stock	14	1,798,418	2,855,639
Trade debts	15	10,868,052	14,717,477
Short term investments	16	6,723,553	5,116
Loans, advances and short term prepayments	17	47,572	784,486
Other receivables	18	810,138	439,439
Advance income tax - net of provision for taxation	19	144,098	282,864
Accrued interest		45	-
Sales tax recoverable		2,367,938	2,132,720
Cash and bank balances	20	2,134,689	5,982
		<u>25,575,347</u>	<u>21,985,512</u>
<b>TOTAL ASSETS</b>		<u><u>29,473,168</u></u>	<u><u>26,506,357</u></u>

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

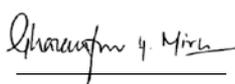
For the year ended 31 December 2023

	Note	2023 (Rupees in thousand)	2022
REVENUE FROM CONTRACT WITH CUSTOMER	21	20,836,512	45,833,179
COST OF SALES	22	(15,149,438)	(42,359,309)
GROSS PROFIT		5,687,074	3,473,870
ADMINISTRATIVE EXPENSES	23	(329,817)	(260,865)
OTHER EXPENSES	24	(15,298)	(4,943)
OTHER INCOME	25	734,618	202,302
PROFIT FROM OPERATIONS		6,076,577	3,410,364
FINANCE COST	26	(31,350)	(274,130)
PROFIT BEFORE TAXATION		6,045,227	3,136,234
TAXATION	27	(181,928)	-
PROFIT AFTER TAXATION		5,863,299	3,136,234
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
REMEASUREMENTS OF DEFINED BENEFIT PLAN		338	6,931
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-
		338	6,931
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,863,637	3,143,165
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	28	15.76	8.43

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# STATEMENT OF CHANGES IN EQUITY

## For the year ended 31 December 2023

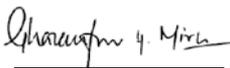
SHARE CAPITAL	RESERVES		TOTAL EQUITY
	Capital	Revenue	
	Retained payments reserve	Un-appropriated profit	

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

<b>Balance as at 31 December 2021</b>	3,720,816	116,959	18,726,612	22,564,387
Transaction with owners - Interim dividend for the year ended 31 December 2022 @ Rupees 1.50 per share	-	-	(558,123)	(558,123)
Profit for the year ended 31 December 2022	-	-	3,136,234	3,136,234
Other comprehensive income for the year ended 31 December 2022	-	-	6,931	6,931
Total comprehensive income for the year ended 31 December 2022	-	-	3,143,165	3,143,165
<b>Balance as at 31 December 2022</b>	<b>3,720,816</b>	<b>116,959</b>	<b>21,311,654</b>	<b>25,149,429</b>
Transactions with owners:				
Final dividend for the year ended 31 December 2022 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
Interim dividend for the year ended 31 December 2023 @ Rupees 15.00 per share	-	-	(5,581,224)	(5,581,224)
	-	-	(6,325,387)	(6,325,387)
Profit for the year ended 31 December 2023	-	-	5,863,299	5,863,299
Other comprehensive income for the year ended 31 December 2023	-	-	338	338
Total comprehensive income for the year ended 31 December 2023	-	-	5,863,637	5,863,637
<b>Balance as at 31 December 2023</b>	<b>3,720,816</b>	<b>116,959</b>	<b>20,849,904</b>	<b>24,687,679</b>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Note	2023 (Rupees in thousand)	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations</b>	29	11,742,986	(7,285,525)
Finance cost paid		(54,101)	(260,094)
Income tax paid		(43,162)	(33,543)
Net (increase) / decrease in long term loans to employees		(5,798)	2,977
Gratuity paid	5.2	(13,511)	(2,346)
Increase in long term security deposits		-	(1,474)
<b>Net cash generated from / (used in) operating activities</b>		11,626,414	(7,580,005)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on operating fixed assets		(325,967)	(17,876)
Short term investments made		(313,528,092)	(5,000)
Proceeds from disposal of short term investments		307,423,322	-
Interest received		106,719	205,159
Proceeds from sale of operating fixed assets		-	51
Loan to associated company received back		-	350,000
<b>Net cash (used in) / from investing activities</b>		(6,324,018)	532,334
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing repaid		-	(48,986)
Dividends paid		(6,226,297)	(558,290)
<b>Net cash used in financing activities</b>		(6,226,297)	(607,276)
<b>Net decrease in cash and cash equivalents</b>		(923,901)	(7,654,947)
<b>Cash and cash equivalents at beginning of the year</b>		(691,321)	6,963,626
<b>Cash and cash equivalents at end of the year</b>		(1,615,222)	(691,321)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash in hand	20	291	235
Cash at banks	20	2,134,398	5,747
Short term borrowings	8	(3,749,911)	(697,303)
		(1,615,222)	(691,321)

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 31 December 2023

### 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Pakgen Power Limited (“the Company”) was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. Head office of the Company is situated at 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a fuel fired power station (“the Complex”) having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Company has a Power Purchase Agreement (PPA) with its sole customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for 30 years which commenced from 01 February 1998. As per the terms of PPA amendment agreement dated 20 April 2021, the agreement year that ended on 04 May 2021 was extended by 156 days to 07 October 2021.

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. Further, accounting policies related to material class of accounts does not necessarily means it is material. These policies have been consistently applied to all years presented, unless otherwise stated:

#### 2.1 Basis of preparation

##### a) Statement of compliance

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

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

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

##### b) Accounting convention

These financial statements have been prepared under the 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:

### **Taxation**

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past.

### **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.

### **Provision for obsolescence of stores, spare parts and other consumables**

Provision for obsolescence of items of stores, spare parts and other consumables is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis.

### **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.

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

### **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 and other comprehensive income unless the provision was originally recognised as part of cost of an asset.

### **Employees' retirement benefit**

The cost of defined benefit retirement plan is determined using actuarial valuation. The actuarial valuation is based on the assumptions as mentioned in note 5.11 to these financial statements.

### **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 January 2023:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current;

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;
- Amendments to IAS 12 'Income taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of Accounting Estimate;
- 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 January 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) Amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2024 or later periods:

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 'Leases')' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

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

Supplier Finance Arrangements (Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'). The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and

quantitative information about supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after 01 January 2024.

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.

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

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 January 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 Fixed assets**

### **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. Freehold land is stated at cost less impairment loss, if any. 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 is charged to income applying the straight line method whereby cost of an asset less its residual value is written off over its estimated useful life at the rates given in note 10.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

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

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

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

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

## 2.3 Leases

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

The 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 Company is not required to account for the portion of its Power Purchase Agreement (PPA) with Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) as a lease under IFRS 16 'Leases'. Further, SECP also granted waiver for the requirements of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in respect of accounting principle of capitalization of exchange differences to power sector companies. However, if the Company followed IFRS 16, the effect on the financial statements would be as follows:

	2023 (Rupees in thousand)	2022
De-recognition of fixed assets	(3,831,818)	(4,332,816)
Recognition of lease debtor	5,263,619	4,045,112
De-recognition of trade debts	(4,015,601)	(2,670,226)
Decrease in un-appropriated profit at the beginning of the year	(2,957,928)	(3,790,531)
Increase in profit for the year	374,079	832,603
Decrease in un-appropriated profit at the end of the year	(2,583,849)	(2,957,928)

## 2.4 Right-of-use assets

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

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

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

## 2.5 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease,

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

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

## **2.6 Investments and other financial assets**

### **a) Classification**

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

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

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

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

### **b) Measurement**

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

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

### **Debt instruments**

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

### **Amortized cost**

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

### **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 and other comprehensive income.

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

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

### **Equity instruments**

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

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

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

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

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

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

## **2.7 Financial liabilities – Classification and measurement**

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

## **2.8 Impairment of financial assets**

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

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

## **2.9 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.

## **2.10 Offsetting of financial instruments**

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

## **2.11 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 this entity. 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'.

## **2.12 Functional and presentation currency**

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

## **2.13 Foreign currency translation**

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Transactions in foreign currency are converted in Pak Rupees at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies at the reporting date are translated into Pak Rupees at the rate of exchange prevailing on that date. Net exchange differences are recognized as income or expense in the period in which they arise.

## **2.14 Employee benefits**

### **2.14.1 Defined contribution plan**

The Company operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10% of basic salary of employees.

### **2.14.2 Defined benefit plan**

The Company operates a funded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognised in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The charge for the year is based on actuarial valuation. The latest actuarial valuation was carried out as at 31 December 2023 using projected unit credit method. The amount arising as a result of remeasurements are recognised immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

## **2.15 Inventories**

Inventories, except in transit are stated at lower of cost and net realizable value. Cost is determined as follows:

### **2.15.1 Fuel stock**

Cost is determined on the basis of first-in-first-out method.

### **2.15.2 Stores, spare parts and other consumables**

Cost is determined on the basis of average cost method, less allowance for obsolete and slow moving items. Cost in relation to items in transit comprises of invoice value and other charges incurred thereon up to the reporting date.

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

## **2.16 Provisions**

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

## **2.17 Earnings per share**

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

## **2.18 Contingent assets**

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

## **2.19 Contingent liabilities**

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

## 2.20 Taxation

### 2.20.1 Current

Income (profit and gains) of the Company derived from power generation are exempt from income tax under Clause 132 of Part I and Clause 11A of Part IV of Second Schedule to the Income Tax Ordinance, 2001. This exemption is available till the term of Power Purchase Agreement (PPA). However, full provision is made in the statement of profit or loss and other comprehensive income on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any.

### 2.20.2 Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

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

## 2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balance with banks in current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values and short-term borrowings under mark-up arrangements.

## 2.22 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

## 2.23 Borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the statement of profit or loss and other comprehensive income in the period in which they arise.

## 2.24 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 67(I)/2023 dated 20 January 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect

to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

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

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

## **2.25 Trade debts**

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

## **2.26 Share capital**

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

## **2.27 Trade and other payables**

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

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

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate

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

## 2.29 Revenue recognition

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

### Sale of electricity

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

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G; and
- Energy Purchases Price revenue is recognized at a 'point in time' based on the Net Electrical Output (NEO) delivered to CPPA-G.

