

LALPIR POWER LIMITED



SECY/STOCKEXC/60

March 28, 2024

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

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

Dear Sir,

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

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

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: +92-42-35717239, WEBSITE: www.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

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 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

2. Applicable Criteria

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

3. Management's Responsibility for the Statement

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

4. Our Independence and Quality Control

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

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

5. Our Responsibility and Summary of the Work Performed

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

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

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to 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.

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

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

Riaz Ahmad & Company

Chartered Accountants

6. Opinion

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

7. Restriction on Use and Distribution

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



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Atif Anjum

Date: 27 FEB 2024

LAHORE

LALPIR POWER LIMITED



LALPIR POWER LIMITED STATEMENT OF FREE FLOAT OF SHARES

	As of 31 March 2023	As of 30 June 2023	As of 30 September 2023	As of 31 December 2023
Total Outstanding Shares	379,838,732	379,838,732	379,838,732	379,838,732
Less: Government Holdings	-	-	-	-
Less: Shares held by Directors / Sponsors / Senior Management Officers and their associates (Note 1)	(98,665,632)	(96,862,632)	(100,982,132)	(100,986,632)
Less: Shares in Physical Form	(397,778)	(396,778)	(390,217)	(388,217)
Less: Shares held by Associate companies / Group Companies (Cross holdings)	(149,146,440)	(149,439,440)	(149,439,440)	(149,439,440)
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-	-	-	-
Less: Treasury shares	-	-	-	-
Less: Any other category that are barred from selling at the review date	-	-	-	-
	(248,209,850)	(246,698,850)	(250,811,789)	(250,814,289)
Free Float	131,628,882	133,139,882	129,026,943	129,024,443

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

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

Company Secretary



Chief Executive



HEAD OFFICE

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

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N I S H A T

LALPIR POWER LIMITED



ANNUAL REPORT 2023



Growth - Expansion - Progress



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THE COMPANY



Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 8 May 1994 under the repealed 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. Zaheer Ahmad Ghanghro
Mr. Mahmood Akhtar
Mr. Muhammad Azam
Mr. Inayat Ullah Niazi
Mrs. Hajra Arham
Mr. Amir Mahmood

CHIEF EXECUTIVE OFFICER

Mr. Mahmood Akhtar

AUDIT COMMITTEE

Mr. Zaheer Ahmad Ghanghro Chairman
Mr. Inayat Ullah Niazi
Mrs. Hajra Arham

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mian Hassan Mansha
Mrs. Hajra Arham Chairperson
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: +92-42-111-11-33-33
Fax:+92-42-36367-414

HEAD OFFICE

1-B, Aziz Avenue, Gulberg-V,
Lahore- Pakistan
Tel: +92-42-35717090-96
Fax:+92-42-35717239

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
MCB Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited
MCB Islamic 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

CDC Share Registrar Services 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 AND MISSION STATEMENT



OUR VISION

ENLIGHTEN THE FUTURE THROUGH
EXCELLENCE, COMMITMENT, INTEGRITY
AND HONESTY.



OUR MISSION

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







NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Members of Lalpir Power Limited (the “Company”) will be held on April 23, 2024 (Tuesday) at 11:30 a.m. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

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

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

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

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

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

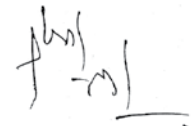
- c. **To Consider and if deemed fit, to pass the following resolutions as special resolutions in pursuance of S.R.O. 389(1)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through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

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

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

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

By order of the Board



(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

LAHORE
February 27, 2024

**INNOVATION THROUGH
TECHNOLOGY**



NOTES:

BOOK CLOSURE NOTICE:-

The Share Transfer Books of the Company will remain closed from 17-04-2024 to 23-04-2024 (both days inclusive) for attending and voting at AGM. The Physical transfers/CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 16-04-2024 at CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi will be considered in time for attending the meeting.

Proxies

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

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

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

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

A. For Attending the Meeting

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

B. For Appointing Proxies

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

Transmission of Annual Financial Statements through Email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.lalpir.com and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar Office, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

Circulation of Annual Reports through Digital Storage

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

Unclaimed Dividend / Shares

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

Conversion of Physical Shares into Book-entry Form:

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

Video Conference Facility

In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form available on the website of the Company.

E-voting / Postal Ballot Facility

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

Polling on Special Business Resolutions:

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

Accordingly, members of Lalpir Power Limited will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on 23-04-2024, at 11:30 A.M., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 17-04-2024.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from 20-04-2024, at 09:00 a.m. and shall close on 22-04-2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address Nishat House 53-A, Lawrence Road, Lahore, Pakistan or email at chairman@lalpir.com one day before the Annual General Meeting on 22-04-2024 up to 5 p.m. The signature on the ballot paper shall match the signature on CNIC.

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

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

E-voting Service Provider:
CDC Share Registrar Services Limited

Video Link Facility for Meeting:-

The members can attend the AGM via video link using smart phones/tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at kchohan@lalpir.com or smahmood@dgcement.com by April 17, 2024.

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

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on April 23, 2024.

a) Item No. 4(a)

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

Following transactions carried out with associated companies/related parties as disclosed in Note No. 29 of the Annual Audited Financial Statements for the year ended December 31, 2023 have been approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to provisions of applicable laws. However, as majority of Company Directors were interested in certain related party transactions due to their common directorship and holding of shares in the associated companies/related parties, the Board has recommended for placement of the same before the shareholders of the Company in general meeting for ratification/approval.

Associated companies	Nature of transaction	2023 (Rupees in thousand)
Nishat Mills Limited	Dividend	1,868,003
Security General Insurance Company Limited	Dividend Insurance premium paid Insurance claims received	200,574 1,511,193 15
Nishat Hotels and Properties Limited	Boarding and lodging services	550
Nishat (Aziz Avenue) Hotels and Properties Limited	Dividend	6,214
Nishat Real Estates Development Company (Private) Limited	Dividend	180
Hyundai Nishat Motor (Private) Limited	Services received	234
MCB Bank Limited	Profit on bank deposits received	16,930
Adamjee Insurance Company Limited	Dividend Insurance premium paid Insurance claims received	464,923 6,752 1,101
Adamjee Life Assurance Company Limited	Insurance premium paid	1,611
OTHER RELATED PARTIES		
Mr. Muhammad Azam	Dividend	9
Mr. Hassan Mansha	Dividend	441,894
Mr. Inayat Ullah Niazi	Dividend	9
Mr. Mehmood Akhtar	Dividend	9
Mr. Amir Mehmood	Dividend	9
Mrs. Hajra Arham	Dividend	9
Mr. Zaheer Ahmed Ghanghro	Dividend	9
Mr. Jawaid Iqbal (Ex-director)**	Dividend	903

Staff retirement benefit plans		
Provident Fund Trust	Contributions	18,646
Gratuity Fund Trust	Benefits paid on behalf of fund	5,981

** Ceased to be the director of the Company with effect from 26 April 2023.

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

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

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

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

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

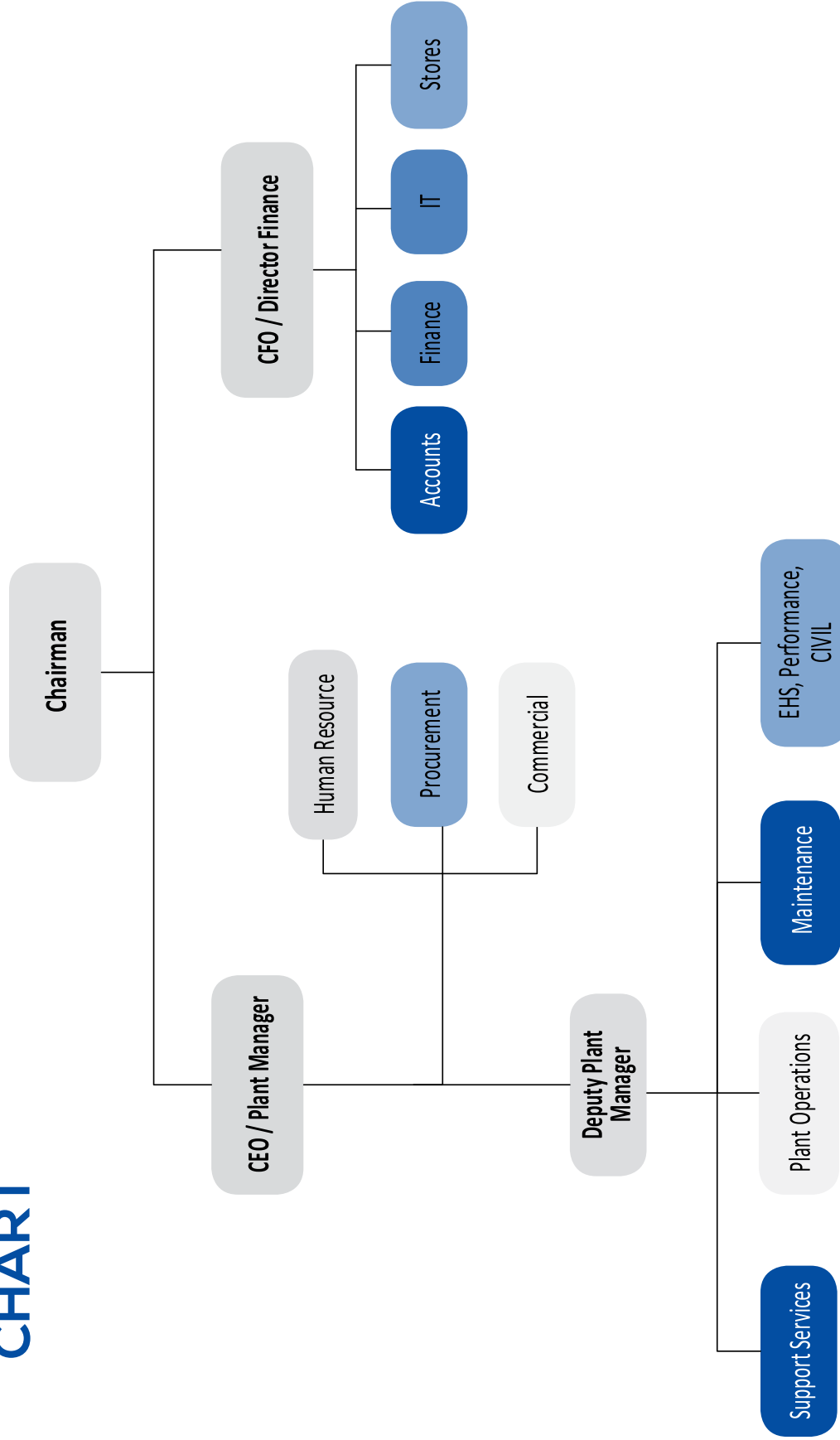
c) [Item No. 4\(c\)](#)

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

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

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

ORGANIZATION CHART



DIRECTORS' PROFILE

MIAN HASSAN MANSHA - CHAIRMAN NON-EXECUTIVE DIRECTOR



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

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

MR. MAHMOOD AKHTAR - CEO EXECUTIVE DIRECTOR



Mr. Mahmood Akhtar holds an MBA degree from University of the Punjab and has over 41 years of managerial experience spread across various sector of industries & business: Sales and Marketing of durable engineering products, manufacturing of cables & overhead aluminum conductor, Power, Health & Hospitality and Relationship Management.

He also serves on the Board of Nishat Mills Limited, Nishat Power Limited, Security General Insurance Company Limited, Nishat Hospitality (Private) Limited, Nishat Paper Products Company Limited and Nishat Commodities (Private) Limited.

- Member of Pen (Progressive Education Network). Engaged in providing free & quality education to children.
- Keen Golfer.

MR. MUHAMMAD AZAM NON-EXECUTIVE DIRECTOR



Mr. Muhammad Azam is a fellow member of the Institute of Chartered Accountants of Pakistan, he has over 42 years of experience He is working as Sr. General Manager (F& A) with Nishat Mills Limited since 1991 and also holds office of director in Security General Insurance Company Limited, Nishat Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat Hospitality (Pvt) Limited and Nishat Real Estate Development Company (Pvt) Limited.



