LALPIR POWER LIMITED

NISHAT

SECY/STOCKEXC/ April 05, 2019

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

SUB: **SUBMISSION OF ANNUAL AUDITED ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2018**

Dear Sir,

In compliance with the provisions of Section 237 of the Companies Act 2017, read with PSX Notice No. PSX/N-4207 dated July 13, 2018 and PSX/N-4952 dated August 29, 2018, we are pleased to submit electronically through PUCAR Annual Audited Accounts for the year ended December 31, 2018.

Further please find attached Statement of Free Float of Shares duly signed by the Chief Executive Officer and Company Secretary of the Company along with Independent Reasonable Assurance Report on Statement of Free Float of Shares dated March 22, 2019 issued by Riaz Ahmad & Co., Chartered Accountants, the external auditors of the Company.

Thanking you,

Yours truly,

KHALID MAHMOOD CHOHAN
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.lalpir.com, E-MAIL: lalpir@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.lalpir.com

LALPIR POWER LIMITED

STATEMENT OF FREE FLOAT OF SHARES

Riaz Ahmad & Company
Chartered Accountants

10-B, Saint Mary Park
Main Boulevard, Gulberg-III
Lahore 54660, Pakistan
T: +92 (42) 3571 81 37-9
F: +92 (42) 3571 81 36
racolhr@racopk.com
www.racopk.com

INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

To the Chief Executive of Lalpir 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 Lalpir Power Limited, ("the Company") as of 31 March 2018, 30 June 2018, 30 September 2018 and 31 December 2018.

2. Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(c)(ii) of Pakistan Stock Exchange Limited Regulations ("PSX Regulations") which require 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 5.6.4(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 2018, 30 June 2018, 30 September 2018 and 31 December 2018 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 Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and 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 statements' (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 Lalpir 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.

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

6. Opinion

In our opinion, the Statement as of 31 March 2018, 30 June 2018, 30 September 2018 and 31 December 2018 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(c)(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:
Mubashar Mehmood

Date: 22 MAR 2019

LAHORE

LALPIR POWER LIMITED

NISHAT

LALPIR POWER LIMITED

STATEMENT OF FREE FLOAT OF SHARES

	As of 31 March 2018	As of 30 June 2018	As of 30 September 2018	As of 31 December 2018
Total Outstanding Shares	379,838,732	379,838,732	379,838,732	379,838,732
Less: Government Holdings	-	-	-	-
Less: Share held by Directors / Sponsors / Senior Management Officers and their associates (Note 1)	(27,798,761)	(27,798,761)	(27,798,761)	(27,798,761)
Less: Shares in Physical Form	(449,838)	(444,338)	(438,839)	(437,839)
Less: Shares held by Associate companies / Group companies (Cross holdings)	(212,589,311)	(212,589,311)	(212,589,311)	(212,589,311)
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market	-	-	-	-
Less: Treasury Shares	-	-	-	-
Less: Any other category that are barred from selling at the review date	-	-	-	-
	(240,837,910)	(240,832,410)	(240,826,911)	(240,825,911)
Free Float	**139,000,822**	**139,006,322**	**139,011,821**	**139,012,821**

Basis of Preparation: This Statement is prepared in accordance with the requirements of Regulation No. 5.7.2(c)(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

LALPIR POWER LIMITED

Chief Executive

RIAZ AHMAD AND COMPANY CHARTERED ACCOUNTANTS

ANNUAL REPORT 2018

NISHAT

LALPIR POWER LIMITED

CONTENTS

THE COMPANY

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 8 May 1994 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station ("the Complex") having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

COMPANY PROFILE

BOARD OF DIRECTORS

Mian Hassan Mansha .... Chairman
Mr. Mahmood Akhtar .... Chief Executive Officer
Mr. Aurangzeb Firoz
Mr. Jawaid Iqbal
Mr. Muhammad Azam
Mr. Tanvir Khalid
Mr. Inayat Ullah Niazi

AUDIT COMMITTEE

Mr. Jawaid Iqbal .... Chairman
Mr. Inayat Ullah Niazi
Mr. Tanvir Khalid

HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE

Mr. Jawaid Iqbal .... Chairman
Mian Hassan Mansha
Mr. Inayat Ullah Niazi

CHIEF FINANCIAL OFFICER

Mr. Awais Majeed Khan

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

REGISTERED OFFICE

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

HEAD OFFICE

1-B, Aziz Avenue, Gulberg-V,
Lahore- Pakistan
Tel:042-35717090-96
Fax:042-35717239

BANKERS OF THE COMPANY

Habib Bank Limited
The Bank of Punjab
United Bank Limited
Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
NIB Bank Limited
MCB Bank Limited (Formerly NIB Bank Limited)
Bank Islami Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank (Pakistan) Limited
Pakbrunei Investment company
Meezan Bank Limited
Silk Bank Limited

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

SHARE REGISTRAR

Central Depository Company of Pakistan Limited
CDC House,99-B, Block-B, S.M.C.H.S
Shahra-e-Faisal, Karachi – 74400
Tel: (92-21) 111-111-500
Fax: (92-21) 34326053

PLANT

Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

VISION STATEMENT

ENLIGHTEN THE FUTURE THROUGH
EXCELLENCE, COMMITMENT, INTEGRITY
AND HONESTY

MISSION STATEMENT

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


SEARCH
ANALYSIS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of **Lalpir Power Limited** (the "Company") will be held on April 30, 2019 (Tuesday) at 11:00 A.M. at The Nishat Hotel (Emporium Mall), Trade and Finance Centre, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2018 together with the Directors' and Auditors' reports.

2. To approve Final Cash Dividend @ 10% [i.e. Re. 1/- (Rupee One Only) per Ordinary Share as recommended by the Board of Directors.

3. To appoint statutory Auditors for the year ending 2019 and fix their remuneration.

4. Special Business:-

   To consider and if deemed fit, to pass the following resolutions as Special Resolutions under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s).

A) RESOLVED that approval of the members of Lalpir Power Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for investment upto PKR 1,000,000,000/- (Rupees One Billion Only) in the form of loan / advance to Pakgen Power Limited ("Pakgen"), an associated company, for a period of one year starting from the date of approval by the members, at the mark up rate of 1 Month KIBOR plus 0.50% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions of loan agreement in writing and as disclosed to the members.

   FURTHER RESOLVED the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things and take any or all necessary steps and actions to complete all legal formalities including signing of agreement and other documents and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

B) "Resolved that approval of the members of Lalpir Power Limited (the "Company") be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017, and the Company be and is hereby authorized to invest up to PKR 200 Million (Rupees Two Hundred Million Only) from time to time in Nishat Hotels and Properties Limited ("NHPL"), an associated company, for subscribing at Par, fully paid up 20,000,000 ordinary shares of PKR 10 each of NHPL, subject to all other regulatory approvals, as applicable.

"Resolved Further that this resolution shall be valid for a period of three (3) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions."

"Resolved Further that subsequent to the above said equity investment, Chief Executive and/or Company Secretary be and are hereby authorized singly to dispose off, through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company and its shareholders."

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

By order of the Board

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

LAHORE
March 22, 2019

NOTES:

1. BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from 22-04-2019 to 30-04-2019 (both days inclusive) for entitlement of 10% Final Cash Dividend [i.e Re. 1/- (Rupee One Only) Per Ordinary Share] and attending and voting at Annual General Meeting. Physical transfers/ CDS Transactions IDs received in order in all respect up to 1:00 p.m. on April 19, 2019 at Share Registrar, Central Depository Company of Pakistan, Limited CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, will be considered in time for entitlement of 10% Final Cash Dividend and attending of meeting.

2. ATTENDANCE AT MEETING

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the Company. The proxy form is available on the Company's website: http://www.lalpir.com/.

Members, who have deposited their shares into Central Depositary Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.

Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan under Circular No.1 of 2000:

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

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

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

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 07 days prior to the date of the meeting on the Standard Form which can be downloaded from the Company's website: www.lalpir.com

3. EXEMPTION OF WITHHOLDING TAX:

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, Central Depository Company of Pakistan, Limited CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, up to April 19, 2019.

4. SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, Central Depository Company of Pakistan, Limited CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

5. ZAKAT DECLRATION (CZ-50):

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority.

In case you want to claim exemption from compulsory deduction of Zakat, please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form with Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio numbers/CDC Account numbers.s.

6. MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

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

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

Signature of shareholder

7. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:

In terms of the provisions of the Companies Act, 2017, the Company can send financial statements electronically to its members. In this regard, the members may send their email information on a standard form which is available at the Company's website i.e. www.lalpir.com and send the form, duly signed, along with copy of his/her CNIC to the Company's Share Registrar M/s Central Depository Company of Pakistan Limited.

8. Circulation of Annual Reports through Digital Storage

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of Lalpir Power Limited in AGM held on April 26, 2017 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.

9. 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.

10. 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 their address at least 7 days prior to the date of the meeting on the Standard Form available on the website of the Company.

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 30, 2019.

A) LOAN / ADVANCE TO PAKGEN POWER LIMITED

Pakgen Power Limited ("Pakgen") is a Public Limited Company incorporated on 22 June 1995 under the Companies Ordinance, 1984. The registered office of Pakgen is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. It is currently listed on the Pakistan Stock Exchange Limited.

Pakgen has a persistent problem with its trade debt balances which fluctuate routinely due to delay in payments from CPPA-G. This creates liquidity problems for Pakgen due to which it has to borrow funds from Banks and Financial Institutions to meet its working capital requirements.

Considering the average borrowing rate of the Company and the return offered by Banks on term deposits, the Directors of the Company has recommended loan / advance in the form of working capital loan up to Rs. 1 billion to Pakgen at the interest rate of 1 Month KIBOR plus 0.5% which shall not be less than borrowing cost of the Company. Repayment of the principle amount of loan/advance shall be made within one year from the date of approval by the members while payment of interest due shall be made on monthly basis. The Management expects the transaction to be beneficial for the Company and its shareholders as this will enhance the return on surplus funds available with the Company.

The Directors have certified that they have carried out necessary due diligence for the proposed investment before making recommendation for approval of the members and duly signed recommendation of the due diligence report shall be made available for inspection of members in the general meeting along with latest financial statements of Pakgen.

Pakgen is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Name	% of Shareholding
Mian Hassan Mansha	6.84
Mr. Aurangzeb Firoz	0.00

Information under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosure for all types of investments:		
(A) Disclosure regarding associated company		
i	Name of Associated Company or Associated Undertaking	Pakgen Power Limited (Pakgen)
ii	Basis of Relationship	Common Directorship
iii	Earnings / (Loss) per Share for the last three years	Year — Earnings per Share (Rs.) 2018 — 3.99 2017 — 3.53 2016 — 1.39
iv	Break-up value per Share, based on last audited financial statements	PKR 44.87 per share as at 31 December 2018.
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<u>Assets as at 31 December 2018 (Rupees '000)</u> Non-current assets – Rs. 7,710,768 Current assets – Rs. 21,101,212 Total assets – Rs. 28,811,980 <u>Total Current Liabilities – (Rupees '000)</u> Net equity – Rs. 16,693,680 Revenue 2018 – Rs. 16,218,296 Expenses (CGS+Admin) – Rs. 13,967,162 Other income – Rs. 97,863 Profit/(Loss) after tax- Rs. 1,485,141
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	N/A
	I — Description of the project and its history since conceptualization	N/A
	II — Starting date and expected date of completion of work	N/A
	III — Time by which such project shall become commercially operational	N/A
	IV — Expected time by which the project shall start paying return on investment	N/A
	V — Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	N/A

(B) General Disclosures:		
(i)	Maximum amount if investment to be made	PKR 1,000,000,000/- (Rupees One Billion Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	The company will earn income on its surplus funds which will add to profitability of the Company.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Surplus funds of the Company
	(I) Justification for investment through borrowings	N/A
	(II) Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	N/A
	(III) Cost of benefit analysis	N/A
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Agreement will be signed after approval by the members. Other significant terms and conditions are as under: 1. Interest due on outstanding amount of loan shall be paid by the associated company on monthly basis on 20th of every month starting from the next month of the disbursement of loan. 2. In case of delay in re-payment of principal and interest, an additional sum equivalent to 2% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by associated company to the Company in addition to the agreed interest amount. 3. All payments under the loan agreement shall be made through crossed cheques. 4. The associated company shall provide a corporate guarantee to secure the loan.

(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under: Two Directors of Lalpir Power Limited, Mian Hassan Mansha currently holds 3.93% shares, Mr. Aurangzeb Firoz currently holds 0.03% shares in Pakgen Power Limited. The associated companies holding shares of Lalpir Power Limited are interested in Pakgen Power Limited to the extent of their shareholding as follows: % Nishat Mills Limited 27.55 Security General Insurance Co. Ltd. 1.72 Adamjee Insurance Co. Ltd. 6.89 Engen (Pvt) Limited 17.33 The associated Companies holding shares of Pakgen Power Limited are interested in Lalpir Power Limited to the extent of their shareholding as follows: % Nishat Mills Limited 28.80 Security General Insurance Co. Ltd. 1.80 Adamjee Insurance Co. Ltd. 7.20 Engen (Pvt) Limited 18.17
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/ justification for any impairment or write offs	NA
(vii)	Any other important details necessary for the members to understand the transaction	None
Additional disclosure regarding investment in the form of Loan / Advance		
(i)	Category-wise amount of investment	PKR 1,000,000,000 (Rupees One Billion Only) in the form of working capital loan.
	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return unfunded facilities, as the case may be, for the relevant period	The current average borrowing cost of the Company for the year ended 31 December, 2018 was 7.38% . 1 Month KIBOR as on March 22, 2019 was 10.76%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	The Company shall charge mark up at the rate of 1 Month KIBOR plus 0.50% (which shall not be less than the average borrowing cost of the Company).
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	The associated company shall provide a corporate guarantee to secure the loan.

(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made within one year with payment of interest due on monthly basis.

B) EQUITY INVESTMENT IN NISHAT HOTELS AND PROPERTIES LIMITED

Nishat Hotels and Properties Limited (NHPL) was incorporated on 04 October 2007 as a public company limited by shares. Its authorized share capital is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 (One Billion) ordinary shares of PKR 10 each. The principal activity of the company is to own, manage, establish and operate a shopping malls, hotels and banquet halls. For the intended purpose, NHPL has acquired Hotel site of 119 Kanals, 6 Marlas and 73 SFT of Commercial Land situated at Trade and Finance Block, Johar Town, Lahore, from Lahore Development Authority (LDA) – Urban Development Wing and constructed Emporium Mall which is fully operational since July 2016. Hotel has been opened since May 2017 and 198 rooms are fully operational. The Building has a covered area of 2.742 Million Square Feet comprising the following building components:

- 4 star hotel having 198 fully equipped rooms
- Banquet halls
- Shopping Mall with following features:
- Retail outlets
- Food courts
- Cineplex
- Hyper Star
- Fun Factory
- Two basements with parking bays for cars and motorcycles.

Since NHPL is now fully operational, equity investment is mainly needed by NHPL to repay the long term finances obtained from financial institutions and to meet other working capital requirements.

The directors of the Company certify / undertake that the investment is being made after due diligence. The duly signed recommendation of the due diligence report and directors undertaking/ certificate shall be made available to the members for inspection at the meeting.

Lalpir Power Limited ("the Company) expects significant dividends in future which will eventually enhance the return on investment of the shareholders of the Company, therefore the Directors of the Company have proposed to invest Rs. 200,000,000 by acquiring at Par, fully paid up 20,000,000 ordinary shares of PKR 10 each of NHPL.