Capacity Purchase Price revenue and Energy Purchase Price revenue is recognized based on the rates specified under the mechanism laid down in Power Purchase Agreement (PPA).

Invoices are generally raised on a monthly basis and are due after 25 days from acknowledgement by CPPA-G.

### Interest

Delayed payment markup 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.

### Rent

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

### Dividend

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

## 2.30 Government grants

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

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

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

### 2.31 Dividend and other appropriations

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

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

2023 (Number of Shares)	2022		2023 (Rupees in thousand)	2022
370,586,125	370,586,125	Ordinary shares of Rupees 10 each fully paid-up in cash	3,705,861	3,705,861
1,495,466	1,495,466	Ordinary shares of Rupees 10 each issued as fully paid-up for consideration other than cash (Note 3.2)	14,955	14,955
<u>372,081,591</u>	<u>372,081,591</u>		<u>3,720,816</u>	<u>3,720,816</u>

### 3.1 Ordinary shares of the Company held by associated undertakings:

	2023 (Number of shares)	2022
Nishat Mills Limited	112,548,228	102,524,728
Adamjee Insurance Company Limited	25,631,181	25,631,181
Security General Insurance Company Limited	7,513,796	7,513,796
Nishat Real Estates Development Company (Private) Limited	46,000	46,000
Nishat (Aziz Avenue) Hotels and Properties Limited	85,000	85,000
	<u>145,824,205</u>	<u>135,800,705</u>

### 3.2 These were issued against project development expenses.

### 3.3 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders keeping in view its cash flow requirements to maintain its operating capacity in terms of PPA. No changes were made in the objectives, policies or processes from previous year. The Company monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The Company includes within net debt, short term borrowings less cash and bank balances. Capital includes equity attributable to the equity holders.

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
Short term borrowings	3,749,911	697,303
Cash and bank balances	(2,134,689)	(5,982)
Net debt	1,615,222	691,321
Equity	24,687,679	25,149,429
Equity and net debt	26,302,901	25,840,750
Gearing ratio	6.14%	2.68%

This increase in gearing ratio was due to increase in short term borrowings of the Company.

#### 4. CAPITAL RESERVE

This represents the Retained Payments Fund (“the reserve”) maintained under clause 9.11 of the PPA. Initially the reserve was established at one twenty fourth of the annual operating and maintenance budget of the Company’s first year of operations less fuel expenses. The reserve can only be utilized to pay expenses on major maintenance for proper operation of the Complex in case of non availability of sufficient funds. The reserve fund needs to be replenished for the monies utilized by the Company.

#### 5 EMPLOYEE BENEFIT - GRATUITY

The latest actuarial valuation of the defined benefit plan as at 31 December 2023 was carried out using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
<b>5.1 Statement of financial position reconciliation:</b>		
Present value of defined benefit obligation (Note 5.2)	167,077	139,021
Fair value of plan assets (Note 5.3)	(164,307)	(134,447)
Liability recognized at reporting date	2,770	4,574
<b>5.2 Movement in present value of defined benefit obligation:</b>		
Present value of obligation at the beginning of the year	139,021	120,044
Current service cost	12,362	11,642
Interest cost	19,178	13,849
Benefits paid	(13,511)	(2,346)
Past service cost	-	(68)
Remeasurement	10,027	(4,100)
Present value of obligation at the end of the year	167,077	139,021

	2023 (Rupees in thousand)	2022
<b>5.3 Movement in fair value of plan assets:</b>		
Fair value of plan assets at the beginning of the year	134,447	117,777
Interest income	19,495	13,839
Benefits paid on behalf of fund by the Company	13,511	2,346
Benefits paid by the fund	(13,511)	(2,346)
Remeasurement	10,365	2,831
	<u>164,307</u>	<u>134,447</u>
<b>5.4 Actual return on plan assets</b>	<u>29,860</u>	<u>16,670</u>
<b>5.5 Plan assets consist of the followings:</b>		
Term deposit receipts	41,206	34,518
Government treasury bills	111,235	96,474
Cash at banks	11,866	3,455
	<u>164,307</u>	<u>134,447</u>
<b>5.6 Net movement in liability:</b>		
Opening liability	4,574	2,267
Charge for the year (Note 5.7)	12,045	11,584
Remeasurements recognized in other comprehensive income (Note 5.8)	(338)	(6,931)
Benefits paid on behalf of the fund	(13,511)	(2,346)
	<u>2,770</u>	<u>4,574</u>
<b>5.7 Charge for the year recognized in profit or loss:</b>		
Current service cost	12,362	11,642
Interest cost - net	(317)	10
Past service cost	-	(68)
	<u>12,045</u>	<u>11,584</u>
	<u>2023</u> (Rupees in thousand)	<u>2022</u>
<b>5.8 Remeasurements recognised in other comprehensive income:</b>		
Remeasurement (loss) / gain on defined benefit obligation	(10,027)	4,100
Remeasurement gain on fair value of plan assets	10,365	2,831
	<u>338</u>	<u>6,931</u>

**5.9** Plan assets held in the trust are governed by local regulations which mainly includes the Trusts Act, the Income Tax Rules, 2002 and Rules under the Trust Deed of the plan. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees.

**5.10 Amounts for the current and previous four years:**

	2023 ( - - - - - Rupees in thousand - - - - - )	2022	2021	2020	2019
Present value of defined benefit obligation	167,077	139,021	120,044	103,746	106,277
Fair value of plan assets	(164,307)	(134,447)	(117,777)	(109,146)	(85,336)
Deficit / (surplus)	<u>2,770</u>	<u>4,574</u>	<u>2,267</u>	<u>(5,400)</u>	<u>20,941</u>
Remeasurement loss / (gain) on defined benefit obligation	<u>10,027</u>	<u>(4,100)</u>	<u>1,103</u>	<u>(3,370)</u>	<u>(13,572)</u>
Remeasurement (loss) / gain on fair value of plan assets	<u>10,365</u>	<u>2,831</u>	<u>(2,011)</u>	<u>2,873</u>	<u>(6,109)</u>

**5.11 Principal actuarial assumptions used:**

	2023 (% per annum)	2022
Discount rate	15.50	14.50
Expected rate of increase in salary	17.00	14.50
Expected rate of return on plan assets	15.50	14.50

**5.12** Mortality was assumed to be based on SLIC 2001-05 ultimate mortality rates, rated down by one year.

**5.13** The expected charge to statement of profit or loss and other comprehensive income of the Company for defined benefit plan obligation for the next year is Rupees 13.942 million.

**5.14** The Company's contribution to defined benefit plan in year 2024 is expected to be Rupees 12.800 million. There are no minimum funding requirements to the defined benefit plan. The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

**5.15** The weighted average duration of the defined benefit plan is 04 years.

**5.16 Sensitivity analysis for actuarial assumptions:**

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Changes in assumption (%)	Increase in assumption (Rupees in thousand)	Decrease in assumption
Discount rate	1	160,985	173,461
Future salary increases	1	174,062	160,321

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

**5.17** The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the plan, at the beginning of the period, for returns over the entire life of related obligation. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on term deposits are based on gross redemption yields as at the reporting date.

**5.18** Expected maturity profile of undiscounted defined benefit obligation:

Less than a year	Between 1 - 2 years	Between 3 - 5 years	Between 6 - 10 years	Over 10 Years	Total
(----- Rupees in thousand -----)					
3,675	3,892	304,908	-	-	312,475

## 6. TRADE AND OTHER PAYABLES

	2023 (Rupees in thousand)	2022
Creditors (Note 6.1)	169,886	156,533
Accrued liabilities (Note 6.1)	83,544	64,668
Payable to employees' provident fund	-	1
Workers' profit participation fund payable (Note 6.2)	302,261	156,812
Workers' welfare fund payable (Note 6.3)	351,064	230,159
Income tax deducted at source	4,985	2,193
Payables to related parties (Note 6.4)	27	188
Others	2,772	2,567
	914,539	613,121

**6.1** These include reversal of excess provision in respect of previous years amounting to Rupees Nil (2022: Rupees 68.268 million).

### 6.2 Workers' profit participation fund payable

Opening balance	156,812	52,467
Add: Allocation for the year (Note 24.2)	302,261	156,812
Less: Payments made during the year	(156,812)	(52,467)
Closing balance	302,261	156,812

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
<b>6.3 Workers' welfare fund payable</b>		
Opening balance	230,159	167,434
Add: Allocation for the year (Note 24.3)	120,905	62,725
Less: Payments made during the year	-	-
Closing balance	<u>351,064</u>	<u>230,159</u>
<b>6.4 Payables to related parties</b>		
These are in the ordinary course of business and interest free:		
D.G. Khan Cement Company Limited	1	1
Security General Insurance Company Limited	9	156
Nishat Hotels and Properties Limited	17	-
Adamjee Insurance Company Limited	-	31
	<u>27</u>	<u>188</u>
<b>7 ACCRUED MARK-UP / PROFIT</b>		
Short term borrowings	<u>11,327</u>	<u>34,078</u>
<b>8. SHORT TERM BORROWINGS</b>		
<b>From banking companies - secured</b>		
Running finances (Note 8.1)	1,949,914	569,371
Running musharakah and murabaha (Note 8.2)	1,799,997	127,932
	<u>3,749,911</u>	<u>697,303</u>

**8.1** The Company has total working capital finance facilities of Rupees 5,437 million (2022: Rupees 6,432 million) available from banking companies out of which Rupees 3,487 million (2022: Rupees 5,862 million) remained unutilized at year end. These facilities carry mark-up at average offer rate for 1 week to 3 months KIBOR minus 0.10% to plus 2.00% (2022: 1 week to 3 months KIBOR minus 0.10% to plus 2.50%) per annum payable weekly / monthly / quarterly (2022: weekly / monthly / quarterly). The effective interest rate charged during the year ranged from 16.28% to 25.09% (2022: 9.78% to 18.61%) per annum. These facilities are secured by way of charge to the extent of Rupees 6,796 million (2022: Rupees 8,040 million) on the present and future current assets of the Company.