MR. INAYAT ULLAH NIAZI NON-EXECUTIVE DIRECTOR

He is a Commerce Graduate and C.A. Inter. His experience spans about 39 years, through out with DGKC. He supervised the financial matters related to expansion of DG Plant. He also oversaw critical financing arrangements for installation of new plants at Khairpur (2007) and Hub (2018). His expertise is in accounts, tax, audit, finance, treasury, budget and planning. He remained a crucial negotiator and dealer in transactions with international financial institutions, development institutions and export credit agencies.

He has served as director of Security General Insurance Company Limited, Lahore Stock Exchange, National Clearing Company of Pakistan Limited and LSE Financial Services Limited. He is also CFO of Nishat Paper Products Company Limited.

He is also serving as a director in Nishat Hotels & Properties Limited, Nishat (Aziz Avenue) Hotels & Properties Limited, Nishat (Raiwind) Hotels & Properties Limited, Nishat Energy Limited, Lalpir Power Limited and Pakistan Aviators and Aviation (Private) Limited.

MR. ZAHEER AHMED GHANGHRO INDEPENDENT DIRECTOR



Mr. Zaheer Ahmed Ghanghro has more than three decades of experience working in the field of power generation and transmission. He is the CEO of Halmore Power Generation Company Limited, which owns a 225 MW combined cycle power plant located at Bhikhi. Previously, he has served as Managing Director of OMS Pakistan, Project Director of Chiniot Power, and an Electrical Engineer with WAPDA. As Managing Director for Pakistan operations of O&M Solutions, Mauritius, he was directly involved as Project Director in the development, contract negotiations, construction, and commissioning of many projects in Pakistan, including all 6FA CAPP projects (Orient, Saif, Sapphire, and Halmore) and K-Electric's 560 MW Bin Qasim – II Project. He started his career with WAPDA, where he worked for over 17 years as an Electrical and Operations Engineer at the 880 MW Jamshoro Thermal Power Plant, Maintenance Engineer for Guddu – Multan 500 kV Transmission Lines, and Operations Engineer at 500 kV grid station, Multan. Mr. Zaheer holds master's degrees in Engineering and Business Administration and has also undergone various trainings in Pakistan, Germany, and UAE. The Government of Punjab has appointed Mr. Zaheer as Chairman of the Boards of Directors for Quaid-e-Azam Solar Power Company and Quaid-e-Azam Thermal Power Company.

He is also a Director in the following companies:

- Halmore Power Generation Company Limited
- Halmore Properties (Private) Limited
- Halmore Seasons (Private) Limited
- OILCO Petroleum (Private) Limited

MRS. HAJRA ARHAM
INDEPENDENT / FEMALE DIRECTOR



Mrs Hajra Arham is a Chartered Accountant qualified from The Institute of Chartered Accountants of Pakistan. She has over 28 years' post qualification work experience with public and private sectors at advisory and management board positions. She has worked at projects funded by Punjab Govt., World Bank, Asian Development Bank , UK Govt. and Japan International Cooperation Agency. Her exposure relates to Information Technology, Water Sector, Power/ Energy Sector and widely diversified clientele of CA firm from Textile and Sugar Industry to Financial Institutions and Development Authorities. She is also currently serving as Independent Director, Chairperson Audit Committee and Member HR Committee of Kohinoor Mills Limited, a listed company engaged in textile production and export.

MR. AMIR MAHMOOD
NON-EXECUTIVE DIRECTOR



Mr. Amir Mahmood is a Fellow Member of the Institute of Chartered Accountants of Pakistan. He has been associated with large business conglomerates in senior executive roles. Currently he is serving as Group Chief Financial Officer of City School Group. He possesses extensive experience in financial as well as commercial operations of different organizations and has been involved in national and international financing arrangements and restructurings. Amir served as a member of Arbitration Committee of Pakistan Stock Exchange, he is a certified board director and previously sat on the boards of commercial as well as government organizations.

CHAIRMAN'S REVIEW

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

The Company has earned a profit after tax of Rs.4.578 billion as against a profit of Rs.2.707 billion earned during the previous year. The profit in current year has increased by Rs.1.871 billion, because of low dispatch in current year which helped the Company minimize its fuel losses.

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

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

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

combination, possess the requisite skills, core competencies and industry knowledge to lead the Company, whereby all Board members are aware of the high level of ethical and professional standards laid down in Vision & Mission Statements of the Company.

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

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

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



Chairman
Lahore: February 27, 2024

چیرمین کا جائزہ

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

کمپنی کو گزشتہ سال 2.707 بلین روپے منافع کے برعکس موجودہ سال میں 4.578 بلین روپے کا بعد از ٹیکس منافع ہوا۔ موجودہ سال میں منافع 1.871 بلین روپے تک زیادہ ہوا کیونکہ موجودہ سال میں ترسیل کم ہوئی جس نے اس کے ایندھن کے نقصانات کو کم کرنے میں کمپنی کی مدد کی۔

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

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

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

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

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

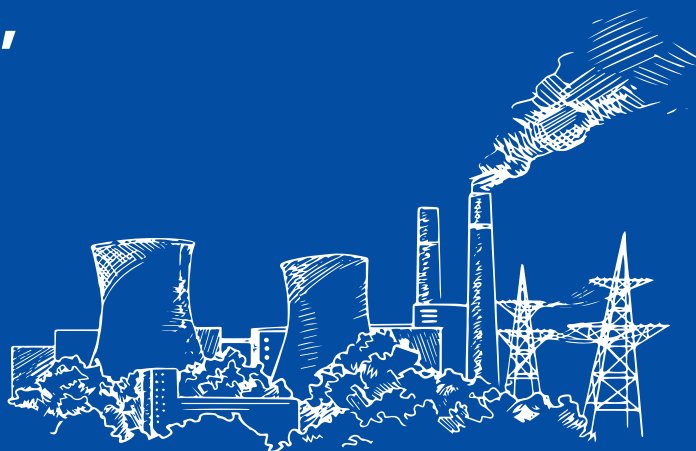
میں اپنے عملے کے ارکان کی انتھک کوششوں کو سراہتا ہوں اور تمام اسٹیک ہولڈرز کے مسلسل تعاون، اعتماد اور مدد کا شکریہ ادا کرتا ہوں۔

Hassam Mirza

چیرمین

لاہور، 27 فروری 2024ء

DIRECTORS' REPORT



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

GENERAL

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 8 May 1994 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain an oil-fired power station ("the Complex") with a dependable capacity of 350 MW against a gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Sole purchaser of the power is Central Power Purchasing Agency (Guarantee) Limited (CPPA-G).

FINANCE AND SIGNIFICANT EVENTS

We report that during the year 2023 the total sales revenue of the Company was Rupees 19.472 billion (2022: Rupees 37.611 billion) and operating costs were Rupees 13.871 billion (2022: Rupees 34.125 billion), resulting in gross profit of Rupees 5.601 billion (2022: Rupees 3.485 billion). The Company earned a profit after tax of Rupees 4.578 billion resulting in earnings per share of Rupees 12.05 as compared to a profit after tax of Rupees 2.707 billion and earnings per share of Rupees 7.13 last year.

Our sole customer, CPPA-G remains unable to meet its obligations in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of Government of Pakistan. As on 31 December 2023, an amount of Rupees 10.271 billion was outstanding against CPPA-G.

OPERATIONS AND SIGNIFICANT EVENTS

In response to load demanded by CPPA-G, the Lalpir plant operated at capacity factor of 8.7% and an availability of 80.60% and dispatched 266.709 GWh of electricity during the year.

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

ANNUAL CAPACITY TEST

As per the requirement of PPA, the Company conducted its Annual Capacity Test on July 15, 2023 whereby it successfully maintained the capacity of 350 MW.

PERFORMANCE IMPROVEMENT

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

CREDIT RATINGS

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

INTERNAL AUDIT AND CONTROL

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

ENVIRONMENT HEALTH AND SAFETY

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 accident (LTA) due to any injury and there was no environment excursion.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND COMMUNITY WELFARE

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

- Managing a basic health unit that is fully equipped with emergency facilities and diagnostics laboratory for the local community. Additionally, the Company

also arranges special eye & skin disease camp for the local community on annual basis in collaboration with The Layton Rahmatulla Benevolent Trust (LRBT).

- Support a program for the free education to the house maids working in employees' community.
- The Company is awarding the scholarships to the deserving students of local community to pursue their professional education.
- Repair of damaged wall of neighboring community schools.
- Extensive plantation of trees in the surrounding areas.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE 2019

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

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

of financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon Company's ability to continue as going concern.
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses.
- The key operating and financial data of last six years is attached to the report.
- Value of investment in provident fund and gratuity scheme as at year ended 31st December 2023, were as follows;

Provident fund: 31 December 2023 is Rupees: 310.485 Million

Gratuity fund: 31 December 2023 is Rupees: 164.311 Million

COMPOSITION OF BOARD:

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

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

Sr. #	Name of Directors	No. of Meetings Attended
1	Mian Hassan Mansha (Director/Chairman)	4
2	Mr. Mahmood Akhtar (CEO)	4
3	Mr. Zaheer Ahmad Ghanghro ¹	3
4	Mr. Inayat Ullah Niazi	4
5	Mr. Muhammad Azam	4
6	Mr. Amir Mahmood	3
7	Mr. Jawaid Iqbal ²	1
8	Mrs. Hajra Arham	4

¹ Elected as Director in election of Directors held on April 26, 2023

² Retired on April 26, 2023

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

Sr. #	Name of Members	No. of Meetings Attended
1	Mr. Zaheer Ahmad Ghanghro ¹ (Chairman)	3
2	Mr. Inayat Ullah Niazi (Member)	4
3	Mrs. Hajra Arham (Member)	4
4	Mr. Jawaid Iqbal ²	1

Audit Committee was reconstituted on April 27, 2023 after Election of Directors held on April 26, 2023.

¹ Appointed as Member / Chairman of Audit Committee on April 27, 2023 in place of Mr. Jawaid Iqbal.

² Retired on April 26, 2023

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

Sr. #	Name of Members	No. of Meetings Attended
1	Mrs. Hajra Arham ¹ (Member/Chairperson)	0
2	Mr. Jawaid Iqbal ² (Member)	1
3	Mian Hassan Mansha (Member)	1
4	Mr. Inayat Ullah Niazi (Member)	1

Human Resource & Remuneration Committee (HR&R) was reconstituted on April 27, 2023 after Election of Directors held on April 26, 2023.

¹ Appointed as Member / Chairperson of HR & R Committee on April 27, 2023 in place of Mr. Jawaid Iqbal

² Retired on April 26, 2023

DIRECTORS' REMUNERATION:

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration and meeting fee paid to executive and non-executive directors have been disclosed in note 30 of the annexed financial statements.