NHPL is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Name	% of Shareholding
Mian Hassan Mansha	6.84
Mr. Muhammad Azam	0.00
Mr. I.U. Niazi	0.00

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosure for all types of investments:		
(A) Disclosure regarding associated company		
i	Name of Associated Company or Associated Undertaking	Nishat Hotels and Properties Limited ("NHPL")
ii	Basis of Relationship	Common Directorship
iii	Earnings / (Loss) per share for the last three years	**30-Jun-18** (0.96) **30-Jun-17** (0.23) **30-Jun-16** (0.11)
iv	Break-up value per share, based on last audited financial statements	Rs 8.64 as per audited financial statements of 30th June, 2018.
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Half Year Result at 31-Dec-18 (Rupees) Total asset 27,317,220,647 Total liabilities 19,397,420,016 Total equity 7,919,800,631 Net profit/(loss) (370,773,072)
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	N/A
	I. Description of the project and its history since conceptualization II. Starting date and expected date of completion of work III. Time by which such project shall become commercially operational IV. Expected time by which the project shall start paying return on investment V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	

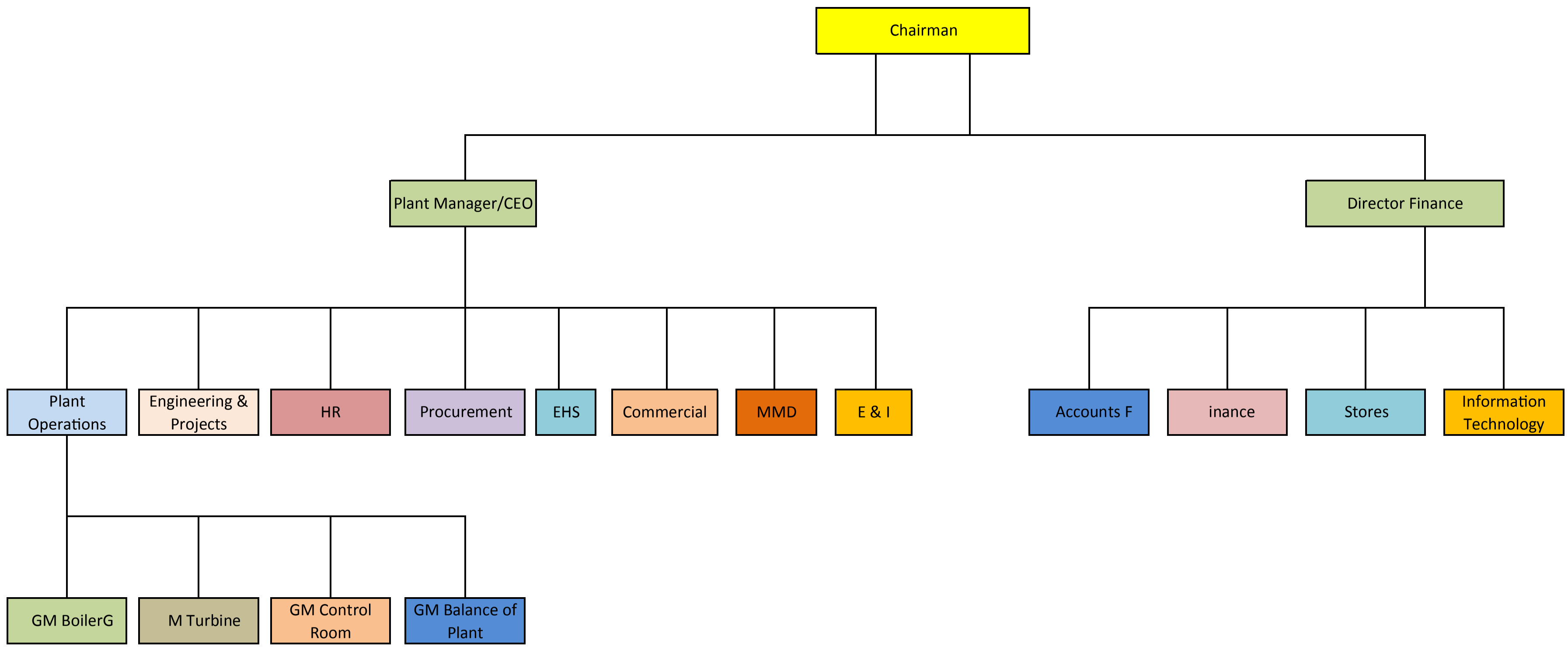
(B) General Disclosures:		
i	Maximum amount of investment to be made	Rs. 200,000,000 (Rupees Two Hundred Million Only)
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To earn dividend income and / or capital gains which will enhance the profitability of Lalpir Power Limited and add to the shareholders' value of the members of the investing Company. The investment in NHPL will be for long term.
iii	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	The investment will be made from company's available funds.
	(I). Justification for investment through borrowings (II). Detail of Collateral, guarantees provided and assets pledged for obtaining such funds (III). Cost benefit analysis	NA NA NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	NA
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under: The directors of Lalpir Power Limited (Lalpir), their relatives and associated companies holding shares of Nishat Hotels and Properties Limited (NHPL) are interested to the extent of their shareholding as under:- Directors: — % of Shareholding Mian Hassan Mansha — 21.72 Mr. I.U. Niazi — 0.00 Mr. Muhammad Azam (Common Director) — 0.00 Relatives: Mian Umer Mansha — 21.72 Mian Raza Mansha — 21.50 Both brothers of Mian Hassan Mansha. Mrs. Iqraa Hassan Mansha (Spouse of Mian Hassan Mansha) — 0.00 Associated Companies Nishat Mills Limited — 7.40 Security General Insurance Co. Ltd. — 7.40 D. G. Khan Cement Company Limited — 10.41 The directors of NHPL are interested in Lalpir to the extent of their shareholding as under:- Name — % of Shareholding Mian Hassan Mansha — 6.84 Mr. I.U. Niazi — 0.00 Mr. Muhammad Azam — 0.00 The associated Companies holding shares of NHPL are interested in Lalpir to the extent of their shareholding as follows: Name — % of Shareholding Nishat Mills Limited — 28.80 Security General Insurance Co. Ltd. — 1.80

(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	The Company has provided NHPL a loan of Rs. 1 billion as working capital. The Company has already earned Rs. 68.582 million as mark-up income on said loan since such loan is provided to NHPL. The price for this loan would increase, subject to approval by shareholders, in line with prevailing situation of financial market.
(vii)	Any other important details necessary for the members to understand the transaction	None
(b) Additional disclosure regarding Equity Investment		
(i)	Maximum price at which securities will be acquired	Par value of Rs. 10/- per Share
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	NA
(iii)	Maximum number of securities to be acquired	20,000,000 Shares of Rs. 10/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment	No. of Shares / %age Before: 0 / 0 After: 20,000,000 / 1.87
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	The fair value of the share determined in terms of Regulation 5(1) is Rs. 14.47 per share based on discounted cash flows using "Free Cash Flow to the Company" at discount rate of 12.54% with 4% terminal growth rate. (Copy of fair valuation report issued by HBL Ijaz Tabussam & Co., Chartered Accountants, is available at Registered Office of the Company and can be inspected in working hours up to April 29, 2019).

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Name of Investee Company	Lalpir Solar Power (Pvt) Limited
Total Investment Approved	Equity investment of Rs 270,270,000 (Rupees Two Hundred Seventy Million Two Hundred Seventy Thousand Only) was approved by members in AGM held on April 30, 2016 for the period of (3) years.
Amount of Investment Made to date	NIL
Reason for not having made complete Investment so far where resolution Required to be implemented in Specified time.	Investment in Lalpir Solar Power (Pvt) Limited. is based on certain milestones which have not yet been accomplished. The first such milestone was to conduct Grid Interconnection Study (GIS), which has been approved by Multan Electric Power Company (MEPCO) and planning power wing of National Transmission & Dispatch Company Limited. However, consent of Power Purchaser i.e., Central Power Purchasing Agency Guarantee Limited (CPPA-G) is still pending. The approval for making of said investment was allowed for a period of 3 years from the date of approval i.e. April 30, 2016 and is going to be expired on April 29, 2019.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Lalpir Solar Power (Pvt.) Limited has issued paid-up share capital of 100,000 shares of Rs 10 each amounting to Rs.1,000,000 (Rupees One Million only).

ORGANIZATION CHART



CHAIRMAN'S REVIEW

It is my pleasure to present to you the Annual Report of Lalpir Power Limited, for the year ended December 31, 2018. I would like to appreciate the trust and support forwarded by our stakeholders which helped the Company to post earnings per share of Rs 1.97 in current year as compared to Rs 2.56 last year.

Pakistan's power generation capacity has witnessed a notable increase as a result of an improved power policy climate over the past few years with notable investments by local and foreign players in Pakistan's energy sector. Despite this, the persistence of an inappropriate energy mix in the country and the lack of investment on renewable energy solutions has unfortunately given rise to a much higher cost of power generation than our regional peers. The power industry at large also needs to handle loopholes in distribution and transmission as well as recover revenue that is largely lost to power theft.

Throughout our growth strategy, sustainable generation remains at the core of our business philosophy.

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

The Company is committed to good Corporate Governance. I am pleased to report that the performance of the Board has been par excellence which has helped in effective steering of the Company during the year. The Board acknowledges its responsibility in respect of Corporate & Financial Reporting Framework. The Board is also cognizant of its strategic role in achieving the Company's key objectives and is focused on enriching the returns of its shareholders & other stakeholders.

I would like to express my gratitude to the shareholders, of their great contribution in progress of the Lalpir Power Limited .

On behalf of the shareholders thank to employees for their unrelenting mission in making the company premier.

Chairman
Lahore: March 22, 2019

چیئرمین کا جائزہ

میں 31 دسمبر، 2018ء کو ختم ہونے والے سال کے لئے، لال پیر پاور لمیٹڈ کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ میں اپنے شراکت داروں کے اعتماد اور تعاون کی تعریف کرنا چاہوں گا جنہوں نے کمپنی کی گزشتہ سال 2.56 روپے کے مقابلے موجودہ سال میں 1.97 روپے فی شیئر آمدنی درج کرنے میں مدد کی۔

پاکستان کے توانائی کی شعبے میں مقامی اور غیر ملکی سرمایہ کاروں کی قابل ذکر سرمایہ کاری کے ساتھ گزشتہ چند سالوں میں بہتر پاور پالیسی ماحول کے نتیجے میں پاکستان کی بجلی پیدا کرنے کی صلاحیت میں قابل ذکر اضافہ ہوا ہے۔ اس کے باوجود، ملک میں غیر موزوں انرجی مکس کے تسلسل اور قابل تجدید توانائی کے حل پر سرمایہ کاری کی کمی نے بدقسمتی سے ہمارے علاقائی حریفوں کے مقابلے بجلی پیدا کرنے کے اخراجات کو بہت زیادہ بڑھا دیا ہے۔ بڑے پیمانے پر بجلی کی صنعت کو بھی تقسیم اور ٹرانسمیشن اور آمدنی حاصل کرنے میں کوتاہیوں کو ہینڈل کرنے کی ضرورت ہے جس کی بڑی وجہ بجلی چوری ہونے کی بدولت بہت زیادہ نقصان ہے۔

ہماری گروتھ حکمت عملی کے دوران، پائیدار جنریشن ہمارے کاروباری فلسفہ کی بنیاد رہتی ہے۔

ہماری سماجی ذمہ داری، ہمارے پلانٹس کے آس پاس ضرورت مندوں کی خدمت اور معاونت جاری رکھتی ہے۔ ہم اپنے پلانٹس کے آس پاس صحت کی دیکھ بھال اور اسکولوں کو مدد فراہم کرنا جاری رکھتے ہیں۔ ہمارے اسپانسر شدہ ہسپتال علاقے میں ضروری دیکھ بھال اور آسانی مہیا کرتے ہیں، اور ہمارے سپانسر کردہ سکول اسکالرشپس تمام طالب علموں کی مدد جاری رکھتے ہیں۔

کمپنی اچھے کارپوریٹ گورننس کے لئے پُرعزم ہے۔ میں بیان کرتے ہوئے خوشی محسوس کرتا ہوں کہ بورڈ کی کارکردگی شاندار ہے جس نے سال کے دوران کمپنی کے موثر کنٹرول میں مدد کی ہے۔ بورڈ کارپوریٹ اور مالی رپورٹنگ فریم ورک کے حوالے سے اپنی ذمہ داری قبول کرتا ہے۔ بورڈ کمپنی کے اہم مقاصد کو حاصل کرنے میں اپنے اسٹریٹجک کردار سے بھی واقف ہے اور اس کے حصص یافتگان اور دیگر اسٹیک ہولڈرز کے منافع کو بڑھانے پر توجہ مرکوز رکھتا ہے۔

میں لال پیر پاور لمیٹڈ کی ترقی میں ان کی عظیم شراکت داری پر، حصص داروں کا شکر گزار ہوں۔

حصص داروں کی جانب سے کمپنی کو پریمیئر بنانے میں ان کے غیر جانبدار مشن کے لئے ملازمین کا شکریہ ادا کرتا ہوں۔

Hasan Irfan

چیئرمین

لاہور: 22 مارچ 2019

DIRECTOR'S PROFILE

MIAN HASSAN MANSHA

Mian Hassan Mansha has been serving on the Board of various listed companies for several years. He also serves on the Board of Nishat Power Limited, Security General Insurance Company Limited, Nishat Mills Limited, Pakgen 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 Automobiles (Private) Limited, Nishat Real Estate Development Company (Private) Limited, Nishat Agriculture Farming (Private) Limited and Hyundai Nishat Motor (Pvt) Limited.

MR. AURANGZEB FIROZ

Mr. Aurangzeb Firoz is a graduate from the Lahore American School and of the University of London. He has recently completed his MBA from Cornell University, USA. His prime experience is focused in the areas of finance, business strategy and operation management. He is a director of City Schools Group and has been instrumental in providing strategic and operational support in driving business expansion into Arab States for City Schools' (Pvt) Limited.

Mr. Aurangzeb Firoz holds directorships of Pakgen Power Limited, City Schools (Private) Limited, Educational System (Private) Limited, Smart Education System (Private) Limited, The Smart School (Private) Limited, City APIT (Private) Limited, Engen Private Limited, City Educational Services Private Limited, Premier Realities (Pvt) Limited, formerly AF & Co (Pvt) Ltd, Remington Realties (Pvt) Ltd Formerly JF & Co (Pvt) Ltd, City Agro Private Limited.

MR. JAWAID IQBAL

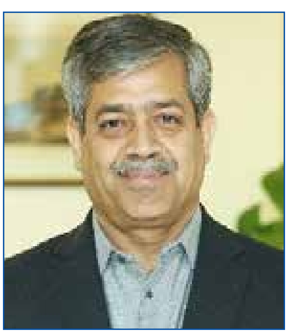
Mr. Jawaid Iqbal is a Bachelor of Science from University of Pennsylvania, USA. He has over 19 years of vast experience of working as Chief Executive/Director of various Listed and non-listed companies. He also serves as Chief Executive Officer of Gul Ahmed CBMC Glass Company Limited and Metro Property Network (Pvt) Limited and Director on the Boards of Gul Ahmed Bio Films Limited and Metro Property Network (Pvt) Limited.

MR. MAHMOOD AKHTAR (CEO)

Mr. Mahmood Akhtar holds an MBA degree from Punjab University and has over 36 years of managerial experience spread across various industries. He also serves on the Board of D. G. Khan Cement Company Limited, Nishat Mills Limited, Nishat Power Limited, Security General Insurance Company Limited, Nishat Hospitality (Pvt) Limited, Nishat Paper Products Company Limited, Nishat (Gulberg) Hotels and Properties Limited and Nishat Commodities (Pvt) Limited.

MR. MUHAMMAD AZAM

Mr. Muhammad Azam is a fellow member of the Institute of Chartered Accountants of Pakistan he has over 37 years' of experience He is working as Sr. General Manager (F& A) with Nishat Mills Limited since 1991 and currently working as Chief Financial Officer of Nishat Mills Limited he also hold office of director in Security General Insurance Company Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Real Estates Development Company (Pvt) Limited.



MR. INAYAT-ULLAH NIAZI

He is a Commerce Graduate and C.A. Inter. His experience spans about 34 years. His expertise is in accounts, tax, audit, finance, treasury, budget and planning.

He has served a director Lahore Stock Exchange. He is CFO of D.G. Khan Cement Company Limited and Nishat Paper Products Company Limited.

He is also serving a director in Security General Insurance Company Limited, Pakistan Aviators & Aviation (Private) Limited, Nishat Hotels & Properties Limited, Nishat (Aziz Avenue) Hotels & Properties Limited, Nishat (Raiwind) Hotels & Properties Limited, Nishat Energy Limited, Lalpir Solar Power (Private) Limited, National Clearing Company of Pakistan and LSE Financial Services Limited.

MR. TANVIR KHALID – DIRECTOR

Mr. Tanvir Khalid is associated with the Nishat Group since 2007. He is working presently as the Chief Financial Officer of Nishat Power Limited. Mr. Tanvir is a fellow member of the Institute of Chartered Accountants of Pakistan and has overall experience of 18 years in Financial Management, Taxation, Corporate Laws, Account functions and Human Resource Management. He also has hands on experience for working on the tariff / financial models, forecasts, negotiations with EPC and O&M contractors and dealing with Banks, insurance companies and government regulatory authorities.

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, 2018 together with the auditors' report thereon.

GENERAL

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 8 May 1994 under the 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 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Sole purchaser of the power is Central Power Purchasing Agency (Guarantee) Limited (CPPA-G).

FINANCE

We report that during the year 2018 the total sales revenue of the Company was Rupees 16.809 billion (2017: Rupees 18.313 billion) and operating costs were Rupees 14.918 billion (2017: Rupees 16.508 billion), resulting in gross profit of Rupees 1.891 billion (2017: Rupees 1.805 billion). The Company earned a net profit of Rupees 747.472 Million resulting in earnings per share of Rupees 1.97 as compared to a net profit of Rupees 972.340 Million and earnings per share of Rupees 2.56 last year.

Main reason for decrease in net profit for year ended 31 December 2018 in comparison with year ended 31 December 2017 is increase in delta loss by Rupees 70.313 Million due to increase of 1.11 Grams per kWh fuel consumption as compared to last year. The other major reason for decrease in profit is because of major overhauling.

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 2018 an amount of Rupees 13.659 billion was outstanding against CPPA-G. This is a sectoral issue and is part of what is commonly known as circular debt. Power Division, Ministry of Energy, Government of Pakistan in collaboration of Ministry of Finance and other institutions is working on plans to raise PKR 600 billion through Sukuk bonds to start clearing the long outstanding dues of IPP and others. Partial disbursements are expected in Q1 and Q2 2019. The plan is to clear most of the debts by end 2020.

We would like to draw your attention to emphasis of matter paragraph of the independent auditors' report to the members. CPPA-G had raised invoices for liquidated damages to the Company from 11th to 21st agreement year (up to December 2018) amounting to Rs.3,343.29 million (2017: Rs.3,343.80 million) out of these ,the company has accepted and paid Rs 35.27 million (2017: Rs. 34.82 million) on account of short supply of electricity by the Company, which was due to cash constraints of the Company as a result of default by CPPA-G in making timely payments. The Company disputed and rejected invoices for liquidated damages on the premise that its failure to dispatch electricity was due to CPPA-G's non-payment of dues on timely basis. In accordance with dispute resolution mechanism of the PPA, the Company and CPPA mutually agreed to appoint Justice (retired) Tassaduq Husain Jillani as an Expert to review respective point of views and award a decision. On 22 June 2017, the mediation expert gave his decision in favor of the Company that CPPA-G had no right to ask for damages for a situation caused by its own action. This decision is recommendatory in nature and non-binding on either party. The onus to take the dispute any further is on CPPA-G. The Company has asked CPPA-G to withdraw its liquidated damages invoices.

During the year, the Company has filed case for arbitration in the International Chamber of Commerce (ICC) to resolve the following matters, as per the mechanism allowed by PPA for resolutions of disputes:

- On various occasions, CPPA-G has sought to set off amounts allegedly owed to it as liquidated damages against amounts it must pay to the Company as part of its obligations to make capacity payments. On 8 January 2018, CPPA-G wrote to the Company, threatening to set off a total of Rupees 3.4 billion which it considers as allegedly due to it, against capacity payment invoices to be issued by the Company. The far-reaching implications of CPPA-G's threat to take unilateral action left the Company with no option but to approach the courts of Pakistan for interim relief, until the matter gets resolved finally through arbitration, in accordance with the provisions of the PPA. In its orders dated 16 January 2018, the Lahore High Court suspended the legal effect of CPPA-G's 8 January 2018 letter on an interim basis.