**8.2** These murabaha and musharakah facilities are obtained from Islamic banks aggregating to Rupees 4,350 million (2022: Rupees 4,450 million) to meet short term working capital requirements out of which Rupees 2,550 million (2022: Rupees 4,322 million) remained unutilized at year end. These facilities carry profit at average offer rate for 1 week to 3 months KIBOR plus 0.10% to plus 0.25% (2022: 1 week to 6 months KIBOR plus 0.15% to plus 0.50%) per annum payable weekly / quarterly (2022: weekly / monthly / quarterly / semi annually). The effective profit rate charged during the year ranged from 16.49% to 22.86% (2022: 10.72% to 16.83%) per annum. These facilities are secured by way of charge to the extent of Rupees 5,438 million (2022: Rupees 5,563 million) on the present and future current assets of the Company.

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

- i) Up to the year ended 31 December 2002, the Company had recorded the provision for workers' profits participation fund and paid to the Federal Treasury contributions on its annual profit as per the provisions of the Companies Profits (Workers Participation) Act, 1968 (the Act).

Based on legal advice, the Company filed a petition on 15 April 2004 in the Honorable Lahore High Court challenging the application of the Act to the Company on the grounds that since inception the Company has not employed any person who falls within the definition of the term "Worker" as per the provisions of the Act. The Company asserts that it had erroneously deposited in the past certain sums with Federal Treasury as contributions of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF), although it was not obligated to make such payments. The petition was filed subsequent to the Company's receipt of the Federal Board of Revenue's Income Tax / Wealth Tax Circle's letter dated 30 March 2004 directing the Company to allocate five percent of its net profit towards the WPPF and deposit the un-utilized amount of the WPPF in the Federal Treasury. The petition was filed against the Labour, Manpower and Overseas Pakistani Division of Ministry of Labour, Manpower and Overseas Pakistanis which was later dismissed for non-prosecution.

Consequent to the amendments that were made in the Act through the Finance Act, 2006, the Company was required to pay 5% of its profits to WPPF from the financial year 2006. The Company established a workers' profit participation fund to comply with the requirements of the Companies Profit (Workers Participation) Act, 1968.

Management, based on legal advice, asserts that if it is held that the scheme is applicable to the Company during the aforementioned period, any payments that the Company is ultimately required to make under the provision of the Act are considered as pass through items recoverable from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) under the provisions of the Power Purchase Agreement (PPA). Consequently, there will be no impact on its financial position and its results of operations.

- ii) Deputy Commissioner Inland Revenue (DCIR) issued orders dated 27 April 2013, 20 May 2013, 21 May 2013 and 29 August 2013 to the Company in which sales tax refund claims amounting to Rupees 1,486.302 million for the tax periods November 2008 to July 2009, January 2010 to December 2010 and January 2011 to July 2012 were rejected by apportioning input sales tax between capacity invoices and energy invoices and allowed input sales tax allocated to energy invoices only. Against aforesaid orders, the Company filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 10 May 2013, 12 June 2013 and 16 September 2013 which were decided in favour of the Company. On 03 September 2013 and 05 December 2013, against the orders of CIR(A), tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favour of tax department on 04 May 2015 and vacated the order passed by CIR(A). Against the decision of ATIR, the Company filed reference application in the Honourable Lahore High Court (the Court) on 25 May 2015 which has been decided in favour of the Company by the Court. However, department has filed petition for leave to appeal before Supreme Court of Pakistan. Further, DCIR issued show cause notice dated 11 August 2014 to the Company for the tax periods from July 2009 to December 2012 declaring refund claims being inadmissible amounting to Rupees 2,374.766 million on aforesaid grounds. The Company challenged the notice before the Court on 10 October 2014 along with reply of the show cause notice to DCIR. The Court has decided the case in favour of the Company.

However, on 04 February 2017, tax department has filed petition for leave to appeal before Supreme Court of Pakistan, as well as review application before the Court.

Further, on 18 May 2021, DCIR issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax periods from July 2016 to January 2021 regarding the disallowance of input sales tax amounting to Rupees 478.291 million on similar grounds as explained above. On 03 June 2021, the Company challenged the jurisdiction of DCIR by filing the writ petition before the Honorable Lahore High Court (the Court). The Court vide order dated 02 August 2021 directed the Company to comply with the notice. On 03 August 2021, DCIR passed an assessment order against the Company by disallowing the input tax amounting to Rupees 478.291 million along with the default surcharge and penalty without providing any opportunity of being heard. Being aggrieved with the order of DCIR, the Company preferred an appeal before CIR(A) on 15 August 2021. On 09 November 2021, CIR(A) annulled the order passed by DCIR and directed to allow reasonable time to the Company of being heard. Against the order of CIR(A), the Company has filed an appeal before ATIR on 16 December 2021 which is pending for hearing.

On 08 April 2021, Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax period from January 2016 to December 2016 regarding the disallowance of input sales tax amounting to Rupees 1,080.919 million along with default surcharge and penalty on similar grounds as explained above. On 19 June 2021, ACIR passed a detailed order whereby the recoverability of sales tax claimed against capacity purchase price amounting to Rupees 1,080.919 million along with default surcharge and penalty was connected with the outcome of decision of Honorable Supreme Court in the same matter as explained above. Moreover, ACIR also raised a demand of Rupees 10.145 million on account of inadmissible claim of input sales tax and sales tax on sale of residue of extracts from furnace oil. Against the order of ACIR, the Company preferred an appeal before CIR(A) on 19 July 2021. On 10 March 2022, CIR(A) passed an order whereby partial relief was provided to the Company. Being aggrieved with the order of CIR(A), the Company has filed an appeal before ATIR on 07 April 2022. The tax department has also filed appeal before ATIR against the order of CIR(A) on 27 May 2022 which is pending for hearing. On 13 June 2022, ATIR passed an order and remanded back the case to assessing officer for fresh consideration. On 06 November 2023, the assessing officer has started proceedings afresh. The Company is in the process of preparing appropriate response on the subject matter.

On 26 June 2023, ACIR issued a show cause notice under section 25(2) of the Sales Tax Act, 1990 for tax period from January 2017 to December 2017 regarding inadmissible claim of input sales tax against capacity purchase price amounting to Rupees 1,030.945 million including default surcharge and penalty. On 25 October 2023, DCIR passed an order whereby the recoverability of input sales tax claimed against capacity purchase price was connected with the outcome of decision of Honorable Supreme Court in the same matter as explained above. Moreover, DCIR also raised a demand of Rupees 6.017 million including default surcharge and penalty on account of various issues. Against the order of DCIR, the Company preferred an appeal before CIR(A) on 15 November 2023. On 28 December 2023, CIR(A) passed an order and partial relief was granted to the Company in certain matters with the direction to assessing officer for proper reconciliation of records. Being aggrieved by the order of CIR(A), both department and the Company have preferred appeals before ATIR on 22 January 2024 and 14 February 2024 respectively which are pending adjudication.

Based on the advice of tax advisor, the management is of the view that there are meritorious grounds available to defend the cases. Consequently, no provision for these cases has been made in these financial statements.

- iii) The tax authorities have carried out assessment proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2012 to 2014 by creating (among others) a demand of Rupees 708.184 million on account of interest on delayed payments by CPPA-G not been offered for tax. As per tax authorities, interest on delayed payments falls under the head income from other sources and is not exempt from tax as the same is not covered under Clause 132, Part I of the Second Schedule to the Income Tax Ordinance, 2001. On 11 April 2013, 15 December 2014 and 28 April 2015, the Company filed appeals against foregoing assessment proceedings before Commissioner Inland Revenue (Appeals) [CIR(A)], which were decided in favour of the Company. Against the decisions of CIR(A), tax authorities filed appeals before ATIR on 28 August 2013, 25 March 2015 and 29 June 2015. The ATIR through its order dated 01 October 2019 dismissed tax authorities' appeal and upheld the order passed by CIR(A) in case of tax year 2012. The tax authorities have preferred appeal before Honourable Lahore High Court, Lahore against the order of ATIR on 29 January 2020 which is pending adjudication. In case of tax year 2013 and 2014, ATIR through its orders dated 23 April 2022 and 05 July 2022 has dismissed tax authorities' appeals. Based on tax advisor's opinion, the management is confident that the matter will be decided in favour of the Company and accordingly no provision has been made in these financial statements.
- iv) Deputy Commissioner Inland Revenue (DCIR), through an assessment order dated 11 August 2015 rejected the deferred sales tax refund claims of different tax periods amounting to Rupees 44.816 million on the grounds that the Company has failed to prove admissibility of refund claims in the light of objection raised by Sales Tax Automated Refund Repository (STARR). The Company filed an appeal before CIR(A) on 18 October 2017 whereby CIR(A) granted relief to the Company and directed the department to allow Company's refund claim after proper verification of underlying documents and refund should be curtailed if the Company failed to provide the proof. The management is of the view that there are meritorious grounds available to prove the genuineness of the refund claims. Consequently, no provision has been made in these financial statements.
- v) On 26 August 2019, DCIR passed an order under section 11 of the Sales Tax Act, 1990 raising a demand on account of sales tax aggregating to Rupees 159.815 million against the Company. On 28 August 2019, the Company filed an appeal before CIR(A) against the order of DCIR. On 12 September 2019, CIR(A) disposed-off the appeal whereby all the matters were decided in favor of the Company except the disallowance of input sales tax on certain purchases aggregating to Rupees 51.707 million. Further, CIR(A) connected the decision regarding the adjustment of input sales tax in respect of building materials amounting to Rupees 2.801 million with the outcome of appeal filed with Honourable Lahore High Court, Lahore as disclosed in note 9.1(vi) to these financial statements. Being aggrieved by the order, the Company filed an appeal before the ATIR on 08 October 2019 challenging the disallowance of input sales tax. On 22 April 2021, ATIR remanded back the case to assessing officer for fresh consideration and to decide the case related to adjustment of input sales tax in respect of building materials in light of judgment passed by Honourable Lahore High Court after providing reasonable opportunity of being heard to the Company. The tax department has filed two sales tax references in Lahore High Court against the order of ATIR on 06 September 2021 which are in process of hearing. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.
- vi) On 28 September 2018, the Company challenged, before Honourable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials has been disallowed. The Honourable Lahore High Court, Lahore on 24 October 2019 passed an order against the Company and the Company being aggrieved with the order preferred Intra Court Appeal

before the Honourable Lahore High Court, Lahore on 26 November 2019. The Company has claimed input sales tax amounting to Rupees 2.801 million paid on such goods in its respective monthly sales tax returns. On 29 January 2020, the Honourable Lahore High Court, Lahore modified its earlier order dated 24 October 2019 and remanded back the case to assessing / adjudicating officer to interpret clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 on case to case basis. The management has strong grounds to believe that the matter will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