PATTERN OF SHAREHOLDING:

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

TRADING IN THE SHARES OF THE COMPANY

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

RELATED PARTIES

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

FINANCIAL RISK MANAGEMENT

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

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

DIVIDEND

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

AUDITORS

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

ACKNOWLEDGEMENT


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

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

For and on behalf of the Board of Directors



Mr. Mahmood Akhtar
Chief Executive Officer



Mian Hassan Mansha
Chairman

Lahore: 27th Feb, 2024

ڈائریکٹرز رپورٹ لال پیر پاور لمیٹڈ

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

عام معلومات

لال پیر پاور لمیٹڈ ("کمپنی") منسوخ شدہ کمپنیز آرڈیننس، 1984 (ایمپنیز ایکٹ 2017ء) 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 میگا واٹ کی مجموعی گنجائش کے مقابل 350 میگا واٹ کی ایک قابل اعتماد صلاحیت کے ساتھ تیل پر چلنے والا ایک بجلی گھر ("دی کمپلیکس") کا مالک، چلانا اور برقرار رکھنا ہیں۔ بجلی کا واحد خریدار سنٹرل پاور پراجیکٹس ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) ہے۔

مالی نتائج اور اہم نتائج

ہم بیان کرتے ہیں کہ سال 2023 کے دوران کمپنی کی فروخت کی کل آمدنی 19.472 بلین روپے (2022: 37.611 بلین روپے) اور آپریٹنگ اخراجات 13.871 بلین روپے (2022: 34.125 بلین روپے) جس کے نتیجے میں 5.601 بلین روپے کا مجموعی منافع (2022: 3.485 بلین روپے) حاصل ہوا تھا۔ کمپنی کو گزشتہ سال 2.707 بلین روپے بعد از ٹیکس منافع اور 7.13 روپے فی شیئر آمدنی کے مقابلے موجودہ سال 4.578 بلین روپے بعد از ٹیکس منافع جس کے نتیجے میں 12.05 روپے فی شیئر آمدنی ہوئی۔

ہمارا واحد صارف CPPA-G بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ضمانت کے تحت حاصل کیا گیا کے مطابق اپنی ذمہ داریاں پوری کرنے میں ناکام رہا ہے۔ 31 دسمبر 2023 کو، CPPA-G کی طرف 10.27 بلین روپے کی رقم بقایا واجب الادا ہے۔

آپریٹرز اور اہم واقعات:

سال کے دوران CPPA-G کی طرف سے مطلوبہ لوڈ کے جواب میں لال پیر پلانٹ 8.7 فیصد کپسٹیٹیٹیو فیکٹر اور 80.60 فیصد کی دستیابی کے ساتھ چلا یا گیا اور 266.709 GWh بجلی ترسیل کی گئی۔

کم قیمت میں ہائیڈرو پاور، کوئلہ، قابل تجدید اور آریل این جی پرائیوٹ پاور جنریشن پلانٹس کی انڈکشن کی بدولت یہ امید کی جاتی ہے کہ بہت زیادہ طلب کے موسم میں، آریل این جی کی عدم فراہمی کی صورت میں یا پانی کی کمی کے مہینوں میں لال پیر سے بجلی کی ترسیل کی توقع ہے۔ یہ کمپنی کے ایندھن کے نقصانات کو کم کرنے میں مدد کرے گا۔

سالانہ صلاحیتی ٹیسٹ

PPA کے تقاضے کے مطابق، کمپنی نے 15 جولائی 2023 کو اپنے سالانہ صلاحیتی ٹیسٹ کا انعقاد کیا جہاں کامیابی سے 350MW کی کپسٹیٹی کو برقرار رکھا ہے۔

کارکردگی میں بہتری

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

کریڈٹ ریٹنگ

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

اندرونی آڈٹ اور کنٹرول

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

ماحول صحت اور حفاظت

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 وقت کا کوئی ضیاع نہیں ہوا ہے اور کوئی ماحولیاتی تبدیلی نہیں ہوئی ہے۔

کارپوریٹ سماجی ذمہ داری (CSR) اور کمیونٹی ویلفیئر

قیام کے آغاز سے کارپوریٹ سماجی ذمہ داری (CSR) پروگرام کمپنی کے کاروبار کا نہ صرف ایک لازمی حصہ ہے۔ بلکہ یہ کمپنی کی ثقافت کا حصہ ہے اور تمام ملازمین اس کا پختہ عزم ظاہر کرتے ہیں۔ کمپنی غربت اور 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 مرکز صحت 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 طور پر آنکھ اور جلدی بیماریوں کے کیمپ کا بھی انتظام کرتی ہے۔
- کمپنی ملازمین کی کمیونٹی میں گھر بیلو کام کرنے والوں کو مفت تعلیم دینے کے لئے ایک پروگرام میں تعاون کر رہی ہے۔
- کمپنی مقامی کمیونٹی کے مستحق طلباء کو ان کی پیشہ ورانہ تعلیم کے لئے سکالرشپس دے رہی ہے۔
- اردگرد کے کمیونٹی سکولوں کی تباہ شدہ دیواروں کی مرمت کروائی جاتی ہے۔
- اردگرد کے علاقوں میں وسیع پیمانے پر درختوں کی شجر کاری کی جاتی ہے۔

کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل

ڈائریکٹرز فہرست پی پی پی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رول بک کی شرائط کی تعمیل اور اچھے کارپوریٹ گورننس کے لئے پُر عزم ہیں۔
CCG ریگولیشنز، 2019ء کی تعمیل کا بیان منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

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

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے مکمل کھاتہ جات بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی بیرونی 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 گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اور مینٹیشن کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- گذشتہ چھ سالوں کا کلیدی اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہے۔
- 31 دسمبر 2023 کو ختم ہونے والے سال کے مطابق پراویڈنٹ فنڈ اور گریجویٹ اسکیم میں سرمایہ کاری کی قدر حسب ذیل تھی:
پراویڈنٹ فنڈ: 31 دسمبر 2023 کو 310.485 ملین روپے
گریجویٹ فنڈ: 31 دسمبر 2023 کو 164.311 ملین روپے

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد	
6	(a) مرد
1	(b) خاتون
	تشکیل
2	(i) آزاد ڈائریکٹرز
4	(ii) دیگر نان ایگزیکٹو ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹرز

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

نمبر شمار	نام ڈائریکٹر	تعداد اجلاس
1	میاں حسن منشاء (چیئر مین/ ڈائریکٹر)	4
2	جناب محمود اختر (سی ای او)	4
3	جناب ظہیر احمد گھگھر ¹	3
4	جناب عنایت اللہ نیازی	4
5	جناب محمد اعظم	4
6	جناب عامر محمود	3
7	جناب جاوید اقبال ²	1
8	محترمہ ہاجرہ ارحم	4

¹ 26 اپریل 2023 کو منعقدہ ڈائریکٹرز کے انتخابات میں بطور ڈائریکٹر منتخب ہوئے۔

² 26 اپریل 2023 کو ریٹائر ہو گئے۔

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

نمبر شمار	نام رکن	تعداد اجلاس
1	جناب ظہیر احمد گھنگھر و (چیئر مین) ¹	3
2	جناب عنایت اللہ نیازی (ممبر)	4
3	محترمہ ہاجرہ ارحم (ممبر)	4
4	جناب جاوید اقبال ²	1

26 اپریل 2023 کو ڈائریکٹرز کے انتخابات کے بعد 27 اپریل 2023 کو آڈٹ کمیٹی دوبارہ تشکیل دی گئی۔

¹ جناب جاوید اقبال کی جگہ 27 اپریل 2023 کو آڈٹ کمیٹی کے ممبر/چیئر مین کے طور پر مقرر کیا گیا۔

² 26 اپریل 2023 کو ریٹائر ہو گئے۔

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

نمبر شمار	نام رکن	تعداد اجلاس
1	محترمہ ہاجرہ ارحم (ممبر/چیئر پرسن) ¹	0
2	جناب جاوید اقبال (ممبر) ²	1
3	میاں حسن نشا (ممبر)	1
4	جناب عنایت اللہ نیازی (ممبر)	1

26 اپریل 2023 کو ڈائریکٹرز کے انتخابات کے بعد 27 اپریل 2023 کو ہیومن ریسورس & ریمیزیشن (HR & R) کمیٹی دوبارہ تشکیل دی گئی۔

¹ جناب جاوید اقبال کی جگہ 27 اپریل 2023 کو ایچ آر اینڈ آرمینٹ آر کمیٹی کے ممبر/چیئر مین کے طور پر مقرر کیا گیا۔

² 26 اپریل 2023 کو ریٹائر ہو گئے۔

ڈائریکٹرز کا مشاہرہ:

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

حصص داری کا نمونہ:

برطانیہ 31 دسمبر 2023 نمونہ حصص داری منسلک ہے۔

کمپنی کے حصص میں ٹریڈنگ:

31 دسمبر 2023 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹو اور نان ایگزیکٹو بچوں کی طرف سے لے لیا کمپنی کے حصص میں کی گئی تمام تجارت اس سالانہ رپورٹ کے ہمراہ منسلک ہے۔

متعلقہ پارٹیاں:

متعلقہ پارٹیوں کے درمیان لین دین آڈٹ کمیٹی کے سامنے پیش کیا گیا اور بورڈ نے منظور کیا۔ یہ لین دین IFRS اور کمپنیز ایکٹ 2017ء کی ضروریات کے مطابق تھے۔

فنانس ریسک مینجمنٹ:

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

مارکیٹ ریسک (بشمول کرنسی ریسک، دیگر پرائس ریسک اور شرح سود کا خطرہ)، کریڈٹ ریسک اور لیکویڈیٹی ریسک۔ کمپنی کی مجموعی ریسک 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۔

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

ڈیویڈنڈ

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

محاسب:

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

اظہار شکر:

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

منجانب مجلس نداء

Hassan Nadeem

(میاں حسن نندا)

چیئرمین

Jalal Memon

(جناب محمود اختر)

چیف ایگزیکٹو آفیسر

لاہور: 27 فروری 2024ء

FINANCIAL DATA

	2023	2022	2021	2020	2019	2018
Load Factor %	70.8%	77.8%	74.1%	55.7%	51.2%	56.2%
Dispatch(GWH)	267	837	818	341	395	868
Revenue(000)						
Revenue	19,471,572	37,611,016	18,653,788	12,402,237	12,840,474	16,809,658
Cost Of Sales	(13,870,716)	(34,125,274)	(18,562,969)	(7,378,149)	(8,711,954)	(14,918,104)
Gross Profit	5,600,856	3,485,742	90,819	5,024,088	4,128,520	1,891,554
Profitability (000)						
profit/(loss) before tax	4,577,767	2,707,373	(806,283)	3,551,394	2,043,780	747,472
Provision for tax	-	-	-	-	-	-
profit/(loss) after tax	4,577,767	2,707,373	(806,283)	3,551,394	2,043,780	747,472
Financial position (000)						
Non Current Assets	3,996,557	4,735,560	5,707,928	6,876,654	7,987,287	9,137,451
Current Assets	18,043,364	18,235,909	12,020,543	22,982,335	21,569,716	18,007,231
less: Current Liabilities	6,161,133	5,225,930	2,128,244	12,261,901	14,708,529	13,965,667
Net Working Capital	11,882,231	13,009,979	9,892,299	10,720,434	6,861,187	4,041,564
Capital Employed	15,878,788	17,745,539	15,600,227	17,597,088	14,848,474	13,179,015
less: Long term Loans	-	-	-	-	-	-
less: Deferred Liabilities	39,324	25,207	26,537	17,284	21,135	6,298
Less: Deferred Income - Government Grant	-	-	-	1,005	-	-
Less: Long Term Financing	-	-	-	54,453	-	-
Share Holders Equity	15,839,464	17,720,332	15,573,690	17,524,346	14,827,339	13,172,717
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-appropriated Profit	11,934,073	13,814,941	11,668,299	13,618,955	10,921,948	9,267,326
	15,839,464	17,720,332	15,573,690	17,524,346	14,827,339	13,172,717
Dividends (000)	6,457,263	569,758	1,139,517	854,637	379,839	379,839
Earning Per Share	12.05	7.13	(2.12)	9.35	5.38	1.97
P/E ratio	0.83	1.40	(4.72)	1.07	1.86	5.08
Delta Loss(000)	451,704	1,293,879	710,740	426,687	567,952	954,404
Ratio						
Break up value per share of RS 10 Each share	41.70	46.65	41.00	46.14	39.04	34.68
current ratio	2.93	3.49	5.65	1.87	1.47	1.29
Net profit/(loss) to sales %	23.51	7.20	(4.32)	28.64	15.92	4.45