- In September and November 2015, CPPA-G sent a number of letters to the Company, purporting to deduct amounts from the energy payments due to the Company on the basis that it had procured fuel from suppliers other than the Pakistan State Oil Company Limited ("PSO"). Amounts withheld on this account from the invoices of the Company totaled Rupees 150.7 million. PPA does not allow CPPA-G to dispute invoices on the basis that fuel was procured from a provider other than PSO. Neither is CPPA-G permitted to retroactively dispute invoices, many months or years after they have become due.

- CPPA-G is required to provide and renew a Letter of Credit. Letter of Credit must allow access to "immediately available funds", which "shall be in an amount equal to an aggregate of two (2) Months of capacity payments plus energy payments". CPPA-G has failed to renew the Letters of Credit, following their expiry on 23 December 2010.

- In addition to its persistent failure to make timely energy and capacity payments, CPPA-G has also failed to comply with its obligation to pay interest to the Company. PPA provides that "Late payments shall bear interest". As a result, a total of Rupees 355.24 million in unpaid interest is due at the date of the latest invoice submitted by the Company (till the date of request for arbitration).

- For a number of years CPPA-G has been issuing despatch instructions requesting the Company to run the power plant continuously at a low minimum load, or to perform significant ramping up or down at short notice. The continued operation of the power plants at low load as well as ramping up or down at short notice gives rise to a host of operating problems, including erosion of the valves and high boiler vibrations, which causes the power plant to shut down.

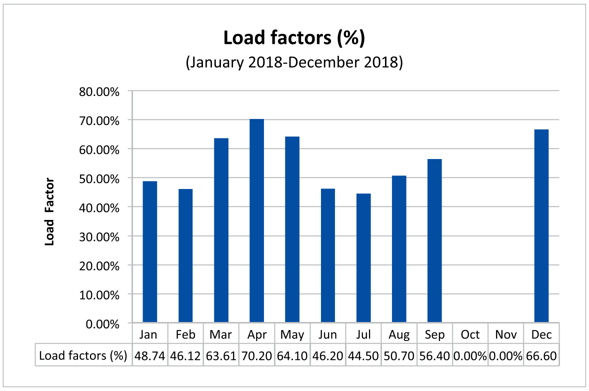
Subsequent to the reporting period, an arbitrator has been appointed who will frame the case and the case is still pending for hearing.

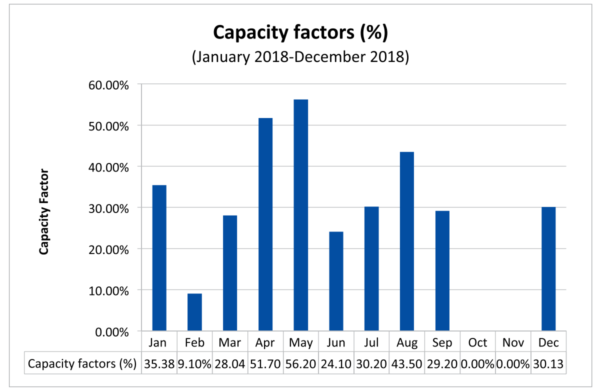
CPPA-G issued a notice on 20 March 2017, disputing all the invoices of the Company on the grounds that the Company was in default of its obligations under the PPA and accordingly not eligible for the cost of working capital claimed and adjustment on account of heat rate savings. The Company challenged the dispute notice in the Honourable Lahore High Court ("the Court"). The Court issued a stay order restraining CPPA-G from disputing any invoice of the Company.

OPERATIONS AND SIGNIFICATE EVENTS:

In response to load demanded by CPPA-G, the Lalpir plant operated at capacity factor of 28.3% with a load factor of 56.2% and an availability of 98.6% and dispatched 868.284 GWh of electricity. The Company continues to allocate funds on various improvement projects towards the ongoing modernization of the plant in order to ensure its long term integrity and maximum availability for our customer CPPA-G.

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





ANNUAL CAPACITY TEST

As per the requirement of Power Purchase Agreement (PPA), the Company conducted its Annual Capacity Test on May 09, 2018 whereby it successfully maintained the capacity of 350 MW.

PERFORMANCE IMPROVEMENT

Continuous efforts are being made to improve the plant performance. Organizational changes were made to bring more energy and focus in the efficiency enhancement, however, low dispatch levels have nullified such efforts. Company is discussing with CPPA-G and National Power Control Centre (NPCC) of possibilities of dispatching the plant at high load levels to improve its fuel efficiency.

FUEL CONVERSION

There has been no further action on converting the existing technology from oil fired to coal fired boiler. Main reason has been government policy to restrict use of imported coal on certain projects only e.g. China–Pakistan Economic Corridor (CPEC).

Company awaits the new private power policy due to be announced in Q2 2019 to evaluate options for fuel change.

LALPIR SOLAR POWER (PVT) LIMITED:

The planned 20 MW IPP is still on hold for change of financial outlook. However, the approval of the Interconnection Study by National Transmission & Dispatch Company (NTDC) and Multan Electric Power Company (MEPCO) has been obtained.

CREDIT RATINGS

The Company has continuously been receiving “AA” (Double A) as long term rating and “A1+” (A One Plus) 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.

HUMAN RESOURCES

During the year, the company approved and implemented revisions in its HR Policy and Service Rules. These were aimed to provide a competence and career management framework to attract and retain high quality human capital. Behavioral conduct was included in annual performance evaluation to encourage positive attitudes and behavior.

INTERNAL AUDIT AND CONTROL:

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

ENVIRONMENT HEALTH AND SAFETY

Lalpir 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 time lost due to any injury.

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 company 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 company also arranges special eye camp for the local community on annual basis in collaboration with LRBT.
- Supporting operational expenses to 'CARE Foundation' for the five adopted government schools of local community.
- Continued its support to 'The Citizens Foundation (TCF)' to manage a primary school and upgrade it to metric level.
- Support a program for the free education to the house maids working in employee's community.
- The company has upgraded many local government institutions like Vocational Training Institute and higher secondary school.
- 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 2017

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Rule Book of Pakistan Stock Exchange.

The statement of compliance with the CCG Regulations, 2017 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 2018, were as follows;

  Provident fund: 31 December 2018 is Rupees: 174.356 Million

  Gratuity fund: 31 December 2018 is Rupees: 92.478 Million

COMPOSITION OF BOARD:

Total number of Directors:		
(a) (b)	Male Female:	7 0
Composition:		
(i) (ii) (iii)	Independent Directors Other Non-executive Directors Executive Directors	1 6 1

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

Sr. #	Name of Directors		No. of Meetings Attended
1	Mian Hassan Mansha	(Director/Chairman)	5
2	Mr. Aurangzeb Firoz		4
3	Mr. Jawaid Iqbal		2
4	Mr. Khalid Qadeer Qureshi* (Deceased on 24-02-2019)	(Director/CEO)	5
5	Mr. Mahmood Akhtar		5
6	Mr. Muhammad Azam		4
7	Mr. Inayat Ullah Niazi		5
8	Mr. Tanvir Khalid *		0

* Mr. Khalid Qadeer Qureshi died on 24-02-2019 and Mr. Mahmood Akhtar has been appointed as CEO with effect from March 05, 2019 and Mr. Tanvir Khalid has been appointed as Director on the Board of Directors with effect from March 05, 2019 to fill the casual vacancy.

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

Sr. #	Name of Directors		No. of Meetings Attended
1	Mr. Jawaid Iqbal	(Member/Chairman)	2
2	Mr. Mahmood Akhtar*	(Member)	4
3	Mr. Tanvir Khalid*	(Member)	0
4	Mr. Inayat Ullah Niazi	(Member)	5

* Mr. Mahmood Akhtar resigned from the Committee and Mr. Tanvir Khalid appointed as member in place of Mr. Mahmood Akhtar on March 05, 2019.

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

Sr. #	Name of Directors		No. of Meetings Attended
1.	Mr. Hassan Mansha	(Member)	2
2.	Mr. Jawaid Iqbal	(Member/Chairman)	1
3	Mr. Mahmood Akhtar *	(Member)	2
4.	Mr. I.U. Niazi *	(Member)	0

* Mr. Mahmood Akhtar resigned on March 05, 2019 and Mr. I.U. Niazi was appointed as member in place of Mr. Mahmood Akhtar on March 05, 2019.

DIRECTORS' REMUNERATION:

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

PATTERN OF SHAREHOLDING:

The statement of pattern of shareholding as on 31 December 2018 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, 2018 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 Ordinance, 1984 (now Companies Act, 2017). The Company maintains a record of all such transactions.

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

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

APPROPRIATIONS

The Board of Directors take pleasure to recommend, to the shareholders of the Company for approval in the ensuing Annual General Meeting, a final dividend at the rate of Rupees 1 per ordinary share of Rupees 10/ each (i.e. @ 10%) which will be paid to those shareholders whose names would appear on members' register on the date as mentioned in the notice of Annual General Meeting (AGM).

AUDITORS

The present auditors M/s Riaz Ahmad and Company, Chartered Accountants retired and being eligible, offer themselves for re-appointment for the year 2019. 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, hardworking 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

Mr. Mahmood Akhtar
Chief Executive Officer
Lahore: 22nd March, 2019

Tanvir Khalid
Director

ڈائریکٹرز لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "کمپنی" کے ڈائریکٹرز 31 دسمبر 2018 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ اور نظر ثانی شدہ مالی حسابات معہ آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عام معلومات

لال پیر پاور لمیٹڈ ("کمپنی") ایکمپنیز ایکٹ 2017 ، کے تحت 8 مئی 1994 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 362 میگاواٹ کی مجموعی گنجائش کے مقابل 350 میگاواٹ 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 پرچیزنگ ایجنسی گارنٹی لمیٹڈ (CPPA) ہے۔

مالی نتائج

ہم بیان کرتے ہیں کہ سال 2018 کے دوران کمپنی کی فروخت کی کل آمدنی 16.809 بلین روپے (2017: 18.313 بلین روپے) اور آپریٹنگ اخراجات 14.918 بلین روپے (2017: 16.508 بلین روپے) جس کے نتیجے میں 1.891 بلین روپے کا مجموعی منافع (2017: 1.805 بلین روپے) حاصل ہوا تھا۔ کمپنی نے گزشتہ سال 972.340 ملین روپے خالص منافع اور 2.56 روپے فی شیئر آمدنی کے مقابلے موجودہ سال 747.472 ملین روپے خالص منافع کمایا جس کے نتیجے میں 1.97 روپے فی شیئر آمدنی حاصل ہوئی۔

31 دسمبر 2017 مختتمہ مدت کے موازنہ میں 31 دسمبر 2018 مختتمہ مدت کے خالص منافع میں کمی کی بڑی وجہ 70.313 ملین روپے کے ڈیلٹا نقصان میں اضافہ ہے جو گزشتہ سال کے مقابلے ایندھن کے استعمال میں 1.11 گرام فی KWH اضافہ کی وجہ سے ہوا۔ منافع میں کمی کی دوسری بڑی وجہ اہم اوور ہالنگ ہے۔

ہماری واحد صارف CPPA-G سینٹرل پاور پرچیزنگ ایجنسی گارنٹی بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کیا گیا کے مطابق اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہا۔ 31 دسمبر 2018 کو CPPA-G کے ذمہ بقایا رقم 13.659 بلین روپے تھے۔ یہ ایک سیکٹورل مسئلہ ہے اور عام الفاظ میں گردشی قرضہ کا ایک حصہ ہے۔

آئی پی پی اور دیگرز کے طویل بقایا واجبات کی ادائیگی کا آغاز کرنے کے لئے پاور ڈویژن، وزارت توانائی، حکومت پاکستان وزارت مالیات اور دیگر اداروں کے تعاون سے سکک بانڈز کے ذریعے 600 بلین پاکستانی روپے اکٹھے کرنے کے منصوبوں پر کام کر رہی ہے۔ جزوی فراہمیاں مالی سال 2019 کی پہلی اور دوسری سہ ماہی میں متوقع ہیں۔ 2020 کے اختتام تک اکثر قرضوں کو ادا کر دینے کی منصوبہ بندی ہے۔

ہم ارکان کو آزاد آڈیٹر کی رپورٹ کے اہم پیراگراف پر توجہ دلانا چاہیں گے کہ، CPPA-G نے کمپنی کے پاس 11 ویں تا 21 ویں ایگریمنٹ سال سے (دسمبر 2018 تک) 3,343.29 ملین روپے (2017: 3,343.80 ملین روپے) رقم کے لیکویڈیٹڈ نقصانات کی انوائسز جمع کرائی ہیں جن میں سے، کمپنی نے قبول کیا اور 35.27 ملین روپے (2017: 34.28 ملین روپے) کمپنی کی طرف سے شارٹ سپلائی کی مد میں ادا کر دیئے گئے ہیں، CPPA-G کی طرف سے بروقت ادائیگیوں میں ناکامی کے نتیجے کمپنی کے کیش کی رکاوٹوں کے باعث تھے۔ کمپنی اس بنیاد پر متنازعہ ہے لیکویڈیٹڈ نقصانات کیلئے انوائسز کور کرتی ہے کہ بجلی کی ترسیل میں اس کی ناکامی CPPA-G کی طرف سے واجبات کی بروقت عدم ادائیگی کی وجہ سے تھی۔ کمپنی اور CPPA-G نے سابق چیف جسٹس پاکستان جسٹس تصدق حسین جیلانی کو PPA میں دیئے گئے میکانزم کے تحت ثالث مقرر کیا ہے۔ تحریری بیانات اور دلائل سمیت ایک جامع عمل کے بعد، معزز ثالث نے 22 جون 2017 کو اپنے نتائج اور سفارشات جاری کیں۔ نتیجہ کمپنی کے موقف کی حمایت کرتا ہے کہ CPPA-G کو پہنچنے والے اپنے لیکویڈیٹڈ نقصانات کا دعویٰ نہیں کر سکتا۔ کمپنی نے CPPA-G سے لیکویڈیٹڈ نقصانات کے لئے اپنی انوائس واپس لینے کی درخواست کی ہے۔

سال کے دوران، کمپنی نے تنازعات کے حل کے لئے PPA کی طرف سے اجازت یافتہ میکانزم کے مطابق، درج ذیل معاملات کے حل کے لئے انٹرنیشنل چیمبر آف کامرس (ICC) میں ثالثی کے لئے مقدمہ داخل کیا ہے۔

کئی موقعوں پر، CPPA-G نے کپیسٹی ادائیگیاں کرنے کی اپنی ذمہ داریوں کے حصہ کے طور پر کمپنی کو لازمی ادا کی جانے والی رقوم کے خلاف لیکویڈیٹڈ نقصانات کو مبینہ طور سے ان رقوم کو ختم کرنے کی کوشش کی ہے۔ 8 جنوری 2018 کو، G-CPPA نے اس کمپنی کو مجموعی طور پر 3.4 بلین روپے ختم کرنے کی دھمکی دی ہے جسے کمپنی کی طرف سے جاری ہونے والی کپیسٹی ومنٹ انوائسز کے خلاف مبینہ طور پر اس کی وجہ سمجھا جاتا ہے۔ G-CPPA کی دھمکی کے یکطرفہ کارروائی کے دوران حضرات نے معاملہ کو PPA کی دفعات کے مطابق ثالثی کے ذریعے حتمی حل حاصل کرنے تک عبوری ریلیف کے لئے پاکستانی عدالتوں تک رسائی حاصل کرنے کا کمپنی کے پاس کوئی اختیار نہیں چھوڑا۔ 16 جنوری 2018 کو اپنے احکامات میں، لاہور ہائی کورٹ نے CPPA-G کے 8 جنوری 2018 کے مراسلہ کے قانونی اثر کو عبوری بنیاد پر معطل کر دیا۔

ستمبر اور نومبر 2015 میں، CPPA-G نے کمپنی کو بجلی کی واجب ادائیگیوں سے رقم منہا کرنے کے حوالے سے کئی خطوط اس بنیاد پر بھیجے کہ اس نے ایندھن پاکستان اسٹیٹ آئل کمپنی لمیٹڈ ("PSO") کے علاوہ سپلائرز سے خریدا تھا۔ کمپنی کے انوائسوں سے اس مد میں کل 150.7 ملین روپے کی رقم کی ادائیگی روک لی گئی ہے۔ پی پی اے CPPA-G کو PSO کے علاوہ کسی فراہم کنندہ سے ایندھن خریدنے کی بنیاد پر انوائسوں پر تنازع کرنے کی اجازت نہیں دیتا ہے۔ نہ ہی CPPA-G کو واجب ہونے کے بعد کئی مہینے یا کئی سال، انوائسز کو فعال طور پر متنازع بنانے کی اجازت دی گئی ہے۔

CPPA-G کو کریڈٹ خط فراہم اور تجدید کرنے کی ضرورت ہے۔ کریڈٹ خط لازمی طور پر "فوری طور پر فنڈز کی دستیابی" تک رسائی حاصل کرنے کی اجازت دیتا ہے، جو "دو (2) ماہ کی کیپسٹی ادائیگی کے ساتھ ساتھ بجلی کی ادائیگیوں کے مجموعے کے برابر رقم" ہوگی۔ CPPA-G 23 دسمبر 2010 کو اس کے ختم ہونے کے بعد، کریڈٹ خطوط کو تجدید کرنے میں ناکام رہی ہے۔

بجلی اور کیپسٹی ادائیگیوں کی بروقت ادائیگی کرنے میں مسلسل ناکامی کے علاوہ، CPPA-G کمپنی کو سود ادا کرنے کی اپنی ذمہ داری کے مطابق عمل کرنے میں بھی ناکام رہی ہے۔ پی پی اے کہا گیا ہے کہ "دیر سے ادائیگی پر سود ادا کرنا ہوگا"۔ نتیجے میں، کمپنی کی طرف سے تا تاریخ (تلافی کے لئے درخواست کی تاریخ تک) جمع کرائی گئی حالیہ انوائس میں غیر ادا شدہ سود میں کل 355.24 ملین روپے کی رقم درج کی گئی ہے۔