- vii)** On 23 February 2021, DCIR passed an order under section 11 of Sales Tax Act, 1990 whereby a demand on account of inadmissible input sales tax amounting to Rupees 281.609 million along with default surcharge and penalty has been raised. The Company filed an appeal before CIR(A) on 18 March 2021. On 04 October 2021, CIR(A) disposed off the appeal whereby all the matters were decided in favor of the Company except the disallowance of input sales tax on certain services aggregating to Rupees 8.178 million. Being aggrieved with the order of CIR(A), both the Company and department preferred appeals before ATIR on 14 October 2021 and 31 December 2021 respectively. On 12 August 2023, ATIR granted relief to the Company in the matter of disallowance of input sales tax on certain services. No further appeal in this matter has been filed by the department. However, the appeal filed by the department before ATIR is pending adjudication. Based on the advice of the tax advisor, the management is of the view that there are meritorious grounds available to defend the case. Consequently, no provision has been made in these financial statements.
- viii)** Amended assessment orders dated 30 April 2018 were issued by the Additional Commissioner Inland Revenue (ACIR) under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2015, 2016 and 2017 whereby taxable income for the tax years under reference was re-computed to Rupees 444.491 million on account of interest income, income from property, minimum tax on capacity sales, scrap sales, gain on sale of fixed assets, confrontation of tax credit under repealed section 65B of the Income Tax Ordinance, 2001 and workers' welfare fund. Against the aforesaid orders, the Company preferred appeal before CIR(A) on 25 May 2018. On 01 June 2021, CIR(A) passed the orders whereby the orders of ACIR were upheld in respect of all the matters except for the taxation of gain on sale of fixed assets and workers' welfare fund which were remanded back to ACIR, for consideration in view of the judgments of ATIR / Honorable Superior Courts. Being aggrieved with the order of CIR(A), the Company preferred an appeal before ATIR on 10 August 2021 which is pending adjudication. On 08 September 2021, ACIR initiated remand back proceedings which were duly replied by the Company. However, on 30 May 2022, ACIR passed an order on remand back proceedings against the Company. Being aggrieved by the order of ACIR, the Company filed appeal before CIR(A) on 24 June 2022. On 13 April 2023, CIR(A) decided the case on taxation of gain on sale of fixed assets against the Company and deleted the demand raised on account of workers' welfare fund. Being aggrieved with the order of CIR(A), tax department and the Company have filed appeals before ATIR on 03 June 2023 and 05 June 2023 respectively which are pending adjudication. Based on the advice of tax advisor, the management has strong grounds to believe that these cases will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.
- ix)** On 03 November 2017, the Company challenged before the Honorable Lahore High Court (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department has filed an appeal before a division bench of Honorable Lahore High Court, Lahore on 13 January 2021, which is pending adjudication. The management, based on the advice of

its legal counsel, has strong grounds to believe that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

On 14 July 2021, the Department has issued a new notification with further enhanced rate of water charges from Rupees 100 per 1,000 cubic feet to Rupees 125 per 1000 cubic feet. Following which, it is possible that the Department could send the water bills based on revised rates under the new notification. However, the Company intends to challenge the new notification vide a new petition if it receives any enhanced bill for water charges. Therefore, provision for enhanced water charges has not been made in these financial statements.

- x)** The Company has identified certain sales tax invoices relating to tax periods from September 2010 to September 2017 where the Company has duly discharged the liabilities by making payments to suppliers whereas input sales tax aggregating to Rupees 187.056 million has not been adjusted against the output sales tax for the respective tax periods. The Company has filed application to Federal Board of Revenue (“the Board”) to condone the time limits regarding the above explained matter. In response to the Company’s application, the Board has called for a report on factual merits of the Company’s application. The Deputy Commissioner Inland Revenue (DCIR), in accordance with the directions of the Board, issued letters to the Company to submit relevant documentary evidence in order to prepare the report for the Board. On 22 April 2019, the Company duly complied with those letters by submitting all the necessary / relevant data. Due to the transfer of jurisdictions in September 2020, the files relating to these matters have not yet been further pursued by the new relevant field formation. During the year ended 31 December 2022, the Department responded to the Company with certain queries which were duly addressed by the Company. Based on the advice of tax advisor, the management expects favourable outcome of the matter. Hence, no provision has been made in these financial statements.
- xi)** On 28 April 2022, DCIR passed an order under section 11 of Sales Tax Act, 1990 for tax periods from July 2021 to November 2021 raising a demand of Rupees 129.110 million on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, the Company has filed an appeal before the CIR(A) on 25 May 2022. On 24 November 2022, CIR(A) passed an order whereby partial relief was granted to the Company. The Company preferred an appeal before ATIR on 24 October 2022 which is pending adjudication. On 02 February 2023, tax department has also preferred appeal before ATIR which is pending adjudication. Based on the tax advisor’s opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.
- xii)** On 27 January 2022, ACIR issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax period September 2013 raising a demand on account of inadmissible input sales tax on various goods and services aggregating to Rupees 17.243 million along with default surcharge and penalty against the Company. The Company duly replied to the said show cause notice. ACIR after considering the Company’s reply passed an order on 29 April 2022, whereby input sales tax of Rupees 6.606 million already deferred was rejected and demand of Rupees 10.637 million along with default surcharge and penalty was confirmed. Against the order of ACIR, the Company has filed an appeal before CIR(A) on 25 May 2022. On 24 November 2022, CIR(A) upheld the order passed by ACIR. Against the order of CIR(A), the Company preferred an appeal before ATIR on 24 October 2022 which is pending adjudication. Based on the advice of tax advisor, the management expects favourable outcome of the matter. Consequently, no provision for such disallowance has been made in these financial statements.

- xiii)** On 18 July 2023, DCIR passed an order under section 11(2) of the Sales Tax Act, 1990 for tax periods from December 2021 to October 2022 raising a demand of Rupees 23.960 million on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, the Company has filed an appeal before CIR(A) on 15 August 2023. On 24 October 2023, CIR(A) partially accepted the Company's stance. Being aggrieved with the order of CIR(A), the Company has preferred an appeal before ATIR on 15 November 2023 which is pending adjudication. The management is of the view that there are meritorious grounds available to defend the case. Consequently, no provision has been made in these financial statements.
- xiv)** On 20 May 2022, National Electric Power Regulatory Authority ("NEPRA") issued a show cause notice to the Company, claiming Company's failure to start the plant during the nation-wide power system break down on 09 January 2021, under various provisions of the Grid Code issued by National Transmission and Despatch Company Limited ("NTDC") and National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000. The Company submitted its reply to show cause notice on 06 June 2022 based on the grounds that the plant was not available due to technical reasons and the Company has a right to declare forced outage and that there is credible information available to establish the cause of non-availability of plant as per Power Purchase Agreement (PPA). On 13 February 2023, NEPRA rejected the Company's reply to the show cause notice and imposed a penalty amounting to Rupees 25 million. Being aggrieved with the order of NEPRA, the Company filed an appeal before the Appellate Tribunal (NEPRA) to set aside the aforementioned order. On 27 March 2023, Appellate Tribunal (NEPRA) passed an interim order to deposit post dated cheque of Rupees 25 million to the Registrar of NEPRA and directed the NEPRA to refrain from taking any coercive measure against the Company. Based on the advice of legal counsel, the management is confident of favourable outcome of the matter, hence, no provision against this penalty amount has been made in these financial statements.
- xv)** The bank of the Company have issued letters of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees 500 million (2022: Rupees 550 million) against purchase of fuel.
- xvi)** Guarantees of Rupees 19 million (2022: Rupees 15 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

## 9.2 Commitments

**9.2.1** The Company has entered into a contract for a period of thirty years for purchase of fuel from PSO. Under the terms of Fuel Supply Agreement (FSA), the Company is not required to buy any minimum quantity of fuel from PSO.