VERTICAL ANALYSIS - PROFIT AND LOSS ACCOUNT

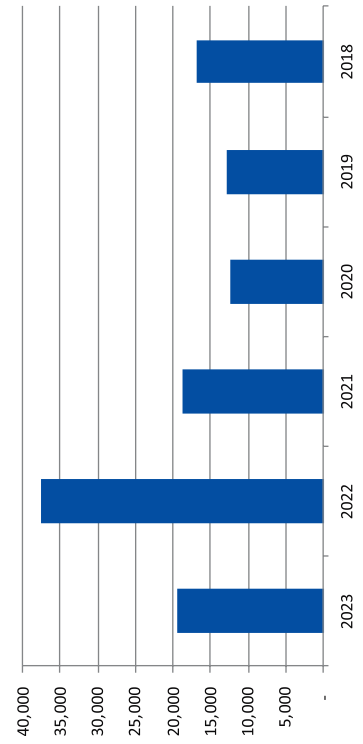
	2023	% of Turnover	2022	% of Turnover	2021	% of Turnover
	-----Rupees "000"-----					
Revenue	19,471,572	100	37,611,016	100	18,653,788	100
Cost of Sales	(13,870,716)	(71.24)	(34,125,274)	(90.73)	(18,562,969)	(99.51)
Gross Profit	5,600,856	28.76	3,485,742	9.27	90,819	0.49
Administration Expenses	(221,160)	(1.14)	(199,555)	(0.53)	(169,512)	(0.91)
Other operating Expenses	(28,702)	(0.15)	(9,026)	(0.02)	(35,244)	(0.19)
Other income	28,244	0.15	126,425	0.34	49,529	0.27
Finance Cost	(801,471)	(4.12)	(696,213)	(1.85)	(741,875)	(3.98)
Profit for the year	4,577,767	24	2,707,373	7	(806,283)	(4)

HORIZONTAL ANALYSIS - PROFIT AND LOSS ACCOUNT

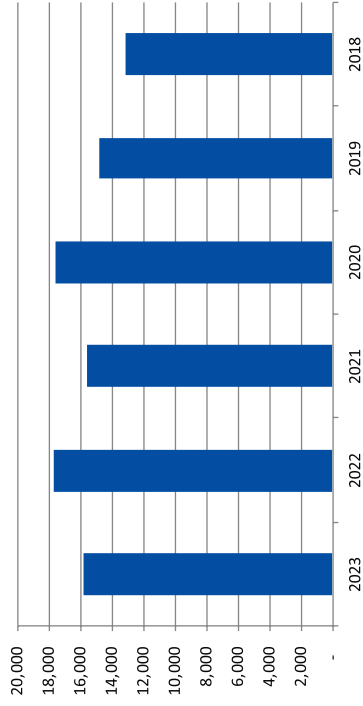
	2023	23 v 22 % age	2022	22 v 21 % age	2021	21 v 20 % age
	-----Rupees "000"-----					
Revenue	19,471,572	(48.23)	37,611,016	101.63	18,653,788	50.41
Cost of Sales	(13,870,716)	(59.35)	(34,125,274)	83.84	(18,562,969)	151.59
Gross Profit	5,600,856	61	3,485,742	3,738	90,819	(98.19)
Administration Expenses	(221,160)	10.83	(199,555)	17.72	(169,512)	(14.32)
Other operating Expenses	(28,702)	217.99	(9,026)	(74.39)	(35,244)	675.27
Other income	28,244	(77.66)	126,425	155.25	49,529	13.52
Finance Cost.	(801,471)	15.12	(696,213)	(6.15)	(741,875)	(43.54)
Profit for the year	4,577,767	69.09	2,707,373	(435.78)	(806,283)	(122.70)

PERFORMANCE REVIEW

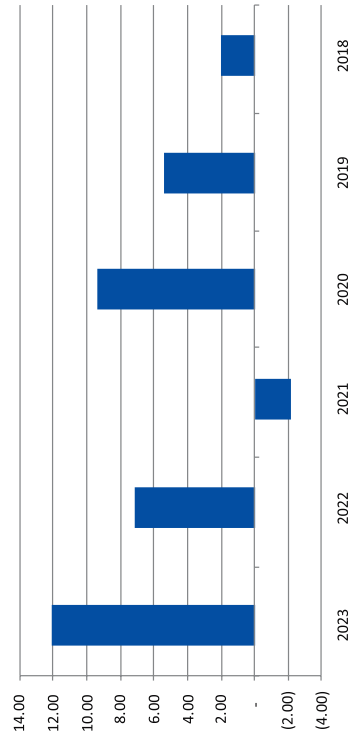
TURNOVER (RS. IN MILLION)



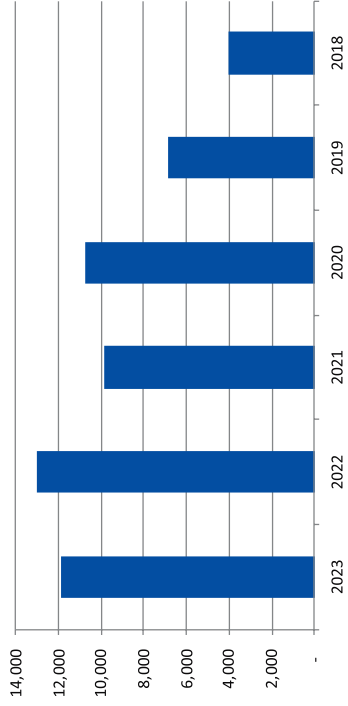
SHAREHOLDER EQUITY (RS. IN MILLION)



EARNING PER SHARE (RS. PER SHARE)



WORKING CAPITAL (RS. IN MILLION)



PATTERN OF SHAREHOLDINGS

As at December 31, 2023

# of Shareholders	Shareholdings' Slab		Total Shares Held
487	1	to 100	14,919
1,042	101	to 500	469,008
677	501	to 1000	636,825
1,255	1001	to 5000	3,579,997
413	5001	to 10000	3,350,483
149	10001	to 15000	1,950,585
103	15001	to 20000	1,921,211
76	20001	to 25000	1,794,744
51	25001	to 30000	1,451,955
22	30001	to 35000	732,705
27	35001	to 40000	1,040,819
15	40001	to 45000	648,517
42	45001	to 50000	2,064,942
8	50001	to 55000	418,253
12	55001	to 60000	703,990
11	60001	to 65000	697,810
4	65001	to 70000	278,500
8	70001	to 75000	589,500
8	75001	to 80000	634,000
4	80001	to 85000	330,390
7	85001	to 90000	618,349
7	90001	to 95000	653,102
27	95001	to 100000	2,687,036
3	100001	to 105000	305,389
2	105001	to 110000	217,000
6	110001	to 115000	682,879
6	115001	to 120000	710,060
4	120001	to 125000	495,544
3	125001	to 130000	383,999
3	130001	to 135000	398,048
5	135001	to 140000	696,470
1	140001	to 145000	141,646
1	155001	to 160000	157,619
1	160001	to 165000	165,000
1	170001	to 175000	175,000
1	175001	to 180000	180,000
1	190001	to 195000	193,000
5	195001	to 200000	1,000,000
1	205001	to 210000	206,552
1	210001	to 215000	214,774
1	215001	to 220000	220,000
3	220001	to 225000	672,000
1	225001	to 230000	227,493
1	230001	to 235000	230,500
1	235001	to 240000	239,000
1	240001	to 245000	245,000
1	245001	to 250000	250,000
4	250001	to 255000	1,015,986
1	265001	to 270000	268,500
1	270001	to 275000	272,500
1	285001	to 290000	285,925

# of Shareholders	Shareholdings' Slab		Total Shares Held	
1	295001	to	300000	300,000
2	305001	to	310000	620,000
1	310001	to	315000	313,000
1	320001	to	325000	325,000
2	325001	to	330000	657,500
1	330001	to	335000	333,000
1	345001	to	350000	350,000
1	350001	to	355000	355,000
1	365001	to	370000	365,500
1	380001	to	385000	384,000
1	410001	to	415000	412,500
1	420001	to	425000	423,500
1	450001	to	455000	451,250
1	480001	to	485000	485,000
4	495001	to	500000	2,000,000
1	510001	to	515000	514,382
1	520001	to	525000	525,000
1	595001	to	600000	600,000
1	675001	to	680000	680,000
1	685001	to	690000	686,813
1	885001	to	890000	889,500
1	910001	to	915000	914,055
1	960001	to	965000	965,000
2	995001	to	1000000	2,000,000
1	1145001	to	1150000	1,150,000
1	1165001	to	1170000	1,168,416
1	1195001	to	1200000	1,200,000
1	1300001	to	1305000	1,302,000
1	1510001	to	1515000	1,514,669
1	1530001	to	1535000	1,535,000
1	1575001	to	1580000	1,577,500
1	1590001	to	1595000	1,591,000
1	1830001	to	1835000	1,833,897
1	2070001	to	2075000	2,071,402
2	2075001	to	2080000	4,157,802
1	3195001	to	3200000	3,200,000
1	3260001	to	3265000	3,263,000
1	4115001	to	4120000	4,119,500
1	11830001	to	11835000	11,831,547
1	16645001	to	16650000	16,647,000
1	16770001	to	16775000	16,773,000
1	19595001	to	19600000	19,600,000
1	25990001	to	25995000	25,993,711
1	27345001	to	27350000	27,348,388
1	69010001	to	69015000	69,011,371
1	109880001	to	109885000	109,882,005
4,569				379,838,732

PATTERN OF SHAREHOLDING

As at December 31, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse(s) and minor children			
MIAN HASSAN MANSHA	2	25,993,762	6.84
AMIR MAHMOOD	1	500	0.00
ZAHEER AHMED GHANGHRO	1	5,000	0.00
MR. MAHMOOD AKHTAR	1	550	0.00
INAYAT ULLAH NIAZI	1	500	0.00
MUHAMMAD AZAM	1	500	0.00
HAJRA ARHAM	1	500	0.00
Associated companies, undertakings and related parties			
NISHAT MILLS LIMITED	2	109,882,555	28.93
SECURITY GENERAL INSURANCE CO LTD	2	11,831,548	3.11
ADAMJEE INSURANCE COMPANY LIMITED	1	27,348,388	7.20
M/S. ENGEN (PRIVATE) LIMITED	1	551	0.00
JAHANGIR FIROZ	1	69,011,371	18.17
AURANGZEB FIROZ	1	550	0.00
RAZA MANSHA	1	965,000	0.25
UMER MANSHA	1	889,500	0.23
BEGUM NAZ MANSHA	1	57,000	0.02
NISHAT (AZIZ AVENUE) HOTELS AND PROPERTIES LIMITED	1	365,500	0.10
NISHAT REAL ESTATES DEVELOPMENT COMPANY (PRIVATE) LIMITED	1	12,000	0.00
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Development Financial Institutions, Non-Banking Finance Companies	3	4,574,000	1.20
Insurance Companies	1	55,000	0.01
Modarabas & Mutual Funds	14	3,796,157	1.00
General Public			
a. Local	4,351	78,093,574	20.56
b. Foreign	123	482,504	0.13
Foreign Companies	2	748,500	0.20
OTHERS	54	45,723,722	12.04
Totals	4,569	379,838,732	100.00

Share holders holding 10% or more	Shares Held	Percentage
NISHAT MILLS LIMITED	109,882,555	28.93
JAHANGIR FIROZ	69,011,371	18.17

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

Name	Status	No. of Shares	
		Purchase	Sold

NIL

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

Name of Company: Lalpir Power Limited

Year ended : December 31, 2023

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

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

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

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Zaheer Ahmad Ghanghro Ms. Hajra Arham (Female Director)
Non-executive Directors	Mian Hassan Mansha Mr. Amir Mahmood Mr. Muhammad Azam Mr. Inayat Ullah Niazi
Executive Director	Mr. Mahmood Akhtar (Chief Executive Officer)

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

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

Name of Directors:

Mr. Zaheer Ahmad Ghanghro
 Mr. Amir Mahmood
 Mr. Inayat Ullah Niazi
 Mr. Mahmood Akhtar

Mr. Muhammad Azam meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence is exempt from Directors' training program.