کئی سالوں سے CPPA-G کمپنی کو مسلسل کم از کم لوڈ میں کم از کم بوجھ پر پاور پلانٹ کو چلانے کے لئے یا مختصر نوٹس پر اہم حد تک بڑھانے یا کم انجام دینے کی ہدایات جاری کر رہا ہے۔ کم لوڈ پر پاور پلانٹ کے مسلسل آپریشن کے ساتھ ساتھ مختصر نوٹس پر والوز اور ہائی بوائلر وائبریشنز کے خاتمہ سمیت ریمپ لگانے یا پیچھے چلنے والے آپریشنز کے مسائل میں اضافہ ہوتا ہے، جس کی وجہ سے پاور پلانٹ بند ہو جاتا ہے۔

رپورٹنگ مدت کے بعد، ایک ثالث مقرر کیا گیا ہے جو کیس کو فریم کرے گا اور کیس کی سماعت ابھی زیر التوا ہے۔

CPPA-G نے 20 مارچ 2017 کو ان وجوہات کی بناء پر کمپنی کے تمام متنازعہ انوائسوں کے بارے میں ایک نوٹس جاری کیا کہ کمپنی پی پی اے کے تحت اپنی ذمہ داریاں پوری کرنے میں ناکام رہی تھی اور اس کے مطابق ورکنگ کیپٹل کی لاگت کا دعویٰ اور ہیٹ ریٹ سیونگز کی مد میں ایڈجسٹمنٹ کرنے کی اہل نہیں ہے۔ کمپنی نے معزز عدالت عالیہ لاہور ("کورٹ") میں متنازعہ نوٹس کو چیلنج کیا۔ عدالت نے کمپنی کی کسی بھی متنازعہ انوائس سے CPPA-G کو سٹے آرڈر جاری کیا۔

آپریشنز اور اہم واقعات:

CPPA کی طرف سے مطلوبہ لوڈ کے جواب میں لال پیر پلانٹ 56.2 فیصد اوسط لوڈ فیکٹر اور 98.6 فیصد کی اوسط دستیابی کے ساتھ 28.3 فیصد کے صلاحیتی عنصر پر چلایا گیا اور 868.284 GWh بجلی ترسیل کی گئی۔ کمپنی ہمارے صارف CPPA کے لئے اپنی طویل مدتی سالمیت اور زیادہ سے زیادہ دستیابی کو یقینی بنانے کے لئے پلانٹ کی جدت طرازی کی خاطر مختلف بہتری کے منصوبوں پر فنڈز مختص کرتی رہتی ہے۔

کم قیمت میں ہائیڈل انرجی، کوئلہ اور آر ایل این جی پر مبنی نئے پاور جنریشن پلانٹس کی تنصیب کی بدولت یہ امید کی جاتی ہے کہ بہت زیادہ طلب کے موسم میں اور آر ایل این جی کی عدم فراہمی کی صورت، پانی کی کمی کے مہینوں میں لال پیر بجلی کی ترسیل کے قابل ہوگا۔ اس سے کمپنی کو اپنے ایندھن کے نقصان کو کم سے کم کرنے میں مدد ملے گی۔

سالانہ صلاحیتی ٹیسٹ

بجلی کی خریداری کے معاہدے (پی پی اے) کی ضروریات کے مطابق، کمپنی نے 9 مئی، 2018 کو اپنے سالانہ صلاحیتی ٹیسٹ کا انعقاد کیا جس میں کامیابی سے 350 میگاواٹ کی صلاحیت برقرار رہی۔

کارکردگی میں بہتری

پلانٹ کی کارکردگی کو بہتر بنانے کے لئے مسلسل کوششیں کی جا رہی ہیں۔ زیادہ بجلی بنانے کے لئے آرگنائزیشنل تبدیلیاں کی گئیں اور کارکردگی بڑھانے میں توجہ مرکوز کی گئی۔ کم ترسیل کی سطحوں نے ان کوششوں کو ضائع کر دیا۔ کمپنی اپنے ایندھن کی صلاحیت کو بہتر بنانے کے لئے بہت زیادہ لوڈ کی سطحوں پر پلانٹ کی ترسیل کے امکانات کے لئے CPPA-G اور نیشنل پاور کنٹرول سنٹر (NPCC) کے ساتھ بات چیت کر رہی ہے۔

کوئلہ پر منتقلی

موجودہ ٹیکنالوجی کو تیل سے چلانے کی بجائے کوئلہ پر چلنے والے بوائلر پر مزید منتقل نہیں کی جا رہی ہے۔ جس کی بنیادی وجہ یہ ہے کہ سرکاری پالیسی کے مطابق درآمد شدہ کوئلے کا

استعمال بعض مخصوص منصوبوں مثال کے طور پر چائنہ پاکستان اقتصادی راہداری (CPEC) پر محدود کرتا ہے۔ بڑے پراجیکٹ کی مشینری کے درآمد کے لئے مقامی فنانسنگ پر حالیہ ایس بی پی کی طرف سے پابندی لگائی گئی ہے۔

کمپنی 2019 کی دوسری سہ ماہی میں ایندھن کی تبدیلی کے لئے آپشنز کی تشخیص کے اعلان ہونے کی وجہ سے نئی پرائیویٹ پاور پالیسی کا انتظار کر رہی ہے۔

لال پیر سولر پاور (پرائیویٹ) لمیٹڈ:

مالی نقطہ نظر کی تبدیلی کے لئے 20 MWIPP کا منصوبہ ابھی زیر غور ہے۔ تاہم نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی (NTDC) اور ملتان الیکٹرک پاور کمپنی (MEPCO) کی طرف سے انٹرکنکشن مطالعہ کی منظوری حاصل کر لی گئی ہے۔

کریڈٹ ریٹنگ

کمپنی PACRA سے مسلسل "AA" (ڈبل اے) طویل مدتی ریٹنگ اور "+A1" (اے ون پلس) مختصر مدتی ریٹنگ وصول کر رہی ہے۔ یہ ریٹنگز 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۔

انسانی وسائل

سال کے دوران، کمپنی نے اپنی ایچ آر پالیسی اور سروس رولز میں نظر ثانی کو منظور اور نافذ کیا ہے۔ ان کا مقصد اعلیٰ معیار کے انسانی سرمایہ کو اپنی طرف متوجہ اور برقرار رکھنے کے لئے صلاحیت اور کیریئر مینجمنٹ فریم ورک فراہم کرنا تھا۔ مثبت رویوں اور سلوک کو فروغ دینے کے لئے سالانہ کارکردگی کی تشخیص میں طرز عمل کو شامل کیا گیا تھا۔

اندرونی آڈٹ اور کنٹرول:

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

صحت اور سیفٹی کا ماحول

لال پیر پاور لمیٹڈ 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 کوئی وقت ضائع نہیں ہوا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR) اور کمیونٹی ویلفیئر

قیام کے آغاز سے کارپوریٹ سماجی ذمہ داری (CSR) پروگرام کمپنی کے کاروبار کا ایک لازمی حصہ ہے۔ یہ کمپنی کی ثقافت کا حصہ ہے اور تمام ملازمین اس کا پختہ عزم ظاہر کرتے ہیں۔ کمپنی غربت اور بیروزگاری 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 صحت مرکز 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 کیمپ کا بھی انتظام کرتی ہے۔
- مقامی کمیونٹی کے پانچ سرکاری اسکولوں کی سرپرستی کے لئے کیئر فاؤنڈیشن کی آپریشنل اخراجات میں تعاون کرتی ہے۔
- "دی سٹیزن فاؤنڈیشن (TCF)" کی پرائمری سطح اور میٹرک سطح تک اسکولوں کو اپ گریڈ کرنے میں تعاون کر رہی ہے۔
- کمپنی ملازمین کی کمیونٹی میں گھریلو کام کرنے والوں کو مفت تعلیم دینے کے لئے ایک پروگرام میں تعاون کر رہی ہے۔
- کمپنی نے ووکیشنل ٹریننگ انسٹی ٹیوٹ اور ہائر سیکنڈری اسکول کی طرح کے بہت سے مقامی حکومتی اداروں کو اپ گریڈ کیا ہے۔
- کمپنی مقامی کمیونٹی کے مستحق طلباء کو ان کی پیشہ ورانہ تعلیم کے لئے سکالرشپس دے رہی ہے۔
- وسیع پیمانے پر درختوں کی شجرکاری کی گئی ہے۔

کوڈ آف کارپوریٹ گورننس 2017 کی تعمیل

ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 اور پاکستان اسٹاک ایکسچینج کی رول بک کی ضروریات کی تعمیل اور اچھے کارپوریٹ گورننس کے لئے پُرعزم ہیں۔

CCG ریگولیشنز، 2017، 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 ضابطہ اخلاق اور کمپنیز ایکٹ کی دفعات کی منظوری کے مطابق اپنی ذمہ داریوں سے پوری طرح آگاہ ہے۔ حسب ذیل تبصرے کارپوریٹ گورننس اور مسلسل بہتری کے اعلی 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 ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (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 موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اورینٹیشن کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- گذشتہ چھ سالوں کا کلیدی اور مالی اعداد وشمار رپورٹ کے ہمراہ منسلک ہے۔
- 31 دسمبر 2018 پر پراویڈنٹ فنڈ اور گریجوئٹی سکیم کی سرمایہ کاری کی قدر حسب ذیل تھی:

پراویڈنٹ فنڈ: 31 دسمبر 2018 کو 174,356 ملین روپے

گریجوئٹی فنڈ: 31 دسمبر 2018 کو 94,478 ملین روپے

بورڈ کی تشکیل

ڈائریکٹرز کی کل تعداد		
a	مرد	7
b	خاتون	0
	ترتیب	
i	آزاد ڈائریکٹرز	01
ii	دیگر نان ایگزیکٹو ڈائریکٹرز	06
iii	ایگزیکٹو ڈائریکٹرز	01

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

نمبر شمار	نام ڈائریکٹر	تعداد اجلاس
1	میاں حسن منشا (چیئرمین) ڈائریکٹر)	5
2	جناب اورنگ زیب فیروز	4
3	جناب جاوید اقبال	2
4	جناب خالد قدیر قریشی* (سی ای او/ڈائریکٹر) (24 فروری 2019 کو انتقال کر گئے)	5
5	جناب محمود اختر	5
6	جناب محمد اعظم	4
7	جناب عنایت اللہ نیازی	5
8	جناب تنویر خالد	0

*جناب خالد قدیر قریشی 24 فروری 2019 کو انتقال کر گئے اور جناب محمود اختر کو 05 مارچ 2019ء سے موثر سی ای او مقرر کیا گیا اور جناب تنویر خالد کو خالی آسامی پُر کرنے کے لئے 05 مارچ 2019 سے موثر بورڈ آف ڈائریکٹرز پر ڈائریکٹر مقرر کیا گیا۔

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

نمبر شمار	نام رکن	تعداد اجلاس
1	جناب جاوید اقبال (ممبر/چیئرمین)	2
2	جناب محمود اختر* (ممبر)	4
3	جناب تنویر خالد** (ممبر)	0
4	جناب عنایت اللہ نیازی (ممبر)	5

*جناب محمود اختر کمیٹی سے مستعفی ہو گئے اور جناب محمود اختر کی جگہ 05 مارچ 2019ء کو جناب تنویر خالد بطور رکن مقرر ہوئے۔

زیر جائزہ سال کے دوران، ہیومن ریسورس & ریمونریشن (HR&R) کمیٹی کے دو (2) اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل تھی:-

نمبر شمار	نام رکن	تعداد اجلاس
1	میاں حسن منشا (ممبر)	2
2	جناب جاوید اقبال (ممبر/چیئرمین)	1
3	جناب محمود اختر* (ممبر)	2
4	جناب عنایت اللہ نیازی*	0

*جناب محمود اختر 05 مارچ 2019ء کو مستعفی ہو گئے اور 05 مارچ 2019ء کو جناب محمود اختر کی جگہ جناب عنایت اللہ نیازی کو بطور رکن مقرر کیا گیا۔

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 کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 33 میں منکشف ہے۔

حصص داری کا نمونہ:

بمطابق 31 دسمبر 2018 نمونہ حصص داری منسلک ہے۔

کمپنی کے حصص میں تجارت:

31 دسمبر 2018 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اوران کے زوج اور نابالغ بچوں کی طرف سے کی گئی فہرستی کمپنی کے حصص میں تمام تجارت رپورٹ ہٰذا سے 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 آرڈیننس 1984 (اب کمپنیز ایکٹ 2017) کی ضروریات کے مطابق تھے۔ کمپنی ایسے تمام لین دین کا ریکارڈ برقرار رکھتی ہے۔

خطرات اور مواقع:

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

تصرفات:

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان کو 10/- روپے ہر ایک (یعنی بشرح 10 فیصد) کے 1/- روپے فی عام شیئر کی شرح پر حتمی منافع منقسمہ سالانہ اجلاس عام میں منظور کرنے کی سفارش کرتے ہوئے خوشی محسوس کرتے ہیں جو ان حصص داران کو ادا کیا جائے گا جن کے نام سالانہ اجلاس عام میں مذکورہ تاریخ کو رجسٹر میں درج ہوں گے۔

محاسب:

موجودہ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے اہل ہونے کی بنا پر سال 2019 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 حصص داران، CPPA-G، مالیاتی اداروں، قرض دہندگان، پاکستان اسٹیٹ آئل 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 افزا 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 نظماء

(جناب محمود اختر)
چیف ایگزیکٹو آفیسر

تنویر خالد
ڈائریکٹر

لاہور: 22 مارچ 2019ء

FINANCIAL DATA

	2018	2017	2016	2015	2014	2013
Dispatch level %	56.2%	47.5%	52.2%	62.80	55.20	63.10
Dispatch(GWH)	868	1,399	1,601	1,915	1,680	1,925
Revenue(000)						
Revenue	16,809,658	18,313,076	15,366,041	22,078,537	30,916,857	36,571,100
Cost Of Sales	(14,918,104)	(16,508,376)	(13,510,090)	(20,039,190)	(29,037,489)	(34,773,224)
Gross Profit	1,891,554	1,804,700	1,855,951	2,039,347	1,879,368	1,797,876
Profitability (000)						
profit/(loss) before tax	747,472	972,340	994,697	849,863	792,741	644,691
Provision for tax	-	-	-	-	-	-
profit/(loss) after tax	747,472	972,340	994,697	849,863	792,741	644,691
Financial position (000)						
Non Current Assets	9,137,451	9,092,672	9,933,753	10,313,647	11,100,713	8,406,498
Current Assets	18,007,231	14,580,756	13,884,049	11,172,980	12,522,547	13,943,942
less: Current Liabilities	13,965,667	10,600,422	10,396,527	7,742,120	9,493,110	10,246,135
Net Working Capital	4,041,564	3,980,334	3,487,522	3,430,860	3,029,437	3,697,807
Capital Employed	13,179,015	13,073,006	13,421,275	13,744,507	14,130,150	12,104,305
less: Long trem Loans	-	230,423	783,438	1,336,453	1,813,876	-
less: Deffered Liabilities	6,298	38,280	19,207	21,991	17,937	20,222
Share Holders Equity	13,172,717	12,804,303	12,618,630	12,386,063	12,298,337	12,084,083
Represented by (000)						
Share Capital	3,798,387	3,798,387	3,798,387	3,798,387	3,798,387	3,798,387
Capital Reserve	107,004	107,004	107,004	107,004	107,004	107,004
Un-appropiated Profit	9,267,326	8,898,912	8,713,239	8,480,672	8,392,946	8,178,692
	13,172,717	12,804,303	12,618,630	12,386,063	12,298,337	12,084,083
Dividends (000)	379,839	759,678	379,839	379,839	379,839	949,597
Earning Per Share	1.97	2.56	2.62	2.24	2.09	1.70
P/E ratio	5.08	3.91	3.82	4.46	4.78	5.88
Delta Loss(000)	954,404	884,090	689,932	801,137	1,461,527	1,971,173
Ratio						
Break up value per share of RS 10 Each share	34.68	33.71	33.22	32.61	32.38	31.81
current ratio	1.29	1.38	1.34	1.44	1.32	1.36
Net profit/(loss) to sales %	4.45	5.31	6.47	3.85	2.56	1.76

Vertical Analysis - Profit and Loss Account

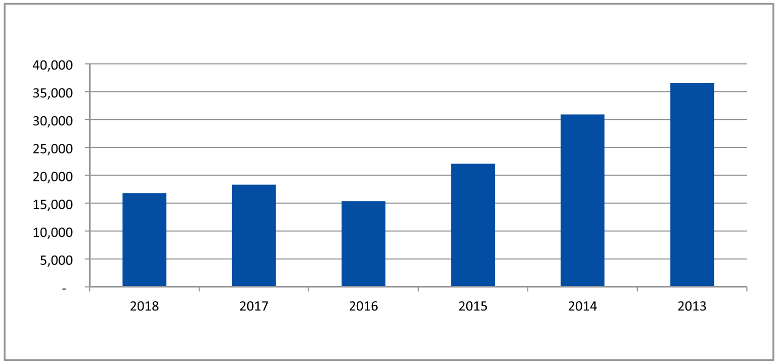
	2018	% of Turnover	2017	% of Turnover	2016	% of Turnover
Revenue	16,809,658	100	18,313,076	100	15,366,041	100
Cost of Sales	(14,918,104)	(88.75)	(16,508,376)	(90.15)	(13,510,090)	(87.92)
Gross Profit	1,891,554	11.25	1,804,700	9.85	1,855,951	12.08
Administration Expenses	(223,608)	(1.33)	(187,067)	(1.02)	(165,229)	(1.08)
Other operating Expenses	(62,573)	(0.37)	(17,388)	(0.09)	(7,590)	(0.05)
Other income	105,071	0.63	111,321	0.61	29,806	0.19
Finance Cost.	(962,972)	(5.73)	(739,226)	(4.04)	(718,114)	(4.67)
share of loss of associated company	-	-	-	-	(127)	(0.00)
Profit for the year	747,472	4.45	972,340	5.31	994,697	6.47