**9.2.2** Commitments in respect of other than capital expenditure

## 10. FIXED ASSETS

Operating fixed assets (Note 10.1)  
Capital work-in-progress (Note 10.2)

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
	132,994	239,606
	3,863,831	4,362,263
	6,096	136,486
	<b>3,869,927</b>	<b>4,498,749</b>

## 10.1 Operating fixed assets

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 on freehold land	Air strip	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Electric equipment and appliances	Total
----- Rupees in thousand -----									
<b>At 31 December 2021</b>									
Cost	251,772	961,544	23,807	14,728,084	7,957	7,818	32,992	11,686	16,025,660
Accumulated depreciation	-	(643,760)	(23,807)	(10,040,096)	(5,404)	(7,717)	(30,315)	(8,079)	(10,759,178)
Net book value	251,772	317,784	-	4,687,988	2,553	101	2,677	3,607	5,266,482
<b>Year ended 31 December 2022</b>									
Opening net book value	251,772	317,784	-	4,687,988	2,553	101	2,677	3,607	5,266,482
Additions	-	-	-	-	175	21,335	3,127	1,356	25,993
Disposals:									
Cost	-	-	-	-	-	(91)	(232)	-	(323)
Accumulated depreciation	-	-	-	-	-	91	66	-	157
Depreciation charge	-	(51,365)	-	(873,363)	(512)	(2,410)	(1,540)	(856)	(930,046)
Closing net book value	251,772	266,419	-	3,814,625	2,216	19,026	4,098	4,107	4,362,263
<b>At 31 December 2022</b>									
Cost	251,772	961,544	23,807	14,728,084	8,132	29,062	35,887	13,042	16,051,330
Accumulated depreciation	-	(695,125)	(23,807)	(10,913,459)	(5,916)	(10,036)	(31,789)	(8,935)	(11,689,067)
Net book value	251,772	266,419	-	3,814,625	2,216	19,026	4,098	4,107	4,362,263
<b>Year ended 31 December 2023</b>									
Opening net book value	251,772	266,419	-	3,814,625	2,216	19,026	4,098	4,107	4,362,263
Additions	-	-	-	444,379	2,001	3,457	5,837	698	456,372
Disposals / derecognitions:									
Cost	-	-	-	(118,200)	-	(166)	(316)	-	(118,682)
Accumulated depreciation	-	-	-	118,200	-	151	316	-	118,667
Depreciation charge	-	(51,365)	-	(893,962)	(616)	(5,044)	(2,799)	(1,003)	(954,789)
Closing net book value	251,772	215,054	-	3,365,042	3,601	17,424	7,136	3,802	3,863,831
<b>At 31 December 2023</b>									
Cost	251,772	961,544	23,807	15,054,263	10,133	32,353	41,408	13,740	16,389,020
Accumulated depreciation	-	(746,490)	(23,807)	(11,689,221)	(6,532)	(14,929)	(34,272)	(9,938)	(12,525,189)
Net book value	251,772	215,054	-	3,365,042	3,601	17,424	7,136	3,802	3,863,831
Annual rate of depreciation (%)	2.95 - 11.11		5	3.19 - 33.3	10 - 20	20 - 25	10 - 33.3	8.19 - 33.33	

**10.1.1** All items of operating fixed assets disposed of / derecognized during the year had net book value of less than Rupees 500,000.

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

	2023 (Rupees in thousand)	2022
Cost of sales (Note 22)	945,327	924,728
Administrative expenses (Note 23)	9,462	5,318
	954,789	930,046

**10.1.3** Operating fixed assets include fixed assets costing Rupees 907.278 million (2022: Rupees 831.598 million) which are fully depreciated but still in the use of the Company.

**10.1.4** Particulars of immovable properties are as follows:

Description	Address	Area of land Acres	Covered area of buildings Square feet
Complex	Mehmood Kot, District Muzaffargarh	285.74	784,143

## 10.2 Capital work-in-progress

Plant and machinery  
Buildings on freehold land

	2023 (Rupees in thousand)	2022
Plant and machinery	177	136,486
Buildings on freehold land	5,919	-
	<u>6,096</u>	<u>136,486</u>

### 10.2.1 Reconciliation of capital work-in-progress

	Categories						Total
	Buildings on freehold land	Plant and machinery	Furniture and fittings	Office equipment	Electric equipment and appliances	Vehicles	
	-----Rupees in thousand-----						
<b>As at 31 December 2021</b>	-	-	-	-	-	2,000	2,000
Add: Additions during the year	-	136,486	36	2,264	1,331	13,657	153,774
Less: Transferred to operating fixed assets during the year	-	-	(36)	(2,264)	(1,331)	(15,657)	(19,288)
<b>As at 31 December 2022</b>	-	136,486	-	-	-	-	136,486
Add: Additions during the year	5,919	308,070	2,001	3,981	639	-	320,610
Less: Transferred to operating fixed assets during the year	-	(444,379)	(2,001)	(3,981)	(639)	-	(451,000)
<b>As at 31 December 2023</b>	<u>5,919</u>	<u>177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,096</u>

## 11. LONG TERM INVESTMENT

### Associated company - under equity method

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

	2023 (Rupees in thousand)	2022
Equity held 25% (2022: 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>

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

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
Non-current assets	-	-
Current assets	47	47
<b>Total assets</b>	<b>47</b>	<b>47</b>
Liabilities	375	300
Net assets	(328)	(253)
Loss for the year	(75)	(75)

**11.2** 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.

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

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

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

**12. LONG TERM LOANS TO EMPLOYEES**

**Considered good:**

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
Executives (Note 12.1)	32,899	27,052
Other employees	3,004	1,482
	<b>35,903</b>	<b>28,534</b>
Current portion shown under current assets (Note 17)		
Executives	(8,947)	(7,768)
Other employees	(836)	(444)
	<b>(9,783)</b>	<b>(8,212)</b>
	<b>26,120</b>	<b>20,322</b>

	2023 (Rupees in thousand)	2022
<b>12.1 Reconciliation of carrying amount of loans to executives:</b>		
Opening balance	27,052	28,646
Add: Transfer of loan from 'other employees'	-	92
Add: Disbursements	23,237	19,682
	50,289	48,420
Less: Repayments	(17,390)	(21,368)
Closing balance	32,899	27,052

**12.1.1** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 32.899 million (2022: Rupees 31.524 million).

**12.2** Loans given to employees are in accordance with the Company's policy. These loans are interest free and are repayable in equal monthly installments within a maximum period of five years. These loans are provided for purchase of vehicles and are secured against those vehicles.

**12.3** Fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of employees' loans is not considered material and hence not recognized.

	2023 (Rupees in thousand)	2022
<b>13. STORES, SPARE PARTS AND OTHER CONSUMABLES</b>		
Stores, spare parts and other consumables (Note 13.1)	680,844	761,789
Less: Provision for slow moving / obsolete items (Note 13.2)	-	-
	680,844	761,789

**13.1** These include stores in transit of Rupees 5.063 million (2022: Rupees Nil). Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2023 (Rupees in thousand)	2022
<b>13.2 Provision for slow moving / obsolete items:</b>		
Opening balance	-	69,521
Less: Stores, spare parts and other consumables written off against provision	-	(69,521)
Closing balance	-	-
<b>14. FUEL STOCK</b>		
Furnace oil	1,765,585	2,834,775
Diesel	32,833	20,864
	1,798,418	2,855,639
<b>15. TRADE DEBTS - secured</b>		
Other than related parties - considered good	10,868,052	14,717,477

**15.1** These represent receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), the Company's sole customer, and are backed by sovereign guarantee of Government of Pakistan. These include overdue amounts of Rupees 6,705.242 million (2022: Rupees 12,628.026 million) which attract penal mark-up at the rate of State Bank of Pakistan (SBP) discount rate plus 2% per annum. The penal mark-up rate charged during the year ranged from 19.00% to 25.00% (2022: 12.75% to 19.00%) per annum. Trade debts include unbilled receivables of Rupees 2,844.066 million (2022: Rupees 491.683 million).

**15.2 As at 31 December, age analysis of trade debts was as follows:**

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
Neither past due nor impaired	3,555,658	1,762,495
Past due but not impaired:		
- 26 to 90 days	3,308,637	8,577,561
- 91 to 180 days	4,003,757	4,368,166
- 181 to 365 days	-	8,397
- above 365 days	-	858
	<u>7,312,394</u>	<u>12,954,982</u>
	<u>10,868,052</u>	<u>14,717,477</u>

**16. SHORT TERM INVESTMENT**

**16.1 Debt instruments:**

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

Pakistan Investment Bonds (Note 16.1.1)	6,723,553	-
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**At amortized cost:**

Term deposit receipts (Note 16.1.2)	-	5,000
Add: Interest accrued thereon	-	116
	-	5,116
	<u>6,723,553</u>	<u>5,116</u>

**16.1.1** Investment in Pakistan Investment Bonds carries effective interest rate of 22.53% per annum and having maturity date of 14 December 2028. These have been classified as current assets based on management's intention to encash these investments within a period of 12 months from the year end. Subsequent to the reporting period, these investments have been encashed at Rupees 6,739.548 million.

**16.1.2** Effective rate of interest charged on term deposit receipts ranged from 13.00% to 20.50% per annum (2022: 13.00% per annum).

	2023 (Rupees in thousand)	2022
<b>17. LOANS, ADVANCES AND SHORT TERM PREPAYMENTS</b>		
Current portion of long term loans to employees (Note 12)	9,783	8,212
Advances - considered good:		
- to employees for expenses	161	275
- to employees against salary	1,404	652
- to suppliers - unsecured	16,146	761,888
- against letters of credit	2,638	-
Short term prepayments	17,440	13,459
	47,572	784,486
<b>18. OTHER RECEIVABLES</b>		
Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 18.1)	459,074	209,280
Workers' welfare fund (Note 18.2)	351,064	230,159
	810,138	439,439
<b>18.1 Workers' profit participation fund</b>		
Opening balance	209,280	273,032
Add: Allocation for the year (Note 24.2)	302,261	156,812
Less: Amount received during the year	(52,467)	(220,564)
	459,074	209,280
<b>18.2 Workers' welfare fund</b>		
Considered good (Note 18.2.1)	351,064	230,159
Considered doubtful	5,135	5,135
Provision for doubtful receivable	(5,135)	(5,135)
	-	-
	351,064	230,159
<b>18.2.1 Considered good:</b>		
Opening balance	230,159	167,434
Add: Allocation for the year (Note 24.3)	120,905	62,725
Less: Amount received during the year	-	-
	351,064	230,159
<b>19. ADVANCE INCOME TAX-NET OF PROVISION FOR TAXATION</b>		
Advance income tax	326,026	282,864
Less: Provision for taxation	(181,928)	-
	144,098	282,864

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
<b>20. CASH AND BANK BALANCES</b>		
Cash in hand	291	235
Cash with banks on:		
Saving accounts (Note 20.1)	2,134,346	5,624
Current accounts	52	123
	2,134,398	5,747
	<u>2,134,689</u>	<u>5,982</u>

**20.1** Saving accounts carry profit at the rates ranging from 14.50% to 20.5% (2022: 8.25% to 14.50%) per annum.

**20.2** Included in cash with banks are Rupees 2,134.363 million (2022: Rupees 3.653 million) with MCB Bank Limited - related party.