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

a) Audit Committee

Names	Designation held
Mr. Zaheer Ahmad Ghanghro	Chairman
Mr. Inayat Ullah Niazi	Member
Mrs. Hajra Arham	Member

b) HR and Remuneration Committee

Names	Designation held
Mrs. Hajra Arham	Chairperson
Mian Hassan Mansha	Member
Mr. Inayat Ullah Niazi	Member

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

yearly / yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended December 31, 2023.

b) HR and Remuneration Committee

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

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

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

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



Mian Hassan Mansha
Director and Chairman



Mr. Mahmood Akhtar
Chief Executive Officer

Lahore:
February 27, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lalpir Power Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Lalpir Power Limited (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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



RIAZ AHMAD & COMPANY

Chartered Accountants

Lahore

Date: 27 February 2024

UDIN: CR202310132WPrb1Y0jf

FINANCIAL STATEMENTS

For the Year Ended December 31, 2023





N I S H A T

LALPIR POWER LIMITED

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 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

Following is the Key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Contingencies</p> <p>As disclosed in note 9.1 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> <p>Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Contingent liabilities [note 2.1(c) and note 2.20 to the financial statements]. - Contingencies (note 9.1) to the financial statements. 	<p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:</p> <ul style="list-style-type: none"> • Obtained and reviewed detail of the pending matters and discussed the same with the Company's management; • Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the pending tax cases and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters; • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 27 February 2024

UDIN: AR202310132r5DUg86k2

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 (Rupees in thousand)	2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (2022: 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		11,934,073	13,814,941
Total equity		15,839,464	17,720,332
LIABILITIES			
NON-CURRENT LIABILITY			
Employee benefit - gratuity	5	39,324	25,207
CURRENT LIABILITIES			
Trade and other payables	6	726,133	496,802
Accrued mark-up / profit	7	163,512	176,998
Short term borrowings	8	5,260,489	4,546,222
Unclaimed dividend		10,999	5,908
		6,161,133	5,225,930
Total liabilities		6,200,457	5,251,137
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		22,039,921	22,971,469

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

	Note	2023 (Rupees in thousand)	2022
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10	3,981,300	4,718,642
Long term investment	11	-	-
Long term loans to employees	12	13,407	15,068
Long term security deposits		1,850	1,850
		<hr/>	<hr/>
		3,996,557	4,735,560
CURRENT ASSETS			
Stores, spare parts and other consumables	13	808,318	1,130,372
Fuel stock	14	2,467,534	1,871,923
Trade debts	15	10,270,511	12,449,518
Short term investments	16	849,995	5,116
Loans, advances and short term prepayments	17	65,698	399,091
Other receivables	18	621,863	301,420
Accrued interest	19	19	-
Advance income tax		280,167	273,885
Sales tax recoverable		2,266,320	1,801,849
Cash and bank balances	19	412,939	2,735
		<hr/>	<hr/>
		18,043,364	18,235,909
TOTAL ASSETS			
		<hr/> <hr/>	<hr/> <hr/>
		22,039,921	22,971,469



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Note	2023 (Rupees in thousand)	2022
REVENUE FROM CONTRACT WITH CUSTOMER	20	19,471,572	37,611,016
COST OF SALES	21	(13,870,716)	(34,125,274)
GROSS PROFIT		5,600,856	3,485,742
ADMINISTRATIVE EXPENSES	22	(221,160)	(199,555)
OTHER EXPENSES	23	(28,702)	(9,026)
OTHER INCOME	24	28,244	126,425
PROFIT FROM OPERATIONS		5,379,238	3,403,586
FINANCE COST	25	(801,471)	(696,213)
PROFIT BEFORE TAXATION		4,577,767	2,707,373
TAXATION	26	-	-
PROFIT AFTER TAXATION		4,577,767	2,707,373
OTHER COMPREHENSIVE INCOME :			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
REMEASUREMENTS OF DEFINED BENEFIT PLAN		(1,372)	9,027
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-
		(1,372)	9,027
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,576,395	2,716,400
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	27	12.05	7.13

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	RESERVES			TOTAL EQUITY
	Capital	Revenue		
	Retained payments reserve	Un-appropriated profit		
SHARE CAPITAL				
(-----Rupees in thousand-----)				
Balance as at 31 December 2021	3,798,387	107,004	11,668,299	15,573,690
Transaction with owners - Interim dividend for the year ended 31 December 2022 @ Rupees 1.5 per share	-	-	(569,758)	(569,758)
Profit for the year ended 31 December 2022	-	-	2,707,373	2,707,373
Other comprehensive income for the year ended 31 December 2022	-	-	9,027	9,027
Total comprehensive income for the year ended 31 December 2022	-	-	2,716,400	2,716,400
Balance as at 31 December 2022	3,798,387	107,004	13,814,941	17,720,332
Transactions with owners:				
Final dividend for the year ended 31 December 2022 @ Rupees 2 per share	-	-	(759,678)	(759,678)
Interim dividend for the year ended 31 December 2023 @ Rupees 15 per share	-	-	(5,697,585)	(5,697,585)
	-	-	(6,457,263)	(6,457,263)
Profit for the year ended 31 December 2023	-	-	4,577,767	4,577,767
Other comprehensive loss for the year ended 31 December 2023	-	-	(1,372)	(1,372)
Total comprehensive income for the year ended 31 December 2023	-	-	4,576,395	4,576,395
Balance as at 31 December 2023	3,798,387	107,004	11,934,073	15,839,464

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Note	2023 (Rupees in thousand)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	28	8,108,508	(2,201,781)
Finance cost paid		(814,957)	(574,561)
Gratuity paid	5.2	(5,981)	(9,174)
Income tax paid		(6,282)	(3,443)
Increase in long term security deposits		-	(1,500)
Net decrease / (increase) in long term loans to employees		4,713	(1,811)
Net cash generated from / (used in) operating activities		7,286,001	(2,792,270)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(310,285)	(63,486)
Profit on bank deposits received		16,933	7,244
Interest on loan to associated company received		-	15,316
Short term investments made		(854,995)	(5,000)
Proceeds from disposal of short term investments		10,455	-
Proceeds from disposal of non-current assets classified as held for sale		-	178,155
Proceeds from disposal of operating fixed assets		-	12,304
Loan to associated company received back		-	350,000
Net cash (used in) / from investing activities		(1,137,892)	494,533
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		-	(54,453)
Dividends paid		(6,452,172)	(571,597)
Net cash used in financing activities		(6,452,172)	(626,050)
Net decrease in cash and cash equivalents		(304,063)	(2,923,787)
Cash and cash equivalents at beginning of the year		(4,543,487)	(1,619,700)
Cash and cash equivalents at end of the year		(4,847,550)	(4,543,487)
CASH AND CASH EQUIVALENTS			
Cash in hand	19	524	459
Cash at banks	19	412,415	2,276
Short term borrowings	8	(5,260,489)	(4,546,222)
		(4,847,550)	(4,543,487)

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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. Head office of the Company is situated at 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a fuel fired power station (“the Complex”) having gross capacity of 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. As per the terms of PPA amendment agreement dated 20 April 2021, the agreement year that ended on 25 March 2021 was extended by 248 days to 28 October 2021.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company’s accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the

circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Taxation

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

Useful lives, pattern of economic benefits and impairment

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

Provision for obsolescence of stores, spare parts and other consumables

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

Contingencies

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

Revenue from contract with customer involving sale of electricity (Note 2.31)

Provisions

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

Employees' retirement benefit

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

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

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

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;
- Amendments to IAS 12 'Income taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of Accounting Estimate;
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

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

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

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

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

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

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

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

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in

that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Supplier Finance Arrangements (Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'). The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after 01 January 2024.

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

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

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 January 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Fixed assets

2.2.1 Operating fixed assets

Operating fixed assets, except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less impairment loss, if any. Residual values and estimated useful lives are reviewed at each reporting date, with the effect of changes in estimate accounted for on prospective basis.

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

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

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

2.2.2 Capital work-in-progress

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

2.3 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties 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.

2.4 Leases

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

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 986(I)/2019 dated 02 September 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before 01 January 2019. Therefore, the Company is not required to account for the portion of its Power Purchase Agreement (PPA) with Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) as a lease under IFRS 16 'Leases'. Further, SECP also granted waiver for the requirements of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in respect of accounting principle of capitalization of exchange differences to power sector companies. However, if the Company followed IFRS 16, the effect on the financial statements would be as follows:

	2023 (Rupees in thousand)	2022
De-recognition of fixed assets	(3,945,738)	(4,636,988)
Recognition of lease debtor	5,696,066	4,111,523
De-recognition of trade debts	(4,062,935)	(2,272,804)
Decrease in un-appropriated profit at the beginning of the year	(2,798,268)	(3,659,027)
Increase in profit for the year	485,661	860,759
Decrease in un-appropriated profit at the end of the year	(2,312,607)	(2,798,268)

2.5 Right-of-use assets

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

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

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

2.6 Lease liabilities

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

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

2.7 Investments and other financial assets

a) *Classification*

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

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

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

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

b) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are

directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

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

2.8 Financial liabilities – Classification and measurement

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

2.9 Impairment of financial assets

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

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

2.10 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.11 Offsetting of financial instruments

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

2.12 Investment in associate - (with significant influence)

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

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

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

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

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

2.13 Functional and presentation currency

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

2.14 Foreign currency 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.

2.15 Employee benefits

2.15.1 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.

2.15.2 Defined benefit plan

The Company operates a funded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognised in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The charge for the year is based on actuarial valuation. The latest actuarial valuation was carried out as at 31 December 2023 using projected unit credit method. The amount arising as a result of remeasurements are recognised immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

2.16 Inventories

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

2.16.1 Fuel stock

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

2.16.2 Stores, spare parts and other consumables

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

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

2.17 Provisions

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

2.18 Earnings per share

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

2.19 Contingent assets

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

2.20 Contingent liabilities

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

2.21 Taxation

2.21.1 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.

2.21.2 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.

2.22 Cash and cash equivalents

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

2.23 Borrowings

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

2.24 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.

2.25 Financial assets due from the Government of Pakistan

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

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

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

can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.26 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 2.31 and therefore are all classified as current. Trade debts are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.27 Share capital

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

2.28 Trade and other payables

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

2.29 Impairment of non-financial assets

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

2.30 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.31 Revenue recognition

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

Sale of electricity

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

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

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

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

Interest

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

Rent

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

Dividend

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

2.32 Government grants

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

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

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

2.33 Dividend and other appropriations

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

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023 (Number of Shares)	2022		2023 (Rupees in thousand)	2022
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 (Note 3.2)	28,497	28,497
34,530,793	34,530,793	Ordinary shares of Rupees 10 each issued as fully paid-up bonus shares	345,308	345,308
<u>379,838,732</u>	<u>379,838,732</u>		<u>3,798,387</u>	<u>3,798,387</u>

3.1 Ordinary shares of the Company held by the associated companies:

	2023 (Number of shares)	2022
Nishat Mills Limited	109,882,555	109,882,555
Adamjee Insurance Company Limited	27,348,388	27,348,388
Security General Insurance Company Limited	11,831,548	11,550,548
Nishat (Aziz Avenue) Hotels and Properties Limited	365,500	365,500
Nishat Real Estates Development Company (Private) Limited	12,000	-
	<u>149,439,991</u>	<u>149,146,991</u>

3.2 These were issued against project development expenses.

3.3 Capital risk management

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

	2023 (Rupees in thousand)	2022
Short term borrowings	5,260,489	4,546,222
Cash and bank balances	(412,939)	(2,735)
Net debt	<u>4,847,550</u>	<u>4,543,487</u>
Equity	<u>15,839,464</u>	<u>17,720,332</u>
Capital and net debt	<u>20,687,014</u>	<u>22,263,819</u>
Gearing ratio	<u>23.43%</u>	<u>20.41%</u>

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

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. EMPLOYEE BENEFIT - GRATUITY

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

	2023 (Rupees in thousand)	2022
5.1 Statement of financial position reconciliation:		
Present value of defined benefit obligation (Note 5.2)	218,142	171,253
Fair value of plan assets (Note 5.3)	(178,818)	(146,046)
Liability recognized at reporting date	<u>39,324</u>	<u>25,207</u>
5.2 Movement in present value of defined benefit obligation:		
Present value of obligation at the beginning of the year	171,253	154,787
Current service cost	15,505	14,808
Interest cost	24,398	17,342
Benefits paid	(5,981)	(9,174)
Past service cost	-	(210)
Remeasurement	12,967	(6,300)
Present value of obligation at the end of the year	<u>218,142</u>	<u>171,253</u>
5.3 Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	146,046	128,250
Interest income	21,177	15,069
Benefits paid on behalf of fund by the Company	5,981	9,174
Benefits paid by fund	(5,981)	(9,174)
Remeasurement	11,595	2,727
Fair value of plan assets at the end of the year	<u>178,818</u>	<u>146,046</u>
5.4 Actual return on plan assets	<u>32,772</u>	<u>17,796</u>
5.5 Plan assets consist of the followings:		
Government treasury bills	122,488	107,761
Units of mutual funds	44,319	36,785
Cash at banks	12,011	1,500
	<u>178,818</u>	<u>146,046</u>