Horizantal Analysis - Profit and Loss Account

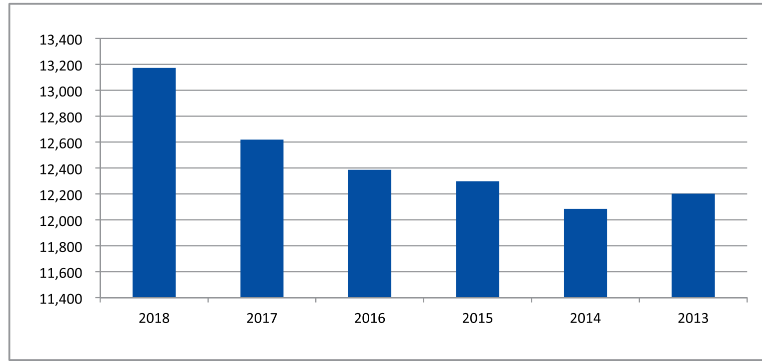
	2018	18 v 17	2017	17 v 16	2016	16 v 15
Revenue	16,809,658	(8.21)	18,313,076	19.18	15,366,041	(30.40)
Cost of Sales	(14,918,104)	(9.63)	(16,508,376)	22.19	(13,510,090)	(32.58)
Gross Profit	1,891,554	4.81	1,804,700	(2.76)	1,855,951	(8.99)
Administration Expenses	(223,608)	19.53	(187,067)	27.30	(165,229)	12.44
Other operating Expenses	(62,573)	259.86	(17,388)	(92.92)	(7,590)	(96.91)
Other income	105,071	(5.61)	111,321	833.20	29,806	149.86
Finance Cost.	(962,972)	30.27	(739,226)	8.45	(718,114)	(11.07)
share of loss of associated company	-	-	-	-	(127)	-91.06
Profit for the year	747,472	(23.13)	972,340	14.41	994,697	17.04

PERFORMANCE REVIEW

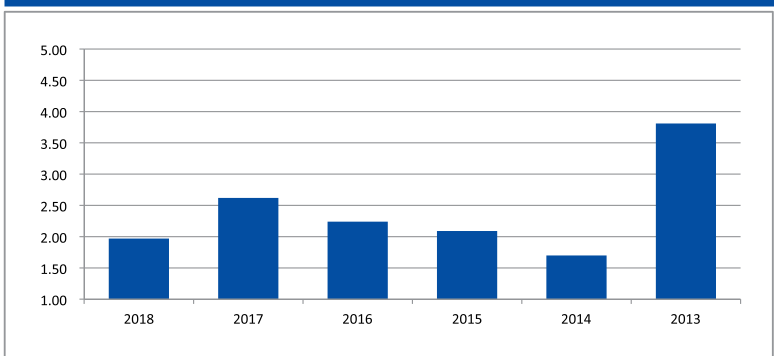
Turnover



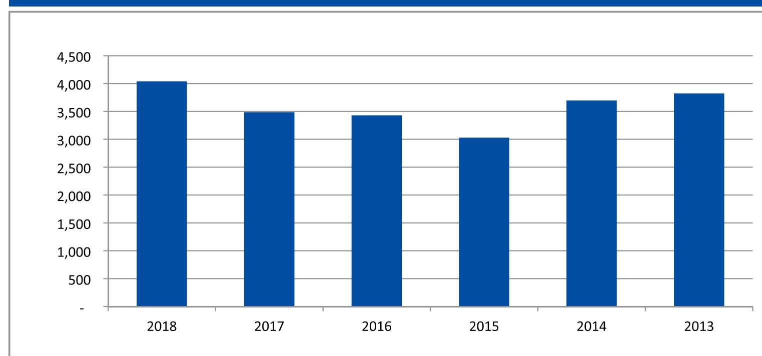
Shareholder Equity



Earning per Share



Working Capital



PATTERN OF SHAREHOLDINGS

As at December 31, 2018

# of Shareholders	Shareholdings' Slab			Total Shares Held
235	1	to	100	4,233
789	101	to	500	387,211
400	501	to	1000	391,719
624	1001	to	5000	1,826,020
187	5001	to	10000	1,549,389
54	10001	to	15000	686,508
41	15001	to	20000	778,603
29	20001	to	25000	689,985
18	25001	to	30000	503,000
15	30001	to	35000	502,105
11	35001	to	40000	422,000
15	40001	to	45000	645,480
23	45001	to	50000	1,139,271
11	50001	to	55000	591,000
6	55001	to	60000	355,561
3	60001	to	65000	189,500
5	65001	to	70000	348,000
6	70001	to	75000	441,500
1	80001	to	85000	82,000
3	85001	to	90000	261,000
2	90001	to	95000	189,500
9	95001	to	100000	899,000
2	100001	to	105000	209,000
1	105001	to	110000	110,000
1	110001	to	115000	112,000
1	120001	to	125000	120,121
1	125001	to	130000	125,500
3	130001	to	135000	400,000
2	145001	to	150000	297,000
1	155001	to	160000	160,000
1	160001	to	165000	162,000
1	165001	to	170000	168,000
1	170001	to	175000	175,000
1	175001	to	180000	178,500
2	180001	to	185000	367,555
1	185001	to	190000	188,500
1	190001	to	195000	192,500
1	220001	to	225000	225,000
2	225001	to	230000	456,000
1	230001	to	235000	233,000
1	245001	to	250000	250,000
2	295001	to	300000	600,000
3	300001	to	305000	914,500
1	310001	to	315000	313,000
1	320001	to	325000	322,000
1	325001	to	330000	330,000
1	390001	to	395000	392,000
2	395001	to	400000	796,000
1	405001	to	410000	407,000
1	420001	to	425000	423,349
1	465001	to	470000	467,000

# of Shareholders	Shareholdings' Slab			Total Shares Held
3	495001	to	500000	1,500,000
1	525001	to	530000	527,000
2	560001	to	565000	1,128,000
1	650001	to	655000	655,000
1	710001	to	715000	712,000
1	745001	to	750000	750,000
1	755001	to	760000	757,500
1	870001	to	875000	871,500
1	910001	to	915000	914,055
1	920001	to	925000	924,500
1	935001	to	940000	935,500
1	945001	to	950000	947,500
1	995001	to	1000000	1,000,000
1	1035001	to	1040000	1,035,500
1	1060001	to	1065000	1,061,500
1	1090001	to	1095000	1,093,500
1	1230001	to	1235000	1,230,500
1	1245001	to	1250000	1,250,000
1	1260001	to	1265000	1,264,000
1	1405001	to	1410000	1,409,500
1	1440001	to	1445000	1,441,643
1	1465001	to	1470000	1,465,500
1	1525001	to	1530000	1,526,000
1	1565001	to	1570000	1,570,000
1	1575001	to	1580000	1,579,500
1	1640001	to	1645000	1,645,000
1	1800001	to	1805000	1,803,000
1	2070001	to	2075000	2,071,402
1	2710001	to	2715000	2,711,500
1	3260001	to	3265000	3,263,000
1	6835001	to	6840000	6,836,547
1	10235001	to	10240000	10,239,500
1	12865001	to	12870000	12,869,500
1	18180001	to	18185000	18,184,000
1	25990001	to	25995000	25,993,711
1	27345001	to	27350000	27,348,388
1	38940001	to	38945000	38,942,000
1	69010001	to	69015000	69,011,371
1	109390001	to	109395000	109,393,005
2568				379,838,732

CATEGORIES OF SHAREHOLDERS

As at December 31, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MIAN HASSAN MANSHA	2	25,993,762	6.84
AURANGZEB FIROZ	1	550	0.00
JAWAID IQBAL	1	500	0.00
MR. MAHMOOD AKHTAR	1	550	0.00
INYAT ULLAH NIAZI	1	500	0.00
MR. KHALID QADEER QURESHI	1	550	0.00
MUHAMMAD AZAM	1	500	0.00
Associated Companies, undertakings and related parties			
NISHAT MILLS LIMITED	1	109,393,005	28.80
SECURITY GENERAL INSURANCE CO LTD	2	6,836,548	1.80
ADAMJEE INSURANCE COMPANY LIMITED	1	27,348,388	7.20
ENGEN (PRIVATE) LTD	2	69,011,922	18.17
Executives	-	-	-
Public Sector Companies and Corporations	2	1,398,000	0.37
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	11	26,784,500	7.05
Mutual Funds			
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	407,000	0.11
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	914,055	0.24
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	183,055	0.05
MCBFSL - TRUSTEE JS VALUE FUND	1	1,409,500	0.37
CDC - TRUSTEE JS LARGE CAP. FUND	1	228,500	0.06
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	300,000	0.08
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	1,441,643	0.38
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	112,000	0.03
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	1,465,500	0.39
CDC - TRUSTEE APF-EQUITY SUB FUND	1	75,000	0.02
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	1	132,000	0.03
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	175,000	0.05
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	563,000	0.15
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	1,061,500	0.28
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	2,711,500	0.71

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1	757,500	0.20
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	11,000	0.00
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	1	21,357	0.01
General Public			
a. Local	2477	30,348,062	7.99
b. Foreign	1	2,000	0.00
Foreign Companies	3	292,000	0.08
Others	42	70,458,285	18.55
Totals	2568	379,838,732	100.00

Share holders holding 5% or more	Shares Held	Percentage
NISHAT MILLS LIMITED	109,393,005	28.80
ENGEN (PRIVATE) LTD	69,011,922	18.17
MAHMOOD TEXTILE MILLS LTD.	29,929,500	7.88
ADAMJEE INSURANCE COMPANY LIMITED	27,348,388	7.20
MIAN HASSAN MANSHA	25,993,762	6.84

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

NAME OF COMPANY : LALPIR POWER LIMITED

YEAR ENDED : DECEMBER 31, 2018

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

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

   a. Male: 7
   b. Female: 0

2. The composition of board is as follows:

CATEGORY	NAMES
Independent Directors	Mr. Jawaid Iqbal
Other Non-executive Director	Mian Hassan Mansha Mr. Aurengzeb Firoz Mr. Mohammad Azam Mr. Inayat Ullah Niazi Mr. Tanvir Khalid (Appointed as Director in place of Mr. Khalid Qadeer Qureshi (deceased) on March 05,2019)
Executive Directors	Mr. Mahmood Akhtar (Appointed as Chief Executive Officer in place of Mr. Khalid Qadeer Qureshi (deceased) on March 05,2019)

3. The directors have confirmed that none of them is serving as a director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

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

   Directors:
   1. Mr. Aurangzeb Firoz
   2. Mr. Jawaid Iqbal
   3. Mr. Inayat Ullah Niazi
   4. Mr. Mahmood Akhtar

10. The board has approved appointment of CFO, 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. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

   a) Audit Committee
   1. Mr. Jawaid Iqbal (Independent Director) – Chairman
   2. Mr. I.U. Niazi (Non-Executive Director)
   3. Mr. Tanvir Khalid (Non-Executive Director)
      {Appointed in place of Mr. Mahmood Akhtar on March 05, 2019}.

   b) HR and Remuneration Committee
   1. Mr. Jawaid Iqbal – (Independent Director) - Chairman
   2. Mian Hassan Mansha (Executive Director)
   3. Mr. I.U. Niazi (Non-Executive Director)
      {Appointed in place of Mr. Mahmood Akhtar on March 05, 2019}.

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:
   Five meetings were held during the financial year ended December 31, 2018

   b) HR and Remuneration Committee
   Two Meetings of HR and Remuneration Committee were held during the financial year ended December 31, 2018.

15. The board has set up an effective internal audit function which is considered suitably qualified, experienced for the purpose and 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with.

Hassan Mansha

Mian Hassan Mansha
Chairman

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance Regulations, 2017 (the Regulations) prepared by the Board of Directors of LALPIR POWER LIMITED (the Company) for the year ended 31 December 2018 in accordance with the requirements of regulation 40 of the regulations.

The responsibility for compliance with the Code 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 highlight any non-compliance with the requirements of the of the regulations. A review is limited primarily to inquiries of the Company personnel and reviews of various documents prepared by the Company to comply with the Code.

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 requires 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 and also ensure compliance with the requirement of section 208 of the Companies Act, 2017. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended 31 December 2018.

riaz ahmad & co

RIAZ AHMAD & COMPANY
Chartered Accountants

Date: 22 March 2019
LAHORE

FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LALPIR POWER LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Lalpir Power Limited ('the Company'), which comprise the statement of financial position as at 31 December 2018, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss 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 2018 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.

Emphasis of Matter

We draw attention to note 10.1.2 to the financial statements which explains the uncertainty regarding outcome of claims lodged by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), which have been disputed by the Company. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

Following is the Key audit matter:

Sr. No	Key audit matter	How the matter was addressed in our audit
1	**Preparation of financial statements under the Companies Act, 2017** The Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 31 December 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements. The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act. For further information, refer to note 2.1(b) to the financial statements.	Our procedures included, but were not limited to: • we assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. • we considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. • we verified on test basis the supporting evidences for the additional disclosures and ensured appropriateness of the disclosures made.

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 of the Company 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 22 March 2019

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018	2017
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (2017: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital	3	3,798,387	3,798,387
Capital reserve	4	107,004	107,004
Revenue reserve - un-appropriated profit		9,267,326	8,898,912
Total equity		13,172,717	12,804,303
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	-	230,423
Employee benefit - gratuity	6	6,298	38,280
		6,298	268,703
CURRENT LIABILITIES			
Trade and other payables	7	1,885,626	1,271,586
Accrued mark-up / profit	8	198,700	108,270
Short term borrowings	9	11,646,851	8,664,776
Current portion of long term financing	5	230,423	553,015
Unclaimed dividend		4,067	2,775
		13,965,667	10,600,422
Total liabilities		13,971,965	10,869,125
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		27,144,682	23,673,428

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

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

	Note	2018	2017
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	11	9,009,210	9,018,793
Investment properties	12	94,835	10,118
Long term investment	13	-	-
Long term loans to employees	14	33,056	64,118
Long term security deposits		350	300
		9,137,451	9,093,329
CURRENT ASSETS			
Stores, spare parts and other consumables	15	878,671	947,439
Fuel stock	16	450,924	299,334
Trade debts	17	13,658,828	10,849,196
Loans, advances and short term prepayments	18	454,418	439,597
Loan to associated company	19	1,000,000	-
Other receivables	20	218,999	246,449
Accrued interest	21	9,258	-
Sales tax recoverable		1,332,363	1,797,462
Cash and bank balances	22	3,770	622
		18,007,231	14,580,099
TOTAL ASSETS		27,144,682	23,673,428

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018	2017
		(Rupees in thousand)	
SALES	23	16,809,658	18,313,076
COST OF SALES	24	(14,918,104)	(16,508,376)
GROSS PROFIT		1,891,554	1,804,700
ADMINISTRATIVE EXPENSES	25	(223,608)	(187,067)
OTHER EXPENSES	26	(62,573)	(17,388)
OTHER INCOME	27	105,071	111,321
PROFIT FROM OPERATIONS		1,710,444	1,711,566
FINANCE COST	28	(962,972)	(739,226)
PROFIT BEFORE TAXATION		747,472	972,340
TAXATION	29	-	-
PROFIT AFTER TAXATION		747,472	972,340
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
REMEASUREMENTS OF DEFINED BENEFIT PLAN		781	(26,989)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-
OTHER COMPREHENSIVE INCOME / (LOSS)		781	(26,989)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		748,253	945,351
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	30	1.97	2.56

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 2018

	Note	2018	2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	31	(107,640)	1,649,919
Finance cost paid		(872,542)	(726,380)
Gratuity paid		(45,551)	(19,845)
Net decrease / (increase) in long term loans to employees		43,950	(11,828)
Interest income received		83,515	56,628
Increase in long term security deposits		(50)	-
Income tax paid		(16,566)	(13,532)
Net cash (used in) / generated from operating activities		(914,884)	934,962
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets		(1,048,410)	(176,473)
Advance for purchase of investment property		(84,800)	-
Proceeds from disposal of operating fixed assets		729	19,930
Net cash used in investing activities		(1,132,481)	(156,543)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(553,015)	(553,015)
Dividend paid		(378,547)	(759,443)
Net cash used in financing activities		(931,562)	(1,312,458)
Net decrease in cash and cash equivalents		(2,978,927)	(534,039)
Cash and cash equivalents at beginning of the year		(8,664,154)	(8,130,115)
Cash and cash equivalents at end of the year		(11,643,081)	(8,664,154)
CASH AND CASH EQUIVALENTS			
Cash in hand		254	121
Cash at banks		3,516	501
Short term borrowings		(11,646,851)	(8,664,776)
		(11,643,081)	(8,664,154)

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 2018

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un-appropriated profit	
	(- - - - - - - - - - - -Rupees in thousand - - - - - - - - - - - -)			
Balance as at 31 December 2016	3,798,387	107,004	8,713,239	12,618,630
Transactions with owners:				
Final dividend for the year ended 31 December 2016 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Interim dividend for the year ended 31 December 2017 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Transactions with owners of the Company recognised directly in equity	-	-	(759,678)	(759,678)
Profit for the year ended 31 December 2017	-	-	972,340	972,340
Other comprehensive loss for the year ended 31 December 2017	-	-	(26,989)	(26,989)
Total comprehensive income for the year ended 31 December 2017	-	-	945,351	945,351
Balance as at 31 December 2017	3,798,387	107,004	8,898,912	12,804,303
Transaction with owners:				
Final dividend for the year ended 31 December 2017 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Transaction with owners of the Company recognised directly in equity	-	-	(379,839)	(379,839)
Profit for the year ended 31 December 2018	-	-	747,472	747,472
Other comprehensive income for the year ended 31 December 2018	-	-	781	781
Total comprehensive income for the year ended 31 December 2018	-	-	748,253	748,253
Balance as at 31 December 2018	3,798,387	107,004	9,267,326	13,172,717

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 2018

1. THE COMPANY AND ITS OPERATIONS

1.1 Lalpir Power Limited ("the Company") was incorporated in Pakistan on 08 May 1994 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 53-A, Lawrence Road, 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 362 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 06 November 1997.