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
<b>21. REVENUE FROM CONTRACT WITH CUSTOMER</b>		
Energy purchase price	12,614,770	44,711,048
Less: Sales tax	(1,911,774)	(6,481,376)
	10,702,996	38,229,672
Capacity purchase price	7,994,347	6,302,993
Delayed payment mark-up	2,139,169	1,300,514
	<u>20,836,512</u>	<u>45,833,179</u>

## 22. COST OF SALES

Fuel cost (Note 22.1)	11,261,706	39,767,778
Operation and maintenance costs (Note 22.2)	1,616,123	712,394
Insurance	1,326,282	954,409
Depreciation (Note 10.1.2)	945,327	924,728
	<u>15,149,438</u>	<u>42,359,309</u>

### 22.1 Fuel cost

Opening stock	2,855,639	3,056,712
Purchased during the year	10,204,485	39,566,705
	13,060,124	42,623,417
Closing stock	(1,798,418)	(2,855,639)
	<u>11,261,706</u>	<u>39,767,778</u>

## 22.2 Operation and maintenance costs

	2023 (Rupees in thousand)	2022
Salaries, wages and other benefits (Note 22.2.1)	289,335	264,792
Repair and maintenance	539,091	147,578
Stores and spare parts consumed	552,068	205,689
Fee and subscription	10,240	8,065
Electricity consumed in-house	225,389	86,270
	<u>1,616,123</u>	<u>712,394</u>

**22.2.1** Salaries, wages and other benefits include provident fund contribution and provision for gratuity of Rupees 14.986 million (2022: Rupees 13.834 million) and Rupees 11.194 million (2022: Rupees 10.784 million) respectively.

## 23. ADMINISTRATIVE EXPENSES

	2023 (Rupees in thousand)	2022
Salaries and other benefits (Note 23.1)	87,648	71,797
Travelling, conveyance and entertainment	182,848	138,545
Communication and utilities	1,238	1,001
Insurance	5,064	4,473
Legal and professional	18,767	17,786
Printing and stationery	2,407	1,752
Office rent (Note 23.2)	6,506	6,502
Depreciation (Note 10.1.2)	9,462	5,318
Community welfare	5,049	4,984
Miscellaneous	10,828	8,707
	<u>329,817</u>	<u>260,865</u>

**23.1** Salaries and other benefits include provident fund contribution and provision for gratuity of Rupees 2.969 million (2022: Rupees 2.418 million) and Rupees 0.851 million (2022: Rupees 0.800 million) respectively.

**23.2** This represents expense relating to lease of low value asset.

## 24. OTHER EXPENSES

	2023 (Rupees in thousand)	2022
Auditor's remuneration (Note 24.1)	3,520	3,316
Workers' profit participation fund (Note 24.2)	-	-
Workers' welfare fund (Note 24.3)	-	-
Trade debts written off	10,114	-
Donations (Note 24.4 and Note 24.5)	1,664	1,627
	<u>15,298</u>	<u>4,943</u>

	2023 (Rupees in thousand)	2022
<b>24.1 Auditor's remuneration</b>		
Statutory audit	2,638	2,330
Half yearly review	625	612
Other certifications	137	255
Out-of-pocket expenses	120	119
	3,520	3,316
<b>24.2 Workers' profit participation fund</b>		
Allocation for workers' profit participation fund (Note 6.2)	302,261	156,812
Allocation to workers' profit participation fund recoverable from CPPA-G (Note 18.1)	(302,261)	(156,812)
	-	-
<b>24.3 Workers' welfare fund</b>		
Allocation for workers' welfare fund (Note 6.3)	120,905	62,725
Allocation to workers' welfare fund recoverable from CPPA-G (Note 18.2.1)	(120,905)	(62,725)
	-	-

**24.4** These include Rupees 1.2 million (2022: Rupees 1 million) paid to Care Foundation.

**24.5** There is no interest of any director or his / her spouse in donee's fund.

	2023 (Rupees in thousand)	2022
<b>25. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Profit on:		
Saving bank accounts	105,888	185,791
Term deposit receipts	760	116
Interest on loan to associated company	-	12,193
Gain on disposal of Government Treasury Bills	153,234	-
Gain on disposal of Pakistan Investment Bonds	288,809	-
Dividend income	171,740	
<b>Income from non-financial assets:</b>		
Scrap sales	13,807	1,771
Amortization of deferred income - Government grant	-	957
Gain on disposal of operating fixed assets	-	51
<b>Other:</b>		
Rental income	380	1,423
	734,618	202,302
<b>26. FINANCE COST</b>		
Mark-up on long term financing	-	1,420
Mark-up / profit on short term borrowings	22,746	256,080
Bank charges and commission	8,604	16,630
	31,350	274,130

	2023 (Rupees in thousand)	2022
<b>27. TAXATION</b>		
Current:		
- For the year	181,928	-
- Prior year	-	-
	181,928	-
<b>27.1 Relationship between tax expense and accounting profit is as follows:</b>		
Profit before taxation	6,045,227	3,136,234
Tax at the applicable rate of 29% (2022: 29%)	1,753,116	909,508
Tax effect of final tax regime and capital gain taxed at lower rate	91,184	-
Tax effect of expenses and income that are not considered in determining taxable liability	(1,731,280)	(909,508)
Tax effect of super tax	68,908	-
	181,928	-
<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)	5,863,299	3,136,234
Weighted average number of shares (Number)	372,081,591	372,081,591
Earnings per share - basic and diluted (Rupees)	15.76	8.43
<b>29. CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
Profit before taxation	6,045,227	3,136,234
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on operating fixed assets (Note 10.1)	954,789	930,046
Provision for gratuity (Note 5.7)	12,045	11,584
Profit on saving bank accounts (Note 25)	(105,888)	(185,791)
Profit on term deposit receipts (Note 25)	(760)	(116)
Interest on loan to associated company (Note 25)	-	(12,193)
Amortization of deferred income - Government grant (Note 25)	-	(957)
Finance cost (Note 26)	31,350	274,130
Trade debts written off (Note 24)	10,114	-
Gain on disposal of Pakistan Investment Bonds (Note 25)	(288,809)	-
Gain on disposal of Government Treasury Bills (Note 25)	(153,234)	-
Dividend income (Note 25)	(171,740)	-
Gain on disposal of operating fixed assets (Note 25)	-	(51)
Cash flows from operating activities before working capital changes	6,333,094	4,152,886

	2023 (Rupees in thousand)	2022
<b>Working capital changes</b>		
Decrease / (increase) in current assets:		
Stores, spare parts and other consumables	80,945	(166,575)
Fuel stock	1,057,221	201,073
Trade debts	3,839,311	(7,865,183)
Loans, advances and short term prepayments	736,914	(737,019)
Other receivables	(370,699)	1,482
Sales tax recoverable	(235,218)	(506,390)
	5,108,474	(9,072,612)
Increase / (decrease) in trade and other payables	301,418	(2,365,799)
	<u>11,742,986</u>	<u>(7,285,525)</u>

### 29.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2023		
	Liabilities from financing activities		Total
	Long term finance	Unclaimed dividend	
	..... (Rupees in thousand) .....		
Balance as at 01 January 2022	49,943	8,019	57,962
Financing repaid	(49,943)	-	(49,943)
Dividends declared	-	558,123	558,123
Dividends paid	-	(558,290)	(558,290)
Balance as at 31 December 2022	-	7,852	7,852
Dividend declared	-	6,325,387	6,325,387
Dividend paid	-	(6,226,297)	(6,226,297)
Balance as at 31 December 2023	-	106,942	106,942

### 30. PROVIDENT FUND

The investments by the provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and the conditions specified thereunder.

	2023 (Rupees in thousand)	2022
<b>31. NUMBER OF EMPLOYEES</b>		
Number of employees as on 31 December	78	79
Average number of employees during the year	80	78

### 32. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, other related parties, key management personnel and staff retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Detail of significant 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 disclosed in note 33, are as follows:

<b>Associated companies</b>	<b>Nature of transaction</b>	<b>2023 (Rupees in thousand)</b>	<b>2022</b>
Nishat Mills Limited	Dividend	1,902,387	142,253
Adamjee Insurance Company Limited	Dividend	435,730	35,563
	Insurance premium paid	4,524	4,314
	Insurance claim received	335	840
Security General Insurance Company Limited	Dividend	127,736	8,891
	Insurance premium paid	1,570,943	1,135,606
Pakistan Aviators and Aviation (Private) Limited	Flying services	140,493	101,721
Nishat (Aziz Avenue) Hotels and Properties Limited	Dividend	1,445	-
Nishat Real Estate Development Company (Private) Limited	Dividend	782	-
Hyundai Nishat Motor (Private) Limited	Reimbursement of expenses	-	2,237
	Purchase of vehicles	-	13,336
Nishat Hotels and Properties Limited	Boarding and lodging services	870	320
	Loan received back	-	350,000
	Interest charged	-	12,193
MCB Bank Limited	Mark-up on borrowings	-	471
	Long term loans repaid	-	49,634
	Profit on bank deposits received	95,442	171,860
<b>Other related parties</b>	<b>Nature of transaction</b>		
D.G Khan Cement	Purchase of good	480	106
Adamjee Life Insurance Company	Insurance premium paid	1,374	1,555
Engen (Private) Limited <sup>1</sup>	Dividend	-	1
City Schools Provident Fund Trust*	Dividend	-	1,461
Mr. Hassan Mansha	Dividend	248,733	21,947
Mrs. Sadia Younas Mansha	Dividend	9	1
Mr. Muhammad Ali Zeb	Dividend	8	-
Mr. Omer Zubair Khan	Dividend	8	-
Mr. Farrukh Ifzal	Dividend	9	1
Mr. Samir Mustapha Chinoy	Dividend	9	1
Mr. Ghazanfar Hussain Mirza	Dividend	17	2
Dr. Arif Bashir	Dividend	17	2
Mr. Shahid Malik (Ex-director) <sup>2</sup>	Dividend	9	1
Mr. Amir Mehmood (Ex-director) <sup>2</sup>	Dividend	9	1
<b>Staff retirement benefit plans</b>			
Provident fund trust	Contributions	17,955	16,250
Gratuity fund trust	Benefits paid on behalf of fund	13,511	2,346

1. Ceased to be associated undertaking due to resignation of Mr. Aurangzeb Firoz, former common director on 24 June 2022.