	2023 (Rupees in thousand)	2022
5.6 Net movement in liability:		
Opening liability	25,207	26,537
Charge for the year (Note 5.7)	18,726	16,871
Remeasurements recognized in other comprehensive income (Note 5.8)	1,372	(9,027)
Benefits paid on behalf of fund	(5,981)	(9,174)
	<hr/>	<hr/>
Closing liability	39,324	25,207
	<hr/> <hr/>	<hr/> <hr/>
5.7 Charge for the year recognized in profit or loss:		
Current service cost	15,505	14,808
Interest cost - net	3,221	2,273
Past service cost	-	(210)
	<hr/>	<hr/>
Charge for the year	18,726	16,871
	<hr/> <hr/>	<hr/> <hr/>
5.8 Remeasurements recognised in other comprehensive income:		
Remeasurement loss / (gain) on defined benefit obligation	12,967	(6,300)
Remeasurement gain on fair value of plan assets	(11,595)	(2,727)
	<hr/>	<hr/>
	1,372	(9,027)
	<hr/> <hr/>	<hr/> <hr/>

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

5.10 Amounts for the current and previous four years:

	2023	2022	2021	2020	2019
	(- - - - Rupees in thousand - - - -)				
Present value of defined benefit obligation	218,142	171,253	154,787	137,652	118,063
Fair value of plan assets	(178,818)	(146,046)	(128,250)	(120,368)	(96,928)
Deficit	39,324	25,207	26,537	17,284	21,135
Remeasurement loss / (gain) on defined benefit obligation	12,967	(6,300)	1,002	(3,136)	2,788
Remeasurement gain / (loss) on fair value of plan assets	11,595	2,727	(3,854)	(2,886)	(6,531)

5.11 Principal actuarial assumptions used:

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

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

5.13 The expected charge to statement of profit or loss and other comprehensive income of the Company for defined benefit plan obligation for the next year is Rupees 23.145 million.

5.14 The Company's contribution to defined benefit plan in year 2024 is expected to be Rupees 16.874 million. There are no minimum funding requirements to the defined benefit plan. The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

5.15 The weighted average duration of the defined benefit plan is 4 years.

5.16 Sensitivity analysis for actuarial assumptions:

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

	Impact on defined benefit plan		
	Changes in assumption (%)	Increase in assumption (Rupees in thousand)	Decrease in assumption
Discount rate	1	210,160	226,509
Future salary increases	1	227,292	209,294

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.

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

5.18 Expected maturity profile of undiscounted defined benefit obligation:

Less than a year	Between 1 - 2 years	Between 3 - 5 years	Between 6 - 10 years	Over 10 Years	Total
(----- Rupees in thousand -----)					
4,357	4,645	399,728	-	-	408,730

6. TRADE AND OTHER PAYABLES

	2023 (Rupees in thousand)	2022
Creditors (Note 6.1)	133,045	93,538
Accrued liabilities (Note 6.1)	97,157	92,205
Workers' profit participation fund payable (Note 6.2)	228,888	135,369
Workers' welfare fund payable (Note 6.3)	257,606	166,051
Income tax deducted at source	3,686	3,465
Payables to related parties (Note 6.4)	178	32
Others	5,573	6,142
	726,133	496,802

6.1 These include reversal of excess provision in respect of previous years amounting to Rupees Nil (2022: Rupees 88.340 million).

6.2 Workers' profit participation fund payable

	2023 (Rupees in thousand)	2022
Opening balance	135,369	-
Allocation for the year (Note 23.2)	228,888	135,369
Payments made to the fund during the year	(135,369)	-
Closing balance	228,888	135,369

	2023 (Rupees in thousand)	2022
6.3 Workers' welfare fund payable		
Opening balance	166,051	111,904
Allocation for the year (Note 23.3)	91,555	54,147
Payments made to the fund during the year	-	-
	257,606	166,051
6.4 Payables to related parties		
These are in the ordinary course of business and interest free:		
Hyundai Nishat Motor (Private) Limited	84	12
Security General Insurance Company Limited	21	20
Adamjee Insurance Company Limited	53	-
Nishat Hotels and Properties Limited	20	-
	178	32
7. ACCRUED MARK-UP / PROFIT		
Short term borrowings	163,512	176,998
8. SHORT TERM BORROWINGS		
From banking companies - secured:		
Running finances (Note 8.1)	3,244,684	2,946,059
Running musharakah and murabaha (Note 8.2)	2,015,805	1,600,163
	5,260,489	4,546,222

8.1 The Company has total working capital finance facilities of Rupees 8,158 million (2022: Rupees 10,653 million) available from banking companies out of which Rupees 4,914 million (2022: Rupees 7,707 million) remained unutilized at year end. These facilities carry mark-up at average offer rate for 1 week to 3 months KIBOR minus 0.10% to plus 2.00% (2022: 2 weeks to 3 months KIBOR minus 0.10% to plus 2.50%) per annum payable weekly / monthly / quarterly. The effective mark-up rate charged during the year ranged from 15.90% to 24.77% (2022: 10.54% to 18.61%) per annum. These facilities are secured by way of charge to the extent of Rupees 11,533 million (2022: Rupees 16,086 million) on all present and future fixed assets (excluding land and building) and current assets of the Company.

8.2 These murabaha and musharakah facilities are obtained from Islamic banks aggregating to Rupees 6,500 million (2022: Rupees 6,500 million) to meet short term working capital requirements out of which Rupees 4,484 million (2022: Rupees 4,900 million) remained unutilized at year end. These facilities carry profit at the average offer rate for 1 week to 3 months KIBOR plus 0.10% to 0.25% (2022: 2 weeks to 6 months KIBOR plus 0.15% to 0.50%) per annum payable weekly / monthly / quarterly (2022: weekly / monthly / quarterly

/ semi annually). The effective profit rate charged during the year ranged from 16.60% to 24.09% (2022: 10.64% to 17.13%) per annum. These facilities are secured by way of charge to the extent of Rupees 8,125 million (2022: Rupees 8,125 million) on all present and future current assets of the Company.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

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

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

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

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

- ii) Deputy Commissioner Inland Revenue (DCIR) issued order dated 17 January 2013 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)] on 21 June 2013, which was decided in favour of the Company. On 16 September 2013, 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 on 04 May 2015 and vacated the order passed by CIR(A). Against the decision of ATIR, the Company filed reference application in the Honourable Lahore High Court (the Court) on 25 May 2015, which has been decided in favour of the Company by the Court. However, tax department filed petition for leave to appeal before Supreme Court of Pakistan on 04 February 2017 which is pending adjudication. 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 notice before the Court on 10 October 2014 along with reply of the show cause notice to DCIR. The Court decided the case in favour of the Company. However on 04 February 2017, tax department filed petition for leave to appeal before the Honorable Supreme Court of Pakistan as well as review application before the Court which are pending adjudication.

Further, on 25 May 2021, DCIR issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax periods from July 2016 to March 2021 regarding the disallowance of input sales tax amounting to Rupees 632.049 million on similar grounds as explained above. On 03 June 2021, the Company challenged the jurisdiction of DCIR by filing the writ petition before the Honorable Lahore High Court, Lahore (the Court). The Court vide order dated 02 August 2021 directed the Company to comply with the notice. On 03 August 2021, DCIR passed an assessment order against the Company by disallowing the input sales tax amounting to Rupees 632.049 million along with the default surcharge and penalty without providing any opportunity of being heard. Being aggrieved with the order of DCIR, the Company preferred an appeal before CIR(A) on 15 August 2021. On 10 November 2021, CIR(A) annulled the order passed by DCIR and directed to allow reasonable time to the Company of being heard. Against the order of CIR(A), the Company filed an appeal before ATIR on 16 December 2021, which is pending for hearing.

On 08 April 2021, Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax periods from January 2017 to December 2017 regarding the disallowance of input sales tax amounting to Rupees 699.763 million alongwith default surcharge and penalty on similar grounds as explained above. On 19 June 2021, ACIR passed a detailed order whereby the recoverability of sales tax claimed against capacity purchase price amounting to Rupees 699.763 million alongwith default surcharge and penalty was connected with the outcome of decision of Honourable Supreme Court in the same matter as explained above. Moreover, ACIR also raised a demand of Rupees 4.612 million on account of inadmissible claim of input sales tax and sales tax on sale of residue of extracts from furnace oil. Against the order of ACIR, the Company preferred an appeal before CIR(A) on 19 July 2021. On 10 March 2022, CIR(A) passed an order whereby partial relief was provided to the Company. Being aggrieved with the order of CIR(A), the Company filed an appeal before ATIR on 07 April 2022. The tax department also filed an appeal before ATIR on 27 May 2022 against the order of CIR(A) which is pending adjudication. On 13 June 2022, ATIR passed an order and remanded back the case to assessing officer for fresh consideration. Being aggrieved by the order of ATIR, on 28 December 2022, the tax department filed reference in Honourable Lahore High Court, Lahore which is in process of hearing. On 06 November 2023, the assessing officer has started proceedings afresh. The Company is in the process of preparing appropriate response on the subject matter.

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

- iii) DCIR through an assessment order dated 11 August 2015 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). On 18 October 2017, 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.

- iv) The Company has filed application to Federal Board of Revenue (“the Board”), to condone the time limits to correct the wrongly carried forward input sales tax relating to tax period February 2013 amounting to Rupees 61.461 million. It was also prayed that the Board should call for a report on factual merits of the Company’s application. However, the Board has not yet requisitioned this report from the relevant field formation. The Company is in the process of filing further reminder to the relevant authorities for expeditious disposal of the case. Based on the advise of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision has been made in these financial statements.
- v) The Company has identified certain sales tax invoices relating to tax periods from July 2010 to September 2017 where the Company has duly discharged the liabilities by making payments to suppliers whereas input sales tax aggregating to Rupees 95.166 million has not been adjusted against the output sales tax for the respective tax periods. The Company has filed application to Federal Board of Revenue (“the Board”) to condone the time limits regarding the above explained matter. In response to the Company’s application, the Board has called for a report on factual merits of the Company’s application. DCIR, in accordance with the directions of the Board, issued letters to the Company to submit relevant documentary evidence in order to prepare the report for the Board. On 22 April 2019, the Company duly complied with those letters by submitting all the necessary / relevant data. Due to the transfer of jurisdictions in September 2020, the files relating to these matters have not yet been further pursued by the new relevant field formation. The Company is in the process of filing further reminder to the relevant authorities for expeditious disposal of the case. Based on the advise of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision has been made in these financial statements.
- vi) 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. On 05 January 2015, 11 February 2015, 16 February 2015 and 18 February 2016, 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) on 31 March 2015, 19 May 2015 and 28 July 2016, tax authorities filed appeals before the Appellate Tribunal Inland Revenue (ATIR). Through its orders dated 27 June 2022, ATIR dismissed tax authorities’ appeal for tax years 2009, 2010, 2012 and 2013. Being aggrieved with the order of ATIR, the tax authorities filed four references in Honourable Lahore High Court, Lahore for the aforesaid tax years on 05 October 2022 which are in process of hearing. Further, ATIR through its orders dated 26 July 2023 and 05 January 2024 has also dismissed tax authorities’ appeal for tax year 2011 and tax year 2014. Based on tax advisor’s opinion, the management is confident that the matter will be decided in favour of the Company and accordingly no provision has been made in these financial statements.
- vii) 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, Lahore on 24 October 2019 has passed order against the Company and the Company being aggrieved with the order preferred

Intra Court Appeal before the Honourable Lahore High Court, Lahore on 26 November 2019. The Company has claimed input sales tax amounting to Rupees 4.453 million paid on such goods in its respective monthly sales tax returns. On 29 January 2020, the Honourable Lahore High Court, Lahore has modified its earlier order dated 24 October 2019 and remanded back the case to assessing / adjudicating officer to interpret clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 on case to case basis. The management has strong grounds to believe that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