1.2 Summary of significant transactions and events affecting the Company's financial position and performance

For a detailed discussion about the Company's performance, please refer to the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

Exemption from applicability of certain interpretations to standards

Securities and Exchange Commission of Pakistan (SECP) granted waiver to all companies from the requirements of International Financial Reporting Interpretation Committee (IFRIC) 4 'Determining Whether an Arrangement Contains a Lease' through its notification, S.R.O. 24(1)/2012 dated 16 January 2012. 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 International Accounting Standard (IAS) 17 '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 IFRIC 4 and IAS 17, the effect on the financial statements would be as follows:

	2018	2017
	(Rupees in thousand)	
De-recognition of fixed assets	(9,004,644)	(8,918,088)
Recognition of lease debtor	4,077,251	4,122,337
	(4,927,393)	(4,795,751)
Decrease in un-appropriated profit at the beginning of the year	(4,795,751)	(5,560,650)
Increase in profit for the year	131,642	764,899
Decrease in un-appropriated profit at the end of the year	(4,927,393)	(4,795,751)

b) Preparation of financial statements under the Companies Act, 2017

The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its Fourth Schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company (refer to note 11.1.5 and note 12.2), management assessment of sufficiency of tax provision in the financial statements (refer to note 29.2), additional disclosure requirements for related parties (refer to note 32), change in threshold for identification of executives (refer to note 33) etc.

c) Accounting convention

These financial statements have been prepared on historical cost basis, except for recognition of employee benefits liabilities at present value and certain financial instruments at fair value.

d) 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.

Provisions for doubtful debts

The Company reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

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 6.11.

e) 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 2018:

IAS 40 (Amendments), 'Investment Property' (effective for annual periods beginning on or after 01 January 2018). The amendments clarify that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 January 2018 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.

g) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2019 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 July 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

h) Standard and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standard and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 January 2019 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 11.1. 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.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

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 Investment property

Land and buildings held for capital appreciation or to earn rental income are classified as investment property. Investment property except land, are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Land is stated at cost less accumulated impairment loss, if any. Depreciation on buildings is charged to statement of profit or loss and other comprehensive income applying the straight line method so as to write off the cost of buildings over their estimated useful lives at a rate of 5% per annum.

2.4 Leases

The Company is the lessee:

2.4.1 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income on a straight line basis over the lease term.

2.5 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for “Investment at fair value through profit or loss” which is initially measured at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 ‘Financial Instruments: Recognition and Measurement’ to all investments, except investment accounted for under equity method for associate, which is tested for impairment in accordance with the provisions of IAS 36 ‘Impairment of Assets’.

2.5.1 Investment at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in statement of profit or loss and other comprehensive income.

2.5.2 Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in statement of profit or loss and other comprehensive income when the investments are de-recognized or impaired, as well as through the amortization process.

2.5.3 Investment in associate - (with significant influence)

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

2.5.4 Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit or loss. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date. Fair value of investments in open-end mutual funds is determined using redemption price.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 ‘Financial Instruments: Recognition and Measurement’.

2.6 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.

2.7 Employee benefits

2.7.1 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.

2.7.2 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 2018 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 income.

2.8 Inventories

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

2.8.1 Fuel stock

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

2.8.2 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.

2.9 Financial instruments

2.9.1 Recognition and de-recognition

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of financial assets and financial liabilities is included in the statement of profit or loss and other comprehensive income.

Financial instruments carried on the statement of financial position include long term loans to employees, deposits, trade debts, other receivables, accrued interest, cash and bank balances, long-term financing, short-term borrowings, accrued mark-up / profit and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

2.9.2 Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash, balance with banks in current, saving and deposit accounts and short-term borrowings under mark-up arrangements.

2.11 Provision

A provision is 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.

2.12 Taxation

2.12.1 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.

2.12.2 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.

2.13 Borrowings

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

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

2.14 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset 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.

2.15 Trade debts and other receivables

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect the entire amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the statement of profit or loss and other comprehensive income. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss and other comprehensive income.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.17 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise loans, deposits, trade debts, other receivables, accrued interest and cash and bank balances in the statement of financial position.

2.18 Impairment

2.18.1 Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2.18.2 Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss and other comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statement of profit or loss and other comprehensive income.

2.19 Revenue

2.19.1 Sale of electricity

Revenue from sale of electricity to the CPPA-G, the sole customer of the Company, is recorded on the basis of output delivered and capacity available at rates specified under the Power Purchase Agreement (PPA). PPA is a contract over a period of 30 years.

2.19.2 Interest income

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

2.19.3 Rental income

Rental income is recognized on accrual basis.

2.2 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.

2.21 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.

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018	2017		2018	2017
(Number of Shares)			(Rupees in thousand)	
342,458,215	342,458,215	Ordinary shares of Rupees 10 each fully paid-up in cash	3,424,582	3,424,582
2,849,724	2,849,724	Ordinary shares of Rupees 10 each issued as fully paid-up for consideration other than cash	28,497	28,497
34,530,794	34,530,794	Ordinary shares of Rupees 10 each issued as fully paid-up bonus shares	345,308	345,308
379,838,733	379,838,733		3,798,387	3,798,387

3.1 Ordinary shares of the Company held by associated companies:

	2018	2017
	(Number of shares)	
Nishat Mills Limited	109,393,005	109,393,005
Adamjee Insurance Company Limited	27,348,388	27,348,388
Security General Insurance Company Limited	6,836,548	6,836,548
Engen (Private) Limited	69,011,922	69,011,922
	212,589,863	212,589,863

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 the 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, long term financing, short term borrowings less cash and bank balances. Capital includes equity attributable to the equity holders.

	2018	2017
	(Rupees in thousand)	
Long term financing	230,423	783,438
Short term borrowings	11,646,851	8,664,776
Cash and bank balances	(3,770)	(622)
Net debt	11,873,504	9,447,592
Equity	13,172,717	12,804,303
Capital and net debt	25,046,221	22,251,895
Gearing ratio	47.41%	42.46%

4. CAPITAL RESERVE

This represents 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. LONG TERM FINANCING

	2018	2017
	(Rupees in thousand)	
From banking company - secured		
Long term loan (Note 5.1)	230,423	783,438
Less: Current portion shown under current liabilities	230,423	553,015
	-	230,423

5.1 This represents syndicated medium term finance facility obtained through Standard Chartered Bank (Pakistan) Limited (lead arranger) for the purpose of financing the change of turbine rotors for the Complex. This facility consists of two parts, Rupees 23.005 million (2017: Rupees 78.218 million) on mark-up basis whereas remaining Rupees 207.418 million (2017: Rupees 705.220 million) represents Islamic facility (Diminishing Musharakah Finance). This carries mark-up at the rate of one month KIBOR plus 0.50% per annum payable monthly. The effective rate of mark-up charged during the year ranged from 6.78% to 11.09% (2017: 6.75% to 9.02%) per annum. This finance is repayable in forty five equal monthly installments with a grace period of fifteen months and is secured by the way of parri passu charge over present and future fixed assets (excluding land and buildings) of the Company amounting to Rupees 4,000 million.

6. EMPLOYEE BENEFIT - GRATUITY

The latest actuarial valuation of the defined benefit plan as at 31 December 2018 was carried out using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	2018	2017
	(Rupees in thousand)	
6.1 Balance sheet reconciliation:		
Present value of defined benefit obligation (Note 6.2)	98,165	173,049
Fair value of plan assets (Note 6.3)	(91,867)	(134,769)
Liability recognized at reporting date	6,298	38,280
6.2 Movement in present value of defined benefit obligation:		
Present value of obligation at the beginning of the year	173,049	144,337
Transferred (Note 6.19)	(79,500)	-
	93,549	144,337
Current service cost	13,071	23,089
Interest cost	7,418	11,044
Benefits paid	(7,271)	(12,566)
Remeasurement	(8,602)	7,145
Present value of obligation at the end of the year	98,165	173,049
6.3 Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	134,769	125,130
Transferred (Note 6.19)	(79,500)	-
	55,269	125,130
Contributions	38,280	19,207
Interest income	6,139	10,276
Benefits paid on behalf of fund by the Company	7,271	12,566
Benefits paid by fund	(7,271)	(12,566)
Remeasurement	(7,821)	(19,844)
Fair value of plan assets at the end of the year	91,867	134,769
6.4 Actual return on plan assets	(1,682)	(9,568)
6.5 Plan assets consist of the followings:		
Term deposit receipts	42,121	47,394
Units of mutual funds	43,062	50,520
Cash at banks	6,685	36,855
	91,868	134,769

	2018	2017
	(Rupees in thousand)	

6.6 Net movement in liability:

Opening liability	38,280	19,207
Charge for the year (Note 6.7)	14,350	23,857
Remeasurements recognized in other comprehensive income (Note 6.8)	(781)	26,989
Contributions	(38,280)	(19,207)
Benefits paid on behalf of fund	(7,271)	(12,566)
Closing liability	6,298	38,280

6.7 Charge for the year recognized in profit or loss:

Current service cost	13,071	23,089
Interest cost - net	1,279	768
Charge for the year	14,350	23,857

6.8 Remeasurements recognised in other comprehensive income:

Experience losses	(8,602)	7,145
Remeasurement of fair value of plan assets	7,821	19,844
Remeasurements	(781)	26,989

6.9 Plan assets held in the trust are governed by local regulations which mainly includes the Trust Act, 1882, the Companies Act, 2017, 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. The Company appoints the trustees and all trustees are employees of the Company.

6.10 Amounts for the current and previous four years:

	2018	2017	2016	2015	2014
	(- - - - - Rupees in thousand - - - - -)				
Present value of defined benefit obligation	98,165	173,049	144,337	113,624	85,326
Fair value of plan assets	(91,867)	(134,769)	(125,130)	(91,633)	(67,389)
Deficit	6,298	38,280	19,207	21,991	17,937
Remeasurement loss on obligation	8,602	7,145	5,027	883	6,229
Remeasurement gain / (loss) on plan assets	(7,821)	(19,844)	2,575	(1,576)	(2,500)

6.11 Principal actuarial assumptions used:

	2018	2017
	(% per annum)	
Discount rate	13.25	8.25
Expected rate of increase in salary	13.25	8.25
Expected rate of return on plan assets	13.25	8.25

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

6.13 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 12.908 million.

6.14 The Company's contribution to defined benefit plan in 2019 is expected to Rupees 12.908 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.

6.15 The weighted average duration of the defined benefit plan is 7.89 years.

6.16 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 plan		
	Changes in assumption (%)	Increase in assumption	Decrease in assumption
		(Rupees in thousand)	
Discount rate	1	-	-
Future salary increases	1	-	-

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. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

6.17 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.

6.18 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		- - - - - - - - - - - -- - - - -)	
-	-	-	-	-	-

6.19 With effect from 01 January 2018, the Company has terminated “Shared Facilities Agreement” with Pakgen Power Limited - associated company. Resultantly, the liability of employee benefit - gratuity of employees of Pakgen Power Limited, has been transferred with effect from 01 January 2018.

	2018	2017
	(Rupees in thousand)	

7. TRADE AND OTHER PAYABLES

	2018	2017
Creditors	1,708,095	1,086,931
Accrued liabilities	107,754	103,960
Workers' profit participation fund payable (Note 7.1)	37,374	48,617
Income tax deducted at source	3,712	4,287
Payable to provident fund trust	4,623	7,849
Others	24,068	19,942
	1,885,626	1,271,586

7.1 Workers' profit participation fund payable

	2018	2017
Opening balance	48,617	49,735
Allocation for the year (Note 26.2)	37,374	48,617
Payments made to the fund during the year	(48,617)	(49,735)
Closing balance	37,374	48,617

8. ACCRUED MARK-UP / PROFIT

	2018	2017
Long term financing	1,322	1,701
Short term borrowings	197,378	106,569
	198,700	108,270

9. SHORT-TERM BORROWINGS

From banking companies and financial institution:

	2018	2017
Working capital finances - secured (Note 9.1)	9,446,864	7,815,827
Running musharakah - secured (Note 9.2)	2,199,987	848,949
	11,646,851	8,664,776

9.1 The Company has total working capital finance facilities of Rupees 15,164 million (2017: Rupees 13,614 million) available from banking companies and financial institution out of which Rupees 5,718 million (2017: Rupees 5,799 million) remained unutilized at year end. These facilities carry mark-up at average offer rate for 1 month to 6 months KIBOR plus 0.20% to 2.50% (2017: 1 month to 6 months KIBOR plus 0.20% to 2.50%) per annum payable monthly / quarterly / semi-annually (2017: monthly / quarterly / semi-annually). The effective mark-up rate charged during the year ranged from 6.30% to 11.92% (2017: 6.25% to 8.79%) per annum. These facilities are secured by way of charge to the extent of Rupees 18,098 million (2017: Rupees 17,785 million) on the present and future current assets of the Company.

9.2 This represents running musharakah facility obtained from Meezan Bank Limited and Faysal Bank Limited of Rupees 2,200 million (2017: Rupees 1,500 million) to meet short term working capital requirements. These facilities carries profit at the average offer rate for 1 month KIBOR to 3 months KIBOR plus 0.30% to 0.40% (2017: 3 months KIBOR plus 0.30%) per annum payable quarterly. The effective profit rate charged during the year ranged from 6.46% to 10.70% (2017: 6.42% to 6.45%) per annum. This facility is secured by way of first charge on current assets amounting to Rupees 3,750 million (2017: Rupees 2,500 million).

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 Up to the year ended 31 December 2002, the Company had recorded 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 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 had been filed against the Labour, Manpower and Overseas Pakistani Division of Ministry of Labour, Manpower and Overseas Pakistanis.

The management, based on legal advice, asserts that if the Company does not succeed in the above petition and it is held that the scheme is applicable to the Company, 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, even if it does not succeed in the above petition.

Consequent to the amendments that have been made in the Act through the Finance Act, 2006, the Company is 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. The changes to the law will not affect the aforementioned petition filed by the Company. The Company expects a favourable outcome of the matter.

10.1.2 Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) has raised invoices for liquidated damages to the Company from 11th to 21st (up to December 2018) agreement year (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) on account of short supply of electricity by the Company, which was due to cash constraints of the Company as a result of default by CPPA-G in making timely payments. Liquidated damages invoiced to the Company amounts to Rupees 3,343.29 million (2017: Rupees 3,343.80 million). Out of these, the Company has accepted and paid Rupees 35.27 million (2017: Rupees 34.82 million). The Company disputes and rejects balance claims on account of liquidated damages that are raised by CPPA-G on the premise that its failure to dispatch electricity was due to CPPA-G's non-payment of dues on timely basis to the Company and consequential inability of the Company to make timely payments to its fuel supplier that resulted in inadequate level of electricity production owing to shortage of fuel. Against these the Company has raised invoice dispute notices to CPPA-G. The Company appointed mediation expert under the mechanism given in the PPA. On 22 June 2017, the mediation expert gave his decision in favour of the Company. However, this decision is not binding on either party.

During the year, the Company has filed case for arbitration in the International Chamber of Commerce (ICC) to resolve the following matters, as per the mechanism allowed by PPA for resolutions of disputes:

- On various occasions, CPPA-G has sought to set off amounts allegedly owed to it as liquidated damages against amounts it must pay to the Company as part of its obligations to make capacity payments. On 8 January 2018, CPPA-G wrote to the Company, threatening to set off a total of Rupees 3.4 billion which it considers as allegedly due to it, against capacity payment invoices to be issued by the Company. The far-reaching implications of CPPA-G's threat to take unilateral action left the Company with no option but to approach the courts of Pakistan for interim relief, until the matter gets resolved finally through arbitration, in accordance with the provisions of the PPA. In its orders dated 16 January 2018, the Lahore High Court suspended the legal effect of CPPA-G's 8 January 2018 letter on an interim basis.

- In September and November 2015, CPPA-G sent a number of letters to the Company, purporting to deduct amounts from the energy payments due to the Company on the basis that it had procured fuel from suppliers other than the Pakistan State Oil Company Limited ("PSO"). Amounts withheld on this account from the invoices of the Company totaled Rupees 150.7 million. PPA does not allow CPPA-G to dispute invoices on the basis that fuel was procured from a provider other than PSO. Neither is CPPA-G permitted to retroactively dispute invoices, many months or years after they have become due.

- CPPA-G is required to provide and renew a Letter of Credit. Letter of Credit must allow access to "immediately available funds", which "shall be in an amount equal to an aggregate of two (2) Months of capacity payments plus energy payments". CPPA-G has failed to renew the Letters of Credit, following their expiry on 23 December 2010.

- In addition to its persistent failure to make timely energy and capacity payments, CPPA-G has also failed to comply with its obligation to pay interest to the Company. PPA provides that "Late payments shall bear interest". As a result, a total of Rupees 355.24 million in unpaid interest is due at the date of the latest invoice submitted by the Company (till the date of request for arbitration).

- For a number of years CPPA-G has been issuing despatch instructions requesting the Company to run the power plant continuously at a low minimum load, or to perform significant ramping up or down at short notice. The continued operation of the power plants at low load as well as ramping up or down at short notice gives rise to a host of operating problems, including erosion of the valves and high boiler vibrations, which causes the power plant to shut down.

Subsequent to the reporting period, an arbitrator has been appointed who will frame the case and the case is still pending for hearing. The ultimate outcome of the matter cannot presently be determined, and consequently, no provision for such liquidated damages and amounts withheld by CPPA-G has been made in these financial statements.

10.1.3 CPPA-G issued a notice on 20 March 2017, disputing all the invoices of the Company on the grounds that the Company was in default of its obligations under the PPA and accordingly not eligible for the cost of working capital claimed and adjustment on account of heat rate savings. The Company challenged the dispute notice in the Honourable Lahore High Court ("the Court"). The Court issued a stay order restraining CPPA-G from disputing any invoice of the Company. The management is of the view that there are meritorious grounds available to defend the dispute notice and consequently, no provision has been made in these financial statements.