2. Ceased to be the director of the Company with effect from 01 September 2023.

**32.1** Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

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 by the Company
Nishat Mills Limited	Common Directorship	Yes	None
Security General Insurance Company Limited	Common Directorship	Yes	None
Lalpir Power Limited	Common Directorship	No	None
Nishat Hospitality (Private) Limited	Group Company	No	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	Yes	None
Nishat Hotels and Properties Limited	Common Directorship	Yes	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common Directorship	Yes	None
Nishat Power Limited	Common Directorship	No	None
Nishat Paper Products Company Limited	Common Directorship	No	None
Nishat Developers (Private) Limited	Common Directorship	No	None
Nishat Dairy (Private) Limited	Common Directorship	No	None
Nishat Agriculture Farming (Private) Limited	Common Directorship	No	None
Nishat Real Estate Development Company (Private) Limited	Common Directorship	Yes	None
Nishat Energy Limited	Shareholding	No	25%
Adamjee Life Assurance Company Limited	Group Company	Yes	None
Hyundai Nishat Motor (Private) Limited	Common Directorship	No	None
Adamjee Insurance Company Limited	Common Directorship	Yes	None
D.G. Khan Cement Company Limited	Group Company	Yes	None
Nishat Agrotech Farms (Private) Limited	Common Company Secretary	No	None
Nishat Sutas Dairy Limited	Common Directorship	No	None
Golf View Land (Private) Limited	Group Company	No	None
Nishat Linen (Private) Limited	Group Company	No	None
MCB Bank Limited	Common Directorship	Yes	None
Emporium Properties (Private) Limited	Group Company	No	None
Nishat (Raiwind) Hotels and Properties Limited	Common Directorship	No	None
Nishat Commodities (Private) Limited	Group Company	No	None
MCB Islamic Bank Limited	Group Company	No	None
Mirpur Khas Sugar Mills Limited	Common Directorship	No	None

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year	Percentage of share-holding held by the Company
International Steel Limited	Common Directorship	No	None
Provident fund trust	Post-employment benefit plan	Yes	None
Gratuity fund trust	Post-employment benefit plan	Yes	None
Mr. Hassan Mansha	Director	Yes	None
Mrs. Sadia Younas Mansha	Director	Yes	None
Mr. Muhammad Ali Zeb	Director	Yes	None
Mr. Omer Zubair Khan	Director	Yes	None
Mr. Farrukh Ifzal	Director	Yes	None
Mr. Samir Mustapha Chinoy	Director	Yes	None
Mr. Ghazanfar Hussain Mirza	Director	Yes	None
Dr. Arif Bashir	Director	Yes	None

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

Aggregate amounts charged in these financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Company are as follows:

	Chief Executive		Executives	
	2023	2022	2023	2022
Managerial remuneration	23,822	21,723	168,446	151,590
Medical expenses	2,382	2,172	16,845	15,159
Bonus	6,066	6,066	45,110	40,314
Retirement benefits	-	-	29,592	26,111
	<u>32,270</u>	<u>29,961</u>	<u>259,993</u>	<u>233,174</u>
<b>Number of persons</b>	<u>1</u>	<u>1</u>	<u>50</u>	<u>48</u>

**33.1** The Company provides to chief executive and certain executives with free use of the Company maintained cars.

**33.2** Meeting fee of Rupees 1,165,000 (2022: Rupees 875,000) was paid to non-executive directors of the Company during the year.

**33.3** No remuneration was paid to directors of the Company.

## 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), British Pound Sterling (GBP), Euro and Japanese Yen (JPY). As on reporting date, the Company's foreign exchange risk exposure is restricted to payables only. The Company's exposure to currency risk was as follows:

	2023 (Rupees in thousand)	2022
Trade and other payables		
- USD	-	(263)
- GBP	(588)	(5,010)
- EURO	-	(10,180)
- JPY	(228,235)	(772)
Net exposure - USD	-	(263)
Net exposure - GBP	(588)	(5,010)
Net exposure - EURO	-	(10,180)
Net exposure - JPY	(228,235)	(772)
The following significant exchange rates were applied during the year:		
<b>Rupees per US Dollar</b>		
Average rate	283.53	204.52
Reporting date rate	282.40	226.43
<b>Rupees per GBP</b>		
Average rate	353.89	251.57
Reporting date rate	359.77	273.07
<b>Rupees per Euro</b>		
Average rate	307.95	214.52
Reporting date rate	313.11	241.31
<b>Rupees per JPY</b>		
Average rate	2.01	1.55
Reporting date rate	2.00	1.71

## Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the GBP and JPY (2022: USD, GBP, EURO and JPY) with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.033 million (2022: Rupees 0.194 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 instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity securities traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

### (iii) Interest rate risk

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 short term investment, bank balances in saving accounts, past due trade debts and short term borrowings. Financial instruments obtained at variable rates expose the Company to cash flow interest rate risk. Financial instruments obtained, 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:

	<b>2023</b> <b>(Rupees in thousand)</b>	2022
<b>Fixed rate instruments</b>		
<b>Financial asset</b>		
Short term investments	6,723,553	5,000
<b>Financial liabilities</b>	-	-
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	2,134,346	5,624
Trade debts - past due	6,705,242	12,628,026
	8,839,588	12,633,650
<b>Financial liabilities</b>		
Short term borrowings	(3,749,911)	(697,303)
<b>Net exposure</b>	<u>5,089,677</u>	<u>11,936,347</u>

### 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 except Pakistan Investment Bonds (PIBs). A change in interest rate at the reporting date would not affect profit or loss of the Company as PIBs are frequently traded.

### 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 50.897 million higher / lower (2022: Rupees 119.363 million higher / lower), mainly as a result of higher / lower interest income on floating rate instruments. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

#### (b) Credit risk

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

	2023 (Rupees in thousand)	2022
Loans to employees	37,307	29,186
Long term security deposits	1,774	1,774
Trade debts	10,868,052	14,717,477
Short term investments	6,723,553	5,116
Accrued interest	45	-
Other receivables	810,138	439,439
Bank balances	2,134,398	5,747
	20,575,267	15,198,739

Age analysis of trade debts as at the 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			2023	2022
	Short Term	Long Term	Agency	(Rupees in thousand)	
CPPA-G			Not available	711,592	1,270,812
<b>Short term investments</b>					
State Bank of Pakistan			Not available	6,723,553	-
Askari Bank Limited	A-1+	AA+	PACRA	-	5,116
<b>Banks</b>					
National Bank of Pakistan	A-1+	AAA	PACRA	2	1,442
Habib Bank Limited	A-1+	AAA	VIS	7	4
MCB Bank Limited	A-1+	AAA	PACRA	2,134,363	3,653
United Bank Limited	A-1+	AAA	VIS	4	541
The Bank of Punjab	A-1+	AA+	PACRA	7	6
Allied Bank Limited	A-1+	AAA	PACRA	3	3
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	5	25
Faysal Bank Limited	A-1+	AA	PACRA	7	73
				2,134,398	5,747
				9,569,543	1,281,675

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 31 December 2023, the Company had Rupees 6,036.789 million (2022: Rupees 10,184.397 million) available borrowing limits from financial institutions, Rupees 6,723.553 million (2022: Rupees 5.116 million) short term investments and Rupees 2,134.689 million (2022: Rupees 5.982 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 interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 31 December 2023:

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

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

#### Non-derivative financial liabilities:

Trade and other payables	256,229	256,229	256,229	-	-	-
Unclaimed dividend	106,942	106,942	106,942	-	-	-
Accrued mark-up / profit	11,327	11,327	11,327	-	-	-
Short term borrowings	3,749,911	3,860,928	3,860,928	-	-	-
	<u>4,124,409</u>	<u>4,235,426</u>	<u>4,235,426</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 31 December 2022:

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

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

#### Non-derivative financial liabilities:

Trade and other payables	223,957	223,957	223,957	-	-	-
Unclaimed dividend	7,852	7,852	7,852	-	-	-
Accrued mark-up / profit	34,078	34,078	34,078	-	-	-
Short term borrowings	697,303	721,436	656,770	64,666	-	-
	<u>963,190</u>	<u>987,323</u>	<u>922,657</u>	<u>64,666</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 31 December. The rates of interest / mark-up have been disclosed in note 8 to these financial statements.

### 34.2 Offsetting financial assets and financial liabilities

As at 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

#### Assets as per statement of financial position

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

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

Loans to employees	37,307	-	37,307
Long term security deposits	1,774	-	1,774
Trade debts	10,868,052	-	10,868,052
Short term investments	-	6,723,553	6,723,553
Accrued interest	45	-	45
Other receivables	810,138	-	810,138
Cash and bank balances	2,134,689	-	2,134,689
	<u>13,852,005</u>	<u>6,723,553</u>	<u>20,575,558</u>

#### 2022 At amortized cost

(Rupees in thousand)

Loans to employees	29,186
Long term security deposits	1,774
Trade debts	14,717,477
Short term investments	5,116
Accrued interest	-
Other receivables	439,439
Cash and bank balances	5,982
	<u>15,198,974</u>

#### Liabilities as per statement of financial position

#### Financial liabilities at amortized cost

	2023	2022
	(Rupees in thousand)	
Trade and other payables	256,229	223,957
Unclaimed dividend	106,942	7,852
Accrued mark-up / profit	11,327	34,078
Short term borrowings	3,749,911	697,303
	<u>4,124,409</u>	<u>963,190</u>

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

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

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

**Assets**

Long term loans to employees	26,120	-	26,120
Long term security deposits	1,774	-	1,774
Loans, advances and short term prepayments	11,187	36,385	47,572
Trade debts	10,868,052	-	10,868,052
Short term investments	6,723,553	-	6,723,553
Other receivables	810,138	-	810,138
Accrued Interest	45	-	45
Cash and bank balances	2,134,689	-	2,134,689

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

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

**Liabilities**

Trade and other payables	256,229	658,310	914,539
Unclaimed dividend	106,942	-	106,942
Accrued mark-up / profit	11,327	-	11,327
Short term borrowings	3,749,911	-	3,749,911

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

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

#### Assets

Long term loans to employees	20,322	-	20,322
Long term security deposits	1,774	-	1,774
Loans, advances and short term prepayments	8,864	775,622	784,486
Trade debts	14,717,477	-	14,717,477
Short term investments	5,116	-	5,116
Other receivables	439,439	-	439,439
Cash and bank balances	5,982	-	5,982

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

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

#### Liabilities

Trade and other payables	223,957	389,164	613,121
Unclaimed dividend	7,852	-	7,852
Accrued mark-up / profit	34,078	-	34,078
Short term borrowings	697,303	-	697,303

### 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 31 December 2023	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	-	6,723,553	-	6,723,553

Recurring fair value measurements at 31 December 2022	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
<b>Financial assets</b>				
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 trading 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 instruments are included in level 2.