- viii) During the year ended 31 December 2019, DCIR passed an order under section 11 of the Sales Tax Act, 1990 raising a demand on account of sales tax aggregating to Rupees 228.138 million against the Company. On 28 August 2019, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 12 September 2019, CIR(A) disposed-off the appeal whereby all the matters were decided in favor of the Company except the disallowance of input sales tax on certain purchases aggregating to Rupees 8.336 million. Further, CIR(A) connected the decision regarding the adjustment of input sales tax in respect of building materials amounting to Rupees 7.982 million with the outcome of the appeal filed in Honourable Lahore High Court, Lahore as disclosed in note 9.1(vii) of these financial statements. Being aggrieved with the order of CIR(A), the Company preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) on 08 October 2019 challenging the disallowance of input sales tax. On 22 April 2021, ATIR remanded back the case to assessing officer for fresh consideration and to decide the case related to adjustment of input sales tax in respect of building materials in light with the judgment passed by Honourable Lahore High Court, Lahore after providing reasonable opportunity of being heard to the Company. The tax department has filed two sales tax references in Honourable Lahore High Court, Lahore on 22 December 2021, against the order of ATIR which are in process of hearing. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.
- ix) DCIR has passed an order on 04 February 2020 under section 11 of the Sales Tax Act, 1990 whereby input sales tax on various furnace oil invoices was disallowed and sales tax refund amounting to Rupees 58.489 million was rejected. Being aggrieved with the order of DCIR, the Company filed appeal before CIR(A) on 20 February 2020. On 28 April 2020, CIR(A) remanded back the case to assessing officer for fresh consideration. DCIR reinitiated the remanded back proceedings and passed an order on 04 June 2020 whereby partial relief to the Company was granted and sales tax refund of Rupees 34.507 million was rejected. Being aggrieved with the remanded back proceedings of DCIR, the Company filed an appeal before CIR(A) on 11 June 2020. On 02 June 2021, CIR(A) passed an order whereby the decision of DCIR regarding rejection of sales tax refund of Rupees 34.507 million was upheld. Being aggrieved with the order of CIR(A), the Company filed appeal before ATIR on 13 July 2021 which is pending for hearing. Based on the advice of the legal counsel, the management is of the view that meritorious grounds are available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.
- x) On 26 January 2021, DCIR passed an order under sections 122(1) and 122(5) of the Income Tax Ordinance, 2001 for tax year 2018 and raised a demand of Rupees 10.680 million on account of tax on profit on debt. The Company applied for rectification under section 221 of the Income Tax Ordinance, 2001 on 29 January 2021. Consequently, on 24 August 2021, DCIR issued a rectification order whereby refund has been reduced to Rupees 6.308 million. Being aggrieved by the rectification order, the Company filed an appeal before CIR(A) on 11 February 2021 which is pending for hearing. Based on tax

advisor's opinion, the management is confident that the matter will be decided in favour of the Company and accordingly no provision against the demand has been made in these financial statements.

- x) On 18 July 2023, DCIR passed an assessment order under section 11 of the Sales Tax Act, 1990 whereby input sales tax amounting Rupees 63.658 million on certain goods and services was disallowed. Being aggrieved by the order of DCIR, the Company filed an appeal before CIR(A) on 15 August 2023. On 24 October 2023, CIR(A) passed an order whereby partial relief was provided to the Company. Being aggrieved by the order of CIR(A), the Company filed an appeal before ATIR on 15 November 2023 which is pending adjudication. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.
- xii) On 01 April 2018, amended assessment orders were issued by the Additional Commissioner Inland Revenue (ACIR) under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2015, 2016 and 2017 whereby taxable income for the tax years under reference was recomputed to increase by Rupees 57.335 million on account of interest income, income from property, minimum tax on capacity sales, scrap sales, gain on sale of fixed assets and confrontation of tax credit under repealed section 65B of the Income Tax Ordinance, 2001. Against the aforesaid orders, the Company preferred appeals before CIR(A) on 12 April 2021. On 02 July 2021, CIR(A) passed the orders whereby the orders of ACIR were upheld in respect of all the matters except for the taxation of gain on sale of fixed assets which was remanded back to ACIR for consideration in view of the judgments of ATIR / Honorable Superior Courts. Being aggrieved with the orders of CIR(A), the Company preferred appeal before the ATIR on 10 August 2021 which is pending adjudication. Based on the opinion of tax advisor, the management has strong grounds to believe that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.
- xiii) On 03 November 2017, the Company has challenged, before the Honorable Lahore High Court, Lahore (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department filed an appeal before a division bench of Honorable Lahore High Court, Lahore on 13 January 2021 which is pending adjudication. The management, based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

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

- xiv) On 31 January 2022, ACIR passed an order under section 11(2) of the Sales Tax Act, 1990 for the tax period September 2013 raising a demand of Rupees 6.143 million on account of inadmissible input sales tax on various goods and services claimed alongwith default surcharge and penalty against the Company. Against the order of ACIR, the Company preferred an appeal before CIR(A) on 25 February 2022. On 03 March 2022, CIR(A)

remanded back the case to ACIR with the instructions to provide reasonable opportunity of being heard to the Company and decide the case on merit. On 27 June 2023, DCIR passed order in accordance with the directives of CIR(A) and reasserted the demand amounting to Rs. 6.143 million. Being aggrieved by the order of DCIR, the Company filed an appeal before CIR (A) on 26 September 2023. On 25 October 2023, CIR(A) remanded back the case to assessing officer for a fresh consideration. Being aggrieved by the order of CIR(A), the Company filed an appeal before ATIR on 16 November 2023 which is pending for hearing. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.

- xv) On 16 October 2023, Additional Commissioner (Enforcement) [AC(Enforcement)] issued show cause notices to the Company under section 52 of the Punjab Sales Tax on Services Act 2012 for tax years 2021 and 2022 requiring the Company to substantiate its compliance with the various withholding provisions under the law with respect to certain expenses. On 28 November 2023, AC(Enforcement) passed an ex-parte order whereby a demand of Rupees 42.857 million along with the default surcharge of Rupees 2.143 million was adjudged against the Company. Being aggrieved by the order of AC(Enforcement), subsequent to the reporting period on 22 January 2024, the Company filed appeals before Commissioner (Appeals), Punjab Revenue Authority, Lahore which are pending for hearing. Based on the tax advisor's opinion, the management has strong grounds to believe that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.
- xvi) Guarantees of Rupees 15 million (2022: Rupees 15 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- xvii) Letter of guarantee of Rupees 1.062 million (2022: Rupees 1.062 million) is given by the bank of the Company to Collector of Custom, Karachi under direction of Sindh High Court in respect of suit filed for custom duty.
- xviii) 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 Nil (2022: Rupees 500 million).

9.2 Commitments

9.2.1 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.

9.2.2 Commitments in respect of other than capital expenditure

10. FIXED ASSETS

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

	2023 (Rupees in thousand)	2022
	109,318	436,588
	3,981,123	4,674,573
	177	44,069
	<u>3,981,300</u>	<u>4,718,642</u>

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

Description	Freehold land	Buildings 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 2021											
Cost	10,399	1,258,495	41,342	15,294,191	23,241	71,590	83,426	89,871	1,857	1,453	16,875,865
Accumulated depreciation	-	(864,637)	(41,342)	(10,036,486)	(21,240)	(56,896)	(76,769)	(80,289)	(1,846)	(1,418)	(11,180,923)
Net book value	10,399	393,858	-	5,257,705	2,001	14,694	6,657	9,582	11	35	5,694,942
Year ended 31 December 2022											
Opening net book value	10,399	393,858	-	5,257,705	2,001	14,694	6,657	9,582	11	35	5,694,942
Additions	-	1,296	-	-	1,249	10,923	4,719	1,230	-	-	19,417
Disposals:											
Cost	-	-	-	-	(29)	(13,362)	(421)	(38)	-	-	(13,850)
Accumulated depreciation	-	-	-	-	29	13,063	421	38	-	-	13,551
Depreciation charge	-	(65,910)	-	(960,360)	(677)	(6,442)	(3,312)	(2,773)	(7)	(6)	(299)
Closing net book value	10,399	329,244	-	4,297,345	2,573	18,876	8,064	8,039	4	29	4,674,573
At 31 December 2022											
Cost	10,399	1,259,791	41,342	15,294,191	24,461	69,151	87,724	91,063	1,857	1,453	16,881,432
Accumulated depreciation	-	(930,547)	(41,342)	(10,996,846)	(21,888)	(50,275)	(79,660)	(83,024)	(1,853)	(1,424)	(12,206,859)
Net book value	10,399	329,244	-	4,297,345	2,573	18,876	8,064	8,039	4	29	4,674,573
Year ended 31 December 2023											
Opening net book value	10,399	329,244	-	4,297,345	2,573	18,876	8,064	8,039	4	29	4,674,573
Additions	-	-	-	342,840	534	494	8,964	1,392	-	-	354,224
Disposals / derecognitions:											
Cost	-	-	-	(136,949)	(58)	(2,797)	(2,337)	(273)	-	-	(142,414)
Accumulated depreciation	-	-	-	136,949	58	2,797	2,290	273	-	-	142,367
Depreciation charge	-	(65,885)	-	(968,205)	(715)	(6,182)	(4,243)	(2,390)	(1)	(6)	(1,047,627)
Closing net book value	10,399	263,359	-	3,671,980	2,392	13,188	12,738	7,041	3	23	3,981,123
At 31 December 2023											
Cost	10,399	1,259,791	41,342	15,500,082	24,937	66,848	94,351	92,182	1,857	1,453	17,093,242
Accumulated depreciation	-	(996,432)	(41,342)	(11,828,102)	(22,545)	(53,660)	(81,613)	(85,141)	(1,854)	(1,430)	(13,112,119)
Net book value	10,399	263,359	-	3,671,980	2,392	13,188	12,738	7,041	3	23	3,981,123
Annual rate of depreciation (%)		3.33-20	10	4.45-33.3	10-20	20	10-33.3	10-33.3	10-20	10	

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

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

	2023 (Rupees in thousand)	2022
Cost of sales (Note 21)	1,034,090	1,026,269
Administrative expenses (Note 22)	13,537	13,218
	1,047,627	1,039,487

10.1.3 Operating fixed assets include fixed assets costing Rupees 1,154.067 million (2022: Rupees 977.940 million) which are fully depreciated but still in the use of the Company.

10.1.4 Particulars of immovable properties are as follows:

Description	Address	Area of land	Covered area of buildings
		Acres	Square feet
Complex	Mehmood Kot, District Muzzaffargarh	169.19	942,646

	2023 (Rupees in thousand)	2022
10.2 Capital work-in-progress		
Plant and machinery	177	44,069

10.2.1 Movement in capital work-in-progress is as follows:

	Categories					Total
	Buildings on freehold land	Plant and machinery	Furniture and fittings	Office equipment	Electric equipment and appliances	
	----- Rupees in thousand -----					
As at 31 December 2021	-	-	-	-	-	-
Add: Additions during the year	1,296	44,069	1,021	2,423	931	49,740
Less: Transferred to operating fixed assets during the year	1,296	-	1,021	2,423	931	5,671
As at 31 December 2022	-	44,069	-	-	-	44,069
Add: Additions during the year	-	298,948	534	5,072	1,062	305,616
Less: Transferred to operating fixed assets during the year	-	342,840	534	5,072	1,062	349,508
As at 31 December 2023	-	177	-	-	-	177

	2023 (Rupees in thousand)	2022
11. LONG TERM INVESTMENT		
Associated company - under equity method		
Nishat Energy Limited - unquoted 250,000 (2022: 250,000) fully paid ordinary shares of Rupees 10 each Equity held 25% (2022: 25%) at cost	2,500	2,500
Share of reserve		
Opening balance	(1,658)	(1,658)
Less: Share of loss	-	-
Closing balance	(1,658)	(1,658)
Less: Impairment loss	(842)	(842)
Carrying amount under equity method	-	-

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

	2023 (Rupees in thousand)	2022
Non-current assets	-	-
Current assets	47	47
Total assets	47	47
Liabilities	375	300
Net assets	(328)	(253)
Loss for the year (Note 11.2)	(75)	(75)

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

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

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

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

	2023 (Rupees in thousand)	2022
12. LONG TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Note 12.1)	18,416	21,655
Other employees	1,423	2,897
	<u>19,839</u>	<u>24,552</u>
Current portion shown under current assets (Note 17)		
Executives	(6,072)	(8,728)
Other employees	(360)	(756)
	<u>(6,432)</u>	<u>(9,484)</u>
	<u>13,407</u>	<u>15,068</u>
12.1 Reconciliation of carrying amount of loans to executives:		
Opening balance	21,655	20,861
Add: Transfer of loan from 'other employees'	1,527	-
Add: Disbursements	8,884	17,293
	<u>32,066</u>	<u>38,154</u>
Less: Repayments	(13,650)	(16,499)
Closing balance	<u>18,416</u>	<u>21,655</u>

12.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 22.311 million (2022: Rupees 30.143 million).