10.1.4 Deputy Commissioner Inland Revenue (DCIR) issued order to the Company in which sales tax refund claims amounting to Rupees 910.122 million for the tax periods from November 2008 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 order, the Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which was decided in favour of the Company. Against the order of CIR(A), tax department filed appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favour of tax department and vacated the order passed by CIR(A). Against the decision of ATIR, the Company has filed reference application in the Honourable Lahore High Court ("the Court") 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 to the Company for the tax periods from August 2009 to December 2012 declaring refund claims amounting to Rupees 1,971.516 million being inadmissible on aforesaid grounds. The Company challenged the show cause notice before the Court along with reply of the show cause notice to DCIR. The Court has decided the case in favour of the Company. However, tax department has filed petition for leave to appeal before Supreme Court of Pakistan as well as review application before the Court. The management is of the view that there are meritorious grounds available to defend the foregoing rejection. Consequently, no provision for such rejection has been made in these financial statements.

10.1.5 The tax authorities have completed assessment proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2009 to 2014 creating a demand of Rupees 971.329 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. 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 orders of CIR(A), tax authorities have filed appeals before the Appellate Tribunal Inland Revenue (ATIR) which are in the process of hearing. Based on tax advisor's opinion and CIR(A)'s decision in favour of the Company, 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.

10.1.6 The Deputy Commissioner Inland Revenue (DCIR), through an assessment order, rejected the deferred sales tax refund claims of different tax periods amounting to Rupees 81.850 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) whereby CIR(A) has 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.

10.1.7 The banks of the Company have issued letters of credit in favour of CPPA-G amounting to Rupees 596 million (2017: Rupees 596 million) to meet its obligations under the Power Purchase Agreement (PPA).

10.1.8 The bank of the Company has issued a letter of guarantee in favour of Siemens (Pakistan) Engineering Company Limited for an amount of Rupees Nil (2017: Rupees 87 million).

10.1.9 The banks of the Company have issued letters of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees 1,500 million (2017: Rupees 1,500 million).

10.1.10 On 28 September 2018, the Company has 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 has issued stay order in favour of the Company and has allowed the Company to claim input sales tax paid on such goods in its monthly sales tax returns. Consequently, the Company has claimed input sales tax amounting to Rupees 4.213 million paid on such goods in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.

10.2 Commitments

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

	2018	2017
	(Rupees in thousand)	
10.2.2 Commitments in respect of letters of credit for capital expenditure	-	272,696
10.2.3 Commitments in respect of other than capital expenditure	12,975	-

11. FIXED ASSETS

	2018	2017
Operating fixed assets (Note 11.1)	8,814,685	8,793,917
Capital work-in-progress (Note 11.2)	194,525	224,876
	9,009,210	9,018,793

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

Description	Freehold land	Buildings on freehold land	Improvements on leasehold property	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Electric equipment and appliances	Telephone installations	Clinical equipment	Total
	Rupees in thousand										
At 31 December 2016											
Cost	10,399	1,216,881	41,342	14,428,050	21,595	107,082	72,791	78,011	1,821	1,393	15,979,365
Accumulated depreciation	-	(533,352)	(22,010)	(5,603,281)	(16,851)	(59,924)	(51,858)	(56,304)	(1,475)	(1,393)	(6,346,448)
Net book value	10,399	683,529	19,332	8,824,769	4,744	47,158	20,933	21,707	346	-	9,632,917
Year ended 31 December 2017											
Opening net book value	10,399	683,529	19,332	8,824,769	4,744	47,158	20,933	21,707	346	-	9,632,917
Additions	-	39,953	-	104,755	42	36,196	2,571	3,437	-	60	187,014
Disposals / derecognitions:											
Cost	-	-	-	(32,467)	-	(22,634)	-	(1,067)	-	-	(56,168)
Accumulated depreciation	-	-	-	18,169	-	3,173	-	1,027	-	-	22,369
	-	-	-	(14,298)	-	(19,461)	-	(40)	-	-	(33,799)
Depreciation charge	-	(66,254)	(4,134)	(889,641)	(861)	(16,078)	(7,164)	(8,007)	(75)	(1)	(992,215)
Closing net book value	10,399	657,228	15,198	8,025,585	3,925	47,815	16,340	17,097	271	59	8,793,917
At 31 December 2017											
Cost	10,399	1,256,834	41,342	14,500,338	21,637	120,644	75,362	80,381	1,821	1,453	16,110,211
Accumulated depreciation	-	(599,606)	(26,144)	(6,474,753)	(17,712)	(72,829)	(59,022)	(63,284)	(1,550)	(1,394)	(7,316,294)
Net book value	10,399	657,228	15,198	8,025,585	3,925	47,815	16,340	17,097	271	59	8,793,917
Year ended 31 December 2018											
Opening net book value	10,399	657,228	15,198	8,025,585	3,925	47,815	16,340	17,097	271	59	8,793,917
Additions	-	54	-	1,056,968	333	13,923	1,151	6,296	36	-	1,078,761
Disposals / derecognitions:											
Cost	-	-	-	(406,604)	-	(468)	-	(65)	-	-	(407,137)
Accumulated depreciation	-	-	-	346,218	-	468	-	65	-	-	346,751
	-	-	-	(60,386)	-	-	-	-	-	-	(60,386)
Depreciation charge	-	(66,668)	(4,134)	(897,861)	(881)	(16,010)	(7,311)	(4,654)	(82)	(6)	(997,607)
Closing net book value	10,399	590,614	11,064	8,124,306	3,377	45,728	10,180	18,739	225	53	8,814,685
At 31 December 2018											
Cost	10,399	1,256,888	41,342	15,150,702	21,970	134,099	76,513	86,612	1,857	1,453	16,781,835
Accumulated depreciation	-	(666,274)	(30,278)	(7,026,396)	(18,593)	(88,371)	(66,333)	(67,873)	(1,632)	(1,400)	(7,967,150)
Net book value	10,399	590,614	11,064	8,124,306	3,377	45,728	10,180	18,739	225	53	8,814,685
Annual rate of depreciation (%)		3.33-20	10	4.89-33.3	10-20	20	10-33.3	10-33.3	10	10	

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers
	2018						
	Rupees in thousand						
Plant and machinery							
Neutralization and blow down pit including motor	1,967	1,197	770	-	(770)	(Note 11.1.4)	-
Economizer including tubing oxygen analyzers, thermocouples etc.	110,990	67,072	43,918	-	(43,918)	(Note 11.1.4)	-
Electircal protection system in relay room and electrical switching panel in CCR	720	37	683	-	(683)	(Note 11.1.4)	-
Neutralization and blow down pit including motor	1,867	1,136	731	-	(731)	(Note 11.1.4)	-
Acid day tank including level transmitters , shut off valves, sov, gauges etc.	1,215	740	475	-	(475)	(Note 11.1.4)	-
Main turbine and genertor including thermocouples, temperature and pressure gauges etc.	288,548	274,801	13,747	-	(13,747)	(Note 11.1.4)	-
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	1,830	1,768	62	729	667		
	407,137	346,751	60,386	729	(59,657)		

	2018	2017
	(Rupees in thousand)	
11.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 24)	964,529	955,895
Administrative expenses (Note 25)	33,078	36,320
	997,607	992,215

11.1.3 Operating fixed assets include fixed assets costing Rupees 377.369 million (2017: Rupees 279.607 million) which are fully depreciated but still in the use of the Company.

11.1.4 These represent operating fixed assets derecognized during the year due to replacement of assets as per requirement of IAS 16 “Property, Plant and Equipment”.

11.1.5 Particulars of immovable properties are as follows:

	Address	Area of land
		Acres
Complex	Mehmood Kot, District Muzzaffargarh	169.19

	2018	2017
	(Rupees in thousand)	
11.2 Capital work-in-progress		
Plant and machinery	194,525	216,097
Others	-	8,779
	194,525	224,876

12. INVESTMENT PROPERTIES

	2018	2017
Land (Note 12.1 and 12.2)	9,388	9,388
Building (Note 12.1 and 12.2)	647	730
Advance for purchase of residential building	84,800	-
	94,835	10,118

	Land	Building	Total
		(Rupees in thousand)	
At 31 December 2016			
Cost	9,388	1,653	11,041
Accumulated depreciation	-	(840)	(840)
Net book value	9,388	813	10,201
Year ended 31 December 2017			
Opening net book value	9,388	813	10,201
Depreciation charge (Note 26)	-	(83)	(83)
Closing net book value	9,388	730	10,118
At 31 December 2017			
Cost	9,388	1,653	11,041
Accumulated depreciation	-	(923)	(923)
Net book value	9,388	730	10,118
Year ended 31 December 2018			
Opening net book value	9,388	730	10,118
Depreciation charge (Note 26)	-	(83)	(83)
Closing net book value	9,388	647	10,035
At 31 December 2018			
Cost	9,388	1,653	11,041
Accumulated depreciation	-	(1,006)	(1,006)
Net book value	9,388	647	10,035
Annual rate of depreciation (%)		5	

12.1 This represents house rented out, the market value of which is estimated at Rupees 114.688 million (2017: Rupees 104.400 million) by M/s Al-Hadi Financial & Legal Consultants, an independent valuer. Fair value of land and building is based on market value and present depreciated cost of construction respectively. Forced sale value of investment properties as on the reporting date is Rupees 103.219 million. No expenses directly related to investment property were incurred during the year.

12.2 Particulars of investment property are as follows:

	Address	Area of land Sq.Yard
Residential house	House No. 2-B/1, F-7/4, Islamabad	500

	2018	2017
	(Rupees in thousand)	

13. LONG TERM INVESTMENT

	2018	2017
Associated company - under equity method		
Nishat Energy Limited - unquoted		
250,000 (2017: 250,000) fully paid ordinary shares of Rupees 10 each		
Equity held 25% (2017: 25%) at cost	2,500	2,500
Share of reserve		
As at 01 January	(1,658)	(1,658)
Less: Share of profit / (loss)	-	-
As at 31 December	(1,658)	(1,658)
Less: Impairment loss (Note 26)	(842)	(842)
Carrying amount under equity method	-	-

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

	2018	2017
	(Rupees in thousand)	
Non-current assets	-	12
Current assets	292	454
Total assets	292	466
Liabilities	12	2,574
Net assets	280	(2,108)
Profit / (loss) for the year (Note 13.5)	1,831	(5,473)

13.2 Nishat Energy Limited (NEL) is a public limited company incorporated in Pakistan. 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.

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

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

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

13.6 Investment in associated company has been made in accordance with the requirements of the Companies Act, 2017.

14. LONG-TERM LOANS TO EMPLOYEES

	2018	2017
	(Rupees in thousand)	
Considered good:		
Executives (Note 14.1)	44,353	81,904
Other employees	5,397	11,796
	49,750	93,700
Current portion shown under current assets (Note 18)		
Executives	(14,128)	(25,764)
Other employees	(2,566)	(3,818)
	(16,694)	(29,582)
	33,056	64,118

14.1 Reconciliation of carrying amount of loans to executives:

	2018	2017
Balance as at 01 January	81,904	71,934
Add: Disbursements	37,676	69,959
Less: Transferred to Pakgen Power Limited (Note 14.4)	44,821	-
	74,759	141,893
Less: Repayments	30,406	59,989
Balance as at 31 December	44,353	81,904

14.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 47.417 million (2017: Rupees 81.904 million).

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

14.3 Fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of employees' loans is not considered material and hence not recognized.

14.4 This represent loans to those employees who have been transferred to Pakgen Power Limited - associated company with effect from 01 January 2018 as a result of termination of "Shared Facilities Agreement" between both companies.

	2018	2017
	(Rupees in thousand)	
15. STORES, SPARE PARTS AND OTHER CONSUMABLES		
Stores, spare parts and other consumables (Note 15.1)	943,724	1,012,492
Less: Provision for slow moving / obsolete items	(65,053)	(65,053)
	878,671	947,439

15.1 These include stores in transit of Rupees 19.755 million (2017: Rupees 7.675 million). Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2018	2017
	(Rupees in thousand)	
16. FUEL STOCK		
Furnace oil	436,392	294,245
Diesel	14,532	5,089
	450,924	299,334
17. TRADE DEBTS - secured		
Other than related parties - considered good	13,658,828	10,849,196

17.1 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. This includes overdue amounts of Rupees 9,492 million (2017: Rupees 6,729 million) on which a penal mark-up at the rate of State Bank of Pakistan (SBP) discount rate plus 2% per annum compounded semi-annually. The penal mark-up rate charged during the year ranged from 8.25% to 12.50% (2017: 8.25%) per annum.

17.2 As at 31 December, age analysis of trade debts is as follows:

	2018	2017
	(Rupees in thousand)	
Neither past due nor impaired	2,389,807	2,803,751
Past due but not impaired:		
- 26 to 90 days	2,448,919	3,686,573
- 91 to 180 days	4,522,422	1,674,885
- 181 to 365 days	2,251,506	1,912,670
- Above 365 days	2,046,174	771,317
	11,269,021	8,045,445
	13,658,828	10,849,196

	2018	2017
	(Rupees in thousand)	

18. LOANS, ADVANCES AND SHORT-TERM PREPAYMENTS

Current maturity of long term loans to employees (Note 14)	16,694	29,582
Advances - considered good:		
- to employees for expenses	1	136
- to employees against salary	937	3,883
- to suppliers - unsecured	44,897	31,959
Advance income tax - net	387,904	371,338
Short term prepayments	3,985	2,699
	454,418	439,597

19. LOAN TO ASSOCIATED COMPANY

Nishat Hotels and Properties Limited (Note 19.1)	1,000,000	-
Pakgen Power Limited (Note 19.2)	-	-
	1,000,000	-

19.1 This represents working capital loan given to Nishat Hotels and Properties Limited. This carries markup at the rate of one month KIBOR plus 0.50% per annum. This loan is repayable uptill 24 October 2019. This is secured against corporate guarantee of the associated company. The effective rate charged during the year ranged from 6.86% to 10.90% per annum.

19.2 Working capital loans given to Pakgen Power Limited during the year were fully received during the year. These carried interest at the rate of one month KIBOR plus 0.50% per annum. The effective rate charged during the year ranged from 6.95% to 10.90% per annum.

19.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	2018	2017
	(Rupees in thousand)	
Nishat Hotels and Properties Limited	1,000,000	-
Pakgen Power Limited	870,000	1,000,000

20. OTHER RECEIVABLES

Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 20.1)	217,855	245,243
Workers' welfare fund (Note 20.2)	-	-
Others	1,144	1,206
	218,999	246,449

	2018	2017
	(Rupees in thousand)	

20.1 Workers' profit participation fund

	2018	2017
Balance as at 01 January	245,243	236,413
Allocation for the year (Note 26.2)	37,374	48,617
Amount received during the year	64,762	39,787
Balance as at 31 December	217,855	245,243

20.2 Workers' welfare fund

	2018	2017
Considered doubtful	13,216	13,216
Provision for doubtful receivable	(13,216)	(13,216)
	-	-

20.2.1 Provision for Workers' Welfare Fund (WWF) has not been made in these financial statements based on the advice of legal counsel of the Company. However, in case the Company pays WWF, the same is recoverable from CPPA-G as a pass through item under PPA with CPPA-G.

21. ACCRUED INTEREST

	2018	2017
	(Rupees in thousand)	
On loan to associated company:		
Nishat Hotels and Properties Limited	9,258	-

21.1 It is neither past due not impaired. The maximum aggregate amount receivable from related party at the end of any month during the year was Rupees 9.258 million.

22. CASH AND BANK BALANCES

	2018	2017
	(Rupees in thousand)	
Cash in hand	254	121
Cash with banks on:		
Saving accounts (Note 22.1)	2,844	417
Current accounts	672	84
	3,516	501
	3,770	622

22.1 Saving accounts carry mark-up at the rates ranging from 3.75% to 8% (2017: 3.75% to 4%) per annum.

	2018	2017
	(Rupees in thousand)	

23. SALES

	2018	2017
Energy	14,213,926	16,516,123
Less: Sales tax	(1,997,512)	(2,357,662)
	12,216,414	14,158,461
Capacity	4,593,244	4,154,615
	16,809,658	18,313,076

24. COST OF SALES

	2018	2017
Fuel cost (Note 24.1)	12,595,580	14,548,041
Operation and maintenance costs (Note 24.2)	863,981	554,429
Insurance	493,719	437,208
Depreciation (Note 11.1.2)	964,529	955,895
Liquidated damages to CPPA-G	295	12,803
	14,918,104	16,508,376

24.1 Fuel cost

	2018	2017
Opening stock	299,334	349,471
Purchased during the year	12,747,170	14,497,904
	13,046,504	14,847,375
Closing stock	(450,924)	(299,334)
	12,595,580	14,548,041

24.2 Operation and maintenance costs

	2018	2017
Salaries, wages and other benefits (Note 24.2.1)	236,143	233,522
Repair and maintenance	313,262	112,171
Fee and subscription	5,544	5,281
Stores and spare parts consumed	246,199	163,920
Electricity consumed in-house	62,833	39,535
	863,981	554,429

24.2.1 Salaries, wages and other benefits include provident fund contribution and provision for gratuity of Rupees 14.274 million (2017: Rupees 12.488 million) and Rupees 10.082 million (2017: Rupees 9.151 million) respectively.

25 ADMINISTRATIVE EXPENSES

	2018	2017
	(Rupees in thousand)	
Salaries and other benefits (Note 25.1)	97,773	69,165
Travelling, conveyance and entertainment	12,615	10,938
Office rent	6,280	6,280
Communication and utilities	1,674	1,234
Insurance	6,422	5,308
Repair and maintenance	8,742	5,997
Printing and stationery	3,468	2,100
Advertisement and publicity	354	278
Legal and professional charges	34,823	32,345
Depreciation (Note 11.1.2)	33,078	36,320
Community welfare	5,780	3,776
Security services	19	123
General expenses	12,580	13,203
	223,608	187,067

25.1 Salaries and other benefits include provident fund contribution and provision for gratuity of Rupees 3.856 million (2017: Rupees 3.790 million) and Rupees 4.268 million (2017: Rupees 2.777 million) respectively.