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

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

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

### 36. CAPACITY AND ACTUAL PRODUCTION

	2023 MWH	2022 MWH
Installed capacity based on 8,760 (2022: 8,760) hours	3,197,400	3,197,400
Actual energy delivered	294,045	1,123,721

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

### 37. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023 (Rupees in thousand)	2022	2023 (Rupees in thousand)	2022
Total facilities	2,110,000	2,115,000	9,786,700	10,881,700
Utilized at the end of the year	651,994	594,603	3,749,911	697,303
Unutilized at the end of the year	1,458,006	1,520,397	6,036,789	10,184,397

### 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 were located in Pakistan.

### 39. EVENTS AFTER THE REPORTING PERIOD

**39.1** The Board of Directors has proposed final cash dividend for the year ended 31 December 2023 of Rupees Nil per share (2022: Rupees 2 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. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27<sup>th</sup> February, 2024 by the Board of Directors of the Company.

### 41. CORRESPONDING FIGURES

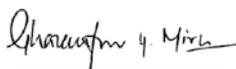
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

### 42. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

## BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Pakgen Power Limited to be held on (Monday) April 22, 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@pakgenpower.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) <i>(Copy to be attached)</i>	
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 - <i>(Copy to be attached)</i>	

### Special Resolutions

#### Agenda Item 4(a)

**To ratify and approve transactions conducted with the Related Parties during the year ended December 31, 2023 by passing the following special resolution with or without modification:**

**Resolved** that the Related Party Transactions as disclosed in the Annual Audited Financial Statements for the year ended December 31, 2023 and as already approved by the Board of Directors of Pakgen Power Limited be and are hereby ratified, approved and confirmed in all respects.

#### Agenda Item 4(b)

**To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on December 31, 2024 by passing the following special resolution with or without modification:**

**Resolved** that the Board of Directors of Pakgen Power Limited be and is hereby authorized to approve the transactions to be conducted with the related parties during the financial year ending on December 31, 2024 and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their ratification.

**Agenda Item 4(c)**

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

**RESOLVED** that the approval of the members of Pakgen Power Limited (“the Company”) be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the financial year 2024 through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023.

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

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

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

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

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

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

**NOTES:**

1. Duly filled postal ballots should be sent to the Chairman at Nishat House, 53-A, Lawrence Road, Lahore or through email at: chairman@pakgenpower.com
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before April 21, 2024 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

# ڈاک کے ذریعے ووٹنگ کے لیے بیلٹ پیپر

بروز پیر، 22 اپریل 2024 صبح 11:30 بجے (PST) ایپو ریم مال، نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپوسنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور، پر منعقد ہونے والے پاکن پاورلیٹیٹنگ 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@pakgenpower.com

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

## خصوصی قراردادیں

### ایجنڈا آئٹم 4(a)

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

قرارداد یا اس کے 31 دسمبر 2023 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کیے گئے لین دین جیسا کہ پہلے ہی پاکن پاورلیٹیٹنگ ("کمپنی") کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے اور ہر لحاظ سے ان کی توثیق، منظوری اور تصدیق کی جاتی ہے۔

### ایجنڈا آئٹم 4(b)

کمپنی کے بورڈ آف ڈائریکٹرز کو درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر منظور کر کے 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ لین دین کی منظوری کا اختیار دینا:

قرارداد یا اس کے پاکن پاورلیٹیٹنگ کا بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کیے جانے والے لین دین کی منظوری دینے کا مجاز ہے اور ان لین دین کو شیر ہولڈرز کی طرف سے منظور کیا گیا سمجھا جائے گا اور اگلے سالانہ اجلاس عام میں شیر ہولڈرز کے سامنے ان کی توثیق کے لیے پیش کیا جائے گا۔

### ایجنڈا آئٹم 4(c)

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

قرارداد یا اس کے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی رو سے اجازت کے مطابق پاکن پاورلیٹیٹنگ ("کمپنی") کے

ممبران کی منظوری ہے اور سال 2024 سے شروع ہونے والے آئندہ سالوں کے لیے سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ممبرز کو منتقلی USB/DVD/CD کے ذریعے منتقل کرنے کی بجائے QR فعال کوڈ اور ویب لنک کے ذریعے کرنے کی منظوری دی جاتی ہے۔

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

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

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

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

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

تاریخ:

نوٹس:

1- صحیح طریقے سے پُر شدہ پوسٹل بیلٹ چیئر مین کو نشاٹ ہاؤس، 53-A، لارنس روڈ، لاہور، یا chairman@pakgenpower.com پر ای میل بھیجنا چاہیے۔

2- NICOP، CNIC / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہیے۔

3- پوسٹل بیلٹ فارم 21 اپریل 2024 شام 5:00 بجے یا اس سے پہلے چیئر مین اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ / وقت کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ دو ٹنگ کے لیے قبول نہیں کیا جائے گا۔

4- باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندہ کی صورت میں، قابل اطلاق کمپنیز ایکٹ 2017 کی دفعہ 138 یا 139 کے مطابق بیلٹ پیپر فارم لازماً مجاز فرد کے CNIC کی کاپی، بورڈ کی قرارداد/مختار نامہ/اتھرائزیشن لیٹر وغیرہ کی مصدقہ کاپی کے ہمراہ ہونا چاہئے۔ غیر ملکی باڈی کارپوریٹ وغیرہ کی صورت میں، تمام دستاویزات رکن کی جو رسڈکشن کے پاکستان کے ٹولسل جنرل سے تصدیق شدہ ہونے چاہئیں۔

5- پوسٹل بیلٹ پر دستخط NICOP، CNIC / پاسپورٹ (غیر ملکی کی صورت میں) کے دستخط سے مماثل ہونا چاہئے۔

6- نامکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھٹا ہوا، منسوخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسٹر کر دیا جائے گا۔

# FORM OF PROXY

I/We, \_\_\_\_\_ of  
\_\_\_\_\_ CDCA/CNO./FOLIONO. \_\_\_\_\_

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

Mr./Miss/Ms. \_\_\_\_\_  
of \_\_\_\_\_ CDCA/CNO./FOLIONO. \_\_\_\_\_ and  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on on April 22, 2024 (Monday) at 11:30 A.M. at The Nishat Hotel (Emporium Mall), Trade and Finance Centre, 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.

Revenue  
Stamp  
of Rs. 50/-

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

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

Witnesses:-

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

## IMPORTANT:

- a. 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.
- b. Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
- c. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- d. 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.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**PAKGEN POWER LIMITED**

53 - A, Lawrence Road, Lahore.

Tel : 042 - 36367812 - 16 Fax: 042 - 36367414

# نمائندگی کا فارم (پراکسی فارم)

میں / ہم -----  
ساکن ----- سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر -----  
بحیثیت رکن پاک جن پاور لمیٹڈ (کمپنی) اور حامل عام حصص بذریعہ ہذا محترم / محترمہ -----  
ساکن ----- سی ڈی سی اکاؤنٹ نمبر / فولیو  
نمبر ----- اور یا اسکی غیر موجودگی کی صورت میں -----  
ساکن -----

جو مذکورہ کمپنی کا حصص دار بھی ہے کو اپنے / ہمارے ایما پر 22 اپریل 2024ء (سوموار) کو صبح 11:30 بجے نشاط ہوٹل (ایمپوریم مال)، ٹریڈ اینڈ  
فنانس سنٹر، نزد ایکسیس سنٹر، عبدالحق روڈ، جوہر ٹاؤن لاہور پر منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں میری / ہماری غیر موجودگی میں حق  
رائے دی استعمال کرنے، تقرر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرنا / کرتے ہیں۔

آج بروز ..... تاریخ ..... 2024ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

دستخط: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
تعداد ملکیتی حصص: \_\_\_\_\_  
گواہان: \_\_\_\_\_  
نام: \_\_\_\_\_ نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_ پتہ: \_\_\_\_\_

50/- روپے کا رسیدی ٹکٹ یہاں چسپاں کریں

## اہم نوٹ:

- پراکسی تقرری کے یہ آلات، باقاعدہ مکمل سالانہ اجلاس عام کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر نشاط ہاؤس،  
A-53، لارنس روڈ، لاہور میں لازماً وصول ہو جانے چاہئیں۔
- پراکسی کے تقرر کے لئے  
b۔ بینیفیشل اونر کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ لازماً جمع کرانا ہوگی۔
- پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔
- d۔ کارپوریٹ اینٹٹی کی صورت میں بورڈ کی قرارداد / مختار نامہ مع نمونہ دستخط پراکسی فارم کے ہمراہ کمپنی کو جمع کرانا ہوگا۔

AFFIX  
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POSTAGE

The Company Secretary

**PAKGEN POWER LIMITED**

53 - A, Lawrence Road, Lahore.

Tel : 042 - 36367812 - 16 Fax: 042 - 36367414



N I S H A T

PAKGEN POWER LIMITED

## Contact Us

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**PAKGEN POWER LIMITED**

53 - A, Lawrence Road, Lahore. Tel: 042 - 36367812 - 16  
Fax: 042 - 36367414 | UAN: 042 - 111-11-33-33