26. OTHER EXPENSES

	2018	2017
	(Rupees in thousand)	
Auditor's remuneration (Note 26.1)	2,833	2,594
Depreciation on investment property (Note 12)	83	83
Workers' profit participation fund (Note 26.2)	-	-
Loss on disposal / derecognition of operating fixed assets (Note 11.1.1)	59,657	13,869
Impairment loss on investment in associated company	-	842
	62,573	17,388

26.1 Auditors' remuneration

	2018	2017
Statutory audit	2,094	1,906
Half yearly review	601	550
Other certifications and reporting	50	50
Out of pocket expenses	88	88
	2,833	2,594

26.2 Workers' profit participation fund

	2018	2017
Allocation for workers' profit participation fund (Note 7.1)	37,374	48,617
Allocation to workers' profit participation fund recoverable from CPPA-G (Note 20.1)	(37,374)	(48,617)
	-	-

	2018	2017
	(Rupees in thousand)	

27. OTHER INCOME

Income from financial assets		
Interest income:		
Profit on saving bank accounts	540	781
Interest on loans to associated companies	92,233	55,847
Other:		
Credit balances written back	-	27,706
Income from non-financial assets		
Rental income (Note 27.1)	5,914	4,836
Scrap sales	6,384	22,151
	105,071	111,321

27.1 This includes rental income amounting to Rupees 3.331 million (2017: Rupees 2.958 million) from investment property.

	2018	2017
	(Rupees in thousand)	

28. FINANCE COST

Mark-up / profit on:		
Long term financing	39,822	81,813
Short term borrowings	909,593	641,640
Bank charges and commission	13,557	15,773
	962,972	739,226

29. TAXATION

29.1 Provision for taxation has not been made in these financial statements as the total income of the Company except other income is exempt from levy of income tax under Clause 132 of Part I and Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. No provision for taxation is required against other income due to availability of tax credits. The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements being impracticable.

29.2 Management assessment on sufficiency of provision for income taxes

A comparison of provision on account of income taxes with most recent tax assessment for last three tax years is as follows:

	2017	2016	2015
	--- (Rupees in thousand) ---		
Tax assessed as per most recent tax assessment	Nil	Nil	Nil
Provision in accounts for income tax	Nil	Nil	Nil

As at 31 December 2018, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, there is no provision in books of account for income tax as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

30. EARNINGS PER SHARE - BASIC AND DILUTED

	2018	2017
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	747,472	972,340
Weighted average number of shares (Number)	379,838,733	379,838,733
Earnings per share - basic (Rupees)	1.97	2.56

31. CASH (UTILIZED IN) / GENERATED FROM OPERATIONS

	2018	2017
	(Rupees in thousand)	
Profit before taxation	747,472	972,340
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	997,607	992,215
Depreciation on investment property	83	83
Provision for gratuity	14,350	11,929
Loss on disposal / derecognition of operating fixed assets	59,657	13,869
Impairment loss on investment in associated company	-	842
Interest income	(92,773)	(56,628)
Finance cost	962,972	739,226
Cash flows from operating activities before working capital changes	2,689,368	2,673,876
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	68,768	29,216
Fuel stock	(151,590)	50,137
Trade debts	(2,809,632)	(2,252,523)
Loans, advances and short term prepayments	(11,143)	677,503
Loan to associated company	(1,000,000)	-
Other receivables	27,450	(8,795)
Sales tax recoverable	465,099	322,605
	(3,411,048)	(1,181,857)
Increase in trade and other payables	614,040	157,900
	(107,640)	1,649,919

31.1 There are no non-cash investing and financing activities during the year.

31.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2018		
	Liabilities from financing activities		Total
	Long term finance	Unclaimed dividend	
	.... (Rupees in thousand)		
Balance as at 01 January 2018	783,438	2,775	786,213
Repayment of long term financing	(553,015)	-	(553,015)
Dividend declared	-	379,839	379,839
Dividend paid	-	(378,547)	(378,547)
Balance as at 31 December 2018	230,423	4,067	234,490

	2017		
	Liabilities from financing activities		Total
	Long term finance	Unclaimed dividend	
	.... (Rupees in thousand)		
Balance as at 01 January 2017	1,336,453	2,540	1,338,993
Repayment of long term financing	(553,015)	-	(553,015)
Dividend declared	-	759,678	759,678
Dividend paid	-	(759,443)	(759,443)
Balance as at 31 December 2017	783,438	2,775	786,213

32. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, 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:

Associated company	Nature of transaction	2018	2017
		(Rupees in thousand)	
Nishat Mills Limited	Dividend	109,393	218,786
Adamjee Insurance Company Limited	Dividend	27,348	54,697
	Insurance premium	19,012	12,666
	Insurance claims received	21,283	1,975
Security General Insurance Company Limited	Dividend	6,837	13,673
	Insurance premium	571,931	506,459

Associated company	Nature of transaction	2018	2017
		(Rupees in thousand)	
Nishat Hospitality (Private) Limited	Boarding and lodging services	80	731
Engen (Private) Limited	Dividend	69,012	138,024
Pakgen Power Limited	Share of expenses	-	329,290
	Share of rental income	-	1,688
	Loan given	1,610,000	1,000,000
	Loan repaid	1,610,000	1,656,500
	Interest charged	23,651	55,846
	Loan received	1,100,000	-
	Loan repaid	1,100,000	
	Interest expense	11,187	
Nishat Hotels and Properties Limited	Loan given	1,000,000	-
	Interest charged	67,931	-
	Boarding and lodging services	424	565
Nishat (Aziz Avenue) Hotels and Properties Limited	Rent expense	6,280	6,280
Adamjee Life Assurance Company Limited	Insurance premium	1,712	-
	Insurance claim received	260	-
D.G. Khan Cement Company Limited	Purchase of goods	212	321
Staff retirement benefit plans			
Provident fund	Contributions	18,130	16,278
Gratuity fund	Contributions	38,280	19,207

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
Nishat Mills Limited	Common Directorship	Yes	None
Adamjee Insurance Company Limited	Group Company	Yes	None
Security General Insurance Company Limited	Common Directorship	Yes	None
Engen (Private) Limited	Common Directorship	Yes	None
Nishat Hospitality (Private) Limited	Common Directorship	Yes	None
D.G. Khan Cement Company Limited	Common Directorship	Yes	None
Pakgen Power Limited	Common Directorship	Yes	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	No	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 (Gulberg) Hotels and Properties Limited	Common Directorship	No	None
Nishat (Raiwind) Hotels and Properties	Common Directorship	No	None
Nishat Developers (Private) Limited	Common Directorship	No	None
Nishat Hospitality (Private) Limited	Common Directorship	No	None
Nishat Dairy (Private) Limited	Common Directorship	No	None
Nishat Automobiles (Private) Limited	Common Directorship	No	None
Nishat Agriculture Farming (Private) Limited	Common Directorship	No	None
Nishat Real Estate Development Company (Private) Limited	Common Directorship	No	None
Nishat Farm Supplies (Private) Limited	Common Directorship	No	None
Nishat Commodities (Private) Limited	Common Directorship	No	None
Nishat Paper Products Company Limited	Common Directorship	No	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	No	None
Nishat Energy Limited	Common Directorship	No	25%
Hyundai Nishat Motor (Private) Limited	Common Directorship	No	None
Educational System (Private) Limited	Common Directorship	No	None
Smart Education System (Private) Limited	Common Directorship	No	None
The Smart School (Private) Limited	Common Directorship	No	None
City APIT (Private) Limited	Common Directorship	No	None
City Educational Services (Private) Limited	Common Directorship	No	None
Premier Realities (Private) Limited	Common Directorship	No	None
Remington Realties (Private) Limited	Common Directorship	No	None
LSE Financial Services Limited	Common Directorship	No	None
Lalpir Solar Power (Private) Limited	Common Directorship	No	None
City Agro (Private) Limited	Common Directorship	No	None
National Clearing Company of Pakistan Limited	Common Directorship	No	None
Gul Ahmad Bio Films Limited	Common Directorship	No	None
Gul Ahmad CBMC Glass Company Limited	Common Directorship	No	None
Metro Estates (Private) Limited	Common Directorship	No	None
City Schools Provident Fund Trust	Common Directorship/ Trustee	No	None
Fauji Cement Company Limited	Common Directorship	No	None
Metro Property Network (Private) Limited	Common Directorship	No	None
Nishat Chunian Power Limited	Common Directorship	No	None
Adamjee Life Assurance Company Limited	Common Directorship	Yes	None
Provident Fund Trust	Group Company	Yes	None
Gratuity Fund Trust	Post-employment benefit plan	Yes	None
	Post-employment benefit plan		

33. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

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

	2018		2017	
	Executive Director	Executives	Executive Director	Executives
	(- - - - - - - Rupees in thousand - - - - - - -)			
Managerial remuneration	10,314	146,606	10,273	131,724
Medical expenses	1,031	14,659	1,027	13,172
Bonus	2,836	40,070	3,404	34,815
Retirement benefits	1,031	14,476	1,027	13,172
	15,212	215,811	15,731	192,883
Number of persons	1	50	1	50

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 625,000 (2017: Rupees 575,000) was paid to non-executive directors of the Company during the year.

34. PROVIDENT FUND

As at the reporting date, the provident fund trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose in terms of SRO 731(I)/2018 issued by Securities and Exchange Commission of Pakistan on 06 June 2018 which allows transition period of one year for bringing the provident fund trust in conformity with the requirements of regulations.

35. NUMBER OF EMPLOYEES

	2018	2017
Number of employees as on 31 December (Note 35.1)	99	199
Average number of employees during the year	97	198

35.1 These include 64 (2017: 136) number of factory employees.

36 . FINANCIAL RISK MANAGEMENT

36.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2018	2017
Trade and other payables		
- USD	(36,447)	(109,363)
- GBP	(689,683)	(6,298)
- Euro	(53,658)	(13,973)
Net exposure - USD	(36,447)	(109,363)
Net exposure - GBP	(689,683)	(6,298)
Net exposure - Euro	(53,658)	(13,973)

The following significant exchange rates were applicable during the year:

Rupees per US Dollar		
Average rate	122.09	105.58
Reporting date rate	138.60	110.50
Rupees per GBP		
Average rate	162.08	136.92
Reporting date rate	175.88	148.72
Rupees per Euro		
Average rate	143.83	119.93
Reporting date rate	158.52	131.79

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP and Euro (2017: USD, GBP and Euro) with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 6.743 million (2017: Rupees 0.743 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 bank balances in saving accounts, past due trade debts, loan to associated company, long-term financing and short-term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

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

	2018	2017
	(Rupees in thousand)	
Fixed rate instruments		
Floating rate instruments		
Financial assets		
Bank balances- saving accounts	2,844	417
Loan to associated company	1,000,000	-
Trade debts - past due	9,491,600	6,729,021
	10,494,444	6,729,438
Financial liabilities		
Long term financing	(230,423)	(783,438)
Short term borrowings	(11,646,851)	(8,664,776)
	(11,877,274)	(9,448,214)
Net exposure	(1,382,830)	(2,718,776)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 13.828 million (2017: Rupees 27.188 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2018	2017
	(Rupees in thousand)	
Long term loans to employees	49,750	93,700
Long term security deposits	350	300
Trade debts	13,658,828	10,849,196
Loans to associated company	1,000,000	-
Accured interest	9,258	-
Other receivables	1,144	1,206
Bank balances	3,516	501
	14,722,846	10,944,903

Age analysis of trade debts as at reporting date is given in note 17.2.

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			2018	2017
	Short Term	Long Term	Agency	(Rupees in thousand)	
CPPA-G		Not available		2,389,807	2,803,751
Nishat Hotels and Properties Limited	A-2	A-	PACRA	1,000,000	-
National Bank of Pakistan	A1+	AAA	PACRA	1,903	296
Habib Bank Limited	A-1+	AAA	JCR-VIS	2	2
MCB Bank Limited	A1+	AAA	PACRA	11	4
United Bank Limited	A-1+	AAA	JCR-VIS	2	2
The Bank of Punjab	A1+	AA	PACRA	1	3
Allied Bank Limited	A1+	AAA	PACRA	1	2
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	931	110
Askari Bank Limited	A1+	AA+	PACRA	73	55
Bank Alfalah Limited	A1+	AA+	PACRA	168	25
BankIslami Pakistan Limited	A1	A+	PACRA	-	2
				3,392,899	2,804,252

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 2018, the Company had Rupees 5,718 million (2017: Rupees 6,450 million) available borrowing limits from financial institutions and Rupees 3.770 million (2017: Rupees 0.622 million) cash and bank balances to meet the short-term funding requirements due to delay in payments by CPPA-G. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including mark-up / profit payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 31 December 2018:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(- - - - - - - - - - - - - - - Rupees in thousand					- - - - - - - - - - - - - - -)
Non-derivative financial liabilities:						
Long term financing	230,423	234,620	234,620	-	-	-
Trade and other payables	1,839,917	1,839,917	1,839,917	-	-	-
Accrued mark-up / profit	198,700	198,700	198,700	-	-	-
Unclaimed dividend	4,067	4,067	4,067	-	-	-
Short term borrowings	11,646,851	11,736,830	11,736,830	-	-	-
	13,919,958	14,014,134	14,014,134	-	-	-

Contractual maturities of financial liabilities as at 31 December 2017:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(- - - - - - - - - - - - - - - Rupees in thousand					- - - - - - - - - - - - - - -)
Non-derivative financial liabilities:						
Long term financing	783,438	818,462	297,368	288,096	232,998	-
Trade and other payables	1,210,833	1,210,833	1,210,833	-	-	-
Accrued mark-up / profit	108,270	108,270	108,270	-	-	-
Unclaimed dividend	2,775	2,775	2,775	-	-	-
Short term borrowings	8,664,776	8,688,502	8,688,502	-	-	-
	10,770,092	10,828,842	10,307,748	288,096	232,998	-

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 mark-up / profit have been disclosed in note 5 and 9 to these financial statements.

36.2 Offsetting financial assets and financial liabilities

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

36.3 Financial instruments by categories

	Loans and receivables	
	2018	2017
	(Rupees in thousand)	
Assets as per statement of financial position		
Long term loans to employees	49,750	93,700
Long term security deposit	350	300
Trade debts	13,658,828	10,849,196
Other receivables	1,144	1,206
Loan to associated company	1,000,000	-
Accrued Interest	9,258	-
Cash and bank balances	3,770	622
	14,723,100	10,945,024

	Financial liabilities at amortized cost	
	2018	2017
	(Rupees in thousand)	
Liabilities as per statement of financial position		
Long term financing	230,423	783,438
Trade and other payables	1,839,917	1,210,833
Accrued mark-up / profit	198,700	108,270
Unclaimed Dividend	4,067	2,775
Short term borrowings	11,646,851	8,664,776
	13,919,958	10,770,092

37. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are 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. 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 classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

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

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

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

38. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 December 2018	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Investment property	-	114,688	-	114,688
Total non-financial assets	-	114,688	-	114,688

At 31 December 2017	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees
Investment property	-	104,400	-	104,400
Total non-financial assets	-	104,400	-	104,400

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.

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.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment property at the end of every financial year. As at 31 December 2018, the fair value of the investment property has been determined by M/s Al-Hadi Financial & Legal Consultants.

Changes in fair values are analysed at each reporting date during the annual valuation discussion between the chief financial officer and the valuer. As part of this discussion, the team presents a report that explains the reason for the fair value movements.

	2018 MWH	2017 MWH
39. CAPACITY AND ACTUAL PRODUCTION		
Installed capacity based on 8,760 (2017: 8,760) hours	3,171,120	3,171,120
Actual energy delivered	868,284	1,399,502

Output produced by the Complex is dependent on the load demanded by CPPA-G and Complex availability. Further, the plant remained closed for two months during the year for major over halling.

40. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2018	2017	2018	2017
	(Rupees in thousand)		(Rupees in thousand)	
Total facilities	3,744,476	5,482,643	17,364,400	15,114,410
Utilized at the end of the year	2,246,785	2,440,121	11,646,851	8,664,776
Unutilized at the end of the year	1,497,691	3,042,522	5,717,549	6,449,634

41. SEGMENT INFORMATION

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

42. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed final cash dividend for the year ended 31 December 2018 of Rupees 1 per share (2017: Rupee 1 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.

43. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. To comply with the requirements of the Companies Act, 2017 unclaimed dividend has been reclassified from trade and other payables and presented on the face of statement of financial position.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 22 March 2019 by the Board of Directors of the Company.

45. GENERAL

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

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

FORM OF PROXY

I/We, ____

of ______________________ CDCA/CNO./FOLIONO. ______________________

being a shareholder of the Lalpir 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 April 30, 2019 (Tuesday) at 11:00 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 __________ 2019.

Revenue Stamp of Rs. 5/-

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
LALPIR POWER LIMITED
53 - A, Lawrence Road, Lahore.
Tel : 042 - 736367812 - 16 Fax: 042 - 736367414

نمائندگی کا فارم (پراکسی فارم)

میں/ہم --

ساکن -- سی ڈی سی اکاؤنٹ نمبر/فولیو نمبر--------

بحیثیت رکن لال پیر 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 ایماء پر 30 اپریل 2019ء (منگل) کو صبح 11:00 بجے نشاط ہوٹل، (ایمپوریم مال)، ٹریڈ اینڈ فنانس سنٹر نزد ایکسپو سنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور پر منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں میری/ ہماری غیر موجودگی میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ ہمارا بطور نمائندہ (پراکسی) مقرر کرتا/ کرتے ہیں۔

آج بروز............... بتاریخ.......... 2019ء کو میرے/ ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

دستخط: ____________________

پتہ: ____________________

5 روپے کا رسیدی ٹکٹ یہاں چسپاں کریں

تعداد ملکیتی حصص: ____________

گواہان

نام: ____________________ نام: ____________________

پتہ: ____________________ پتہ: ____________________

اہم نوٹ:

a۔ 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،

53-A، لارنس روڈ، لاہور میں لازماً وصول ہو جانے چاہئیں۔

پراکسی کے تقرر کے لئے

b۔ بینیفشل اونر کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ لازماً جمع کرانا ہوگی۔

c۔ پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔

d۔ کارپوریٹ اینٹیٹی کی صورت میں بورڈ کی قرارداد / مختار نامہ معہ نمونہ دستخط پراکسی فارم کے ہمراہ کمپنی کو جمع کرانا ہوگا۔

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NISHAT

LALPIR POWER LIMITED

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