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

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

	2023 (Rupees in thousand)	2022
13. STORES, SPARE PARTS AND OTHER CONSUMABLES		
Stores, spare parts and other consumables (Note 13.1)	808,318	1,130,372
Less: Provision for slow moving / obsolete items (Note 13.2)	-	-
	<u>808,318</u>	<u>1,130,372</u>

13.1 These include stores in transit of Rupees 8.109 million (2022: Rupees Nil). Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2023 (Rupees in thousand)	2022
13.2 Provision for slow moving / obsolete items:		
Opening balance	-	65,053
Add: Provision made during the year (Note 23)	-	3,867
Less: Stores, spare parts and other consumables written off against provision	-	(68,920)
Closing balance	-	-
14. FUEL STOCK		
Furnace oil	2,420,156	1,848,570
Diesel	47,378	23,353
	2,467,534	1,871,923
15. TRADE DEBTS - secured		
Other than related parties - considered good	10,270,511	12,449,518

15.1 These represent receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), the Company's sole customer, and are backed by sovereign guarantee of Government of Pakistan. These include overdue amounts of Rupees 8,150.330 million (2022: Rupees 10,630.896 million) which attract 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 19% to 25% (2022: 12.75% to 19%) per annum. Trade debts include unbilled receivables of Rupees 895.788 million (2022: Rupees 403.088 million).

	2023 (Rupees in thousand)	2022
15.2 As at 31 December, age analysis of trade debts is as follows:		
Neither past due nor impaired	1,608,241	1,612,269
Past due but not impaired:		
- 26 to 90 days	3,069,914	6,415,831
- 91 to 180 days	5,592,356	4,413,265
- 181 to 365 days	-	8,153
	8,662,270	10,837,249
	10,270,511	12,449,518

	2023 (Rupees in thousand)	2022
16. SHORT TERM INVESTMENTS		
Debt Instrument:		
At fair value through profit or loss (FVTPL):		
Pakistan Investment Bond (Note 16.1)	849,995	-
At amortized cost:		
Term deposit receipt (Note 16.2)	-	5,000
Add: Interest accrued thereon (Note 24)	-	116
	-	5,116
	<u>849,995</u>	<u>5,116</u>

16.1 Investment in Pakistan Investment Bond carries effective interest rate of 22.53% per annum and having maturity date of 14 December 2028. It was classified as current asset based on management's intention to encash this investment within a period of 12 months from year end. Subsequent to the reporting period, this investment has been encashed at Rupees 852.018 million.

16.2 Effective rate of interest charged on term deposit receipt ranged from 13% to 15% (2022: 13%) per annum.

	2023 (Rupees in thousand)	2022
17. LOANS, ADVANCES AND SHORT TERM PREPAYMENTS		
Current maturity of long term loans to employees (Note 12)	6,432	9,484
Advances - considered good:		
- to employees for expenses	247	643
- to employees against salary	3,148	2,087
- to suppliers - unsecured	40,128	315,951
Advances against letters of credit	566	-
Short term prepayments	15,177	70,926
	<u>65,698</u>	<u>399,091</u>
18. OTHER RECEIVABLES		
Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 18.1)	364,257	135,369
Workers' welfare fund (Note 18.2)	257,606	166,051
	<u>621,863</u>	<u>301,420</u>
18.1 Workers' profit participation fund		
Opening balance	135,369	177,570
Allocation for the year (Note 23.2)	228,888	135,369
Amount received during the year	-	(177,570)
Closing balance	<u>364,257</u>	<u>135,369</u>

	2023 (Rupees in thousand)	2022
18.2 Workers' welfare fund		
Considered good (Note 18.2.1)	257,606	166,051
Considered doubtful Provision for doubtful receivable	13,216 (13,216)	13,216 (13,216)
	-	-
	257,606	166,051
18.2.1 Considered good		
Opening balance	166,051	111,904
Add: Allocation for the year (Note 23.3)	91,555	54,147
Less: Amount received during the year	-	-
Closing balance	257,606	166,051
19. CASH AND BANK BALANCES		
Cash in hand	524	459
Cash with banks on:		
Saving accounts (Note 19.1)	412,385	2,153
Current accounts	30	123
	412,415	2,276
	412,939	2,735

19.1 Saving accounts carry profit at the rates ranging from 14.50% to 20.50% (2022: 8.25% to 14.50%) per annum.

19.2 Included in cash with banks are Rupees 412.395 million (2022: Rupees 2.156 million) with MCB Bank Limited - related party.

	2023 (Rupees in thousand)	2022
20. REVENUE FROM CONTRACT WITH CUSTOMER		
Energy purchase price	11,247,453	35,587,060
Less: Sales tax	(1,714,042)	(5,166,310)
	9,533,411	30,420,750
Capacity purchase price	8,003,967	6,310,365
Delayed payment mark-up	1,934,194	879,901
	19,471,572	37,611,016

	2023 (Rupees in thousand)	2022
21. COST OF SALES		
Fuel cost (Note 21.1)	9,986,708	31,510,910
Operation and maintenance costs (Note 21.2)	1,574,296	669,497
Insurance	1,275,622	917,800
Depreciation (Note 10.1.2)	1,034,090	1,026,269
Liquidated damages to CPPA-G	-	798
	<u>13,870,716</u>	<u>34,125,274</u>
21.1 Fuel cost		
Opening stock	1,871,923	2,597,661
Purchased during the year	10,582,319	30,785,172
	<u>12,454,242</u>	<u>33,382,833</u>
Closing stock	(2,467,534)	(1,871,923)
	<u>9,986,708</u>	<u>31,510,910</u>
21.2 Operation and maintenance costs		
Salaries, wages and other benefits (Note 21.2.1)	336,839	314,814
Repair and maintenance	489,968	122,100
Fee and subscription	10,272	8,214
Stores and spare parts consumed	521,458	159,471
Electricity consumed in-house	215,759	64,898
	<u>1,574,296</u>	<u>669,497</u>

21.2.1 Salaries, wages and other benefits include provident fund contribution and provision for gratuity of Rupees 19.747 million (2022: Rupees 18.521 million) and Rupees 16.521 million (2022: Rupees 14.921 million) respectively.

	2023 (Rupees in thousand)	2022
22. ADMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 22.1)	119,013	106,333
Travelling, conveyance and entertainment	11,994	9,608
Office rent (Note 22.2)	7,995	7,726
Communication and utilities	1,221	1,174
Insurance	7,094	6,217
Repair and maintenance	21,350	16,587
Printing and stationery	5,376	4,438
Advertisement and publicity	406	368
Legal and professional	13,268	18,746
Depreciation (Note 10.1.2)	13,537	13,218
Community welfare	6,080	4,741
Miscellaneous	13,826	10,399
	<u>221,160</u>	<u>199,555</u>

22.1 Salaries and other benefits include provident fund contribution and provision for gratuity of Rupees 5.027 million (2022: Rupees 4.377 million) and Rupees 2.205 million (2022: Rupees 1.950 million) respectively.

22.2 This represents rent expense relating to low value lease.

	2023 (Rupees in thousand)	2022
23. OTHER EXPENSES		
Auditor's remuneration (Note 23.1)	3,520	3,101
Workers' profit participation fund (Note 23.2)	-	-
Workers' welfare fund (Note 23.3)	-	-
Sales tax written off	11,927	-
Trade debts written off	9,620	-
Donations (Note 23.4 and Note 23.5)	3,635	2,058
Provision for slow moving and obsolete stores, spare parts and other consumables (Note 13.2)	-	3,867
	28,702	9,026
23.1 Auditor's remuneration		
Statutory audit	2,638	2,303
Half yearly review	625	610
Other certifications	137	90
Out-of-pocket expenses	120	98
	3,520	3,101
23.2 Workers' profit participation fund		
Allocation for workers' profit participation fund (Note 6.2)	228,888	135,369
Allocation to workers' profit participation fund recoverable from CPPA-G (Note 18.1)	(228,888)	(135,369)
	-	-
23.3 Workers' welfare fund		
Allocation for workers' welfare fund (Note 6.3)	91,555	54,147
Allocation to workers' welfare fund recoverable from CPPA-G (Note 18.2.1)	(91,555)	(54,147)
	-	-

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

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

	2023 (Rupees in thousand)	2022
24. OTHER INCOME		
Income from financial assets:		
Interest income:		
Profit on saving bank accounts	16,952	7,244
Profit on term deposit receipts	339	116
Interest on loan to associated company	-	12,193
Income from non-financial assets:		
Gain on disposal of operating fixed assets	56	12,005
Gain on disposal of non-current assets classified as held for sale	-	86,102
Scrap sales	9,466	5,209
Amortization of deferred income - Government grant	-	1,005
Other:		
Rental income	1,431	2,551
	<u>28,244</u>	<u>126,425</u>
25. FINANCE COST		
Mark-up / profit on:		
Long term financing	-	1,546
Short term borrowings	796,053	680,777
Bank charges and commission	5,418	13,890
	<u>801,471</u>	<u>696,213</u>
26. TAXATION		
Current:		
- For the year	-	-
- Prior years	-	-
	<u>-</u>	<u>-</u>
26.1 Relationship between tax expense and accounting profit is as follows:		
Profit before taxation	<u>4,577,767</u>	<u>2,707,373</u>
Tax at the applicable rate of 29% (2022: 29%)	1,327,552	785,138
Tax effect of amounts that are:		
Exempt as referred to in note 2.21.1	(1,327,552)	(785,138)
	<u>-</u>	<u>-</u>

	2023	2022
27. EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which is based on:		
Profit attributable to ordinary shareholders (Rupees in thousand)	4,577,767	2,707,373
Weighted average number of shares (Number)	379,838,732	379,838,732
Earnings per share - Basic and diluted (Rupees)	12.05	7.13
	2023	2022
	(Rupees in thousand)	
28. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	4,577,767	2,707,373
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets (Note 10.1)	1,047,627	1,039,487
Provision for gratuity (Note 5.7)	18,726	16,871
Gain on disposal of operating fixed assets (Note 24)	(56)	(12,005)
Gain on disposal of non-current assets classified as held for sale (Note 24)	-	(86,102)
Profit on saving bank accounts (Note 24)	(16,952)	(7,244)
Profit on term deposit receipts (Note 24)	(339)	(116)
Interest on loan to associated company (Note 24)	-	(12,193)
Amortization of deferred income - Government grant (Note 24)	-	(1,005)
Finance cost (Note 25)	801,471	696,213
Sales tax written off (Note 23)	11,927	-
Trade debts written off (Note 23)	9,620	-
Provision for slow moving and obsolete stores, spare parts and other consumables (Note 23)	-	3,867
Cash flows from operating activities before working Capital changes	6,449,791	4,345,146
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	322,054	(221,121)
Fuel stock	(595,611)	725,738
Trade debts	2,169,387	(6,815,896)
Loans, advances and short term prepayments	330,397	(36,449)
Other receivables	(320,443)	(11,549)
Sales tax recoverable	(476,398)	(314,428)
	1,429,386	(6,673,705)
Increase in trade and other payables	229,331	126,778
	8,108,508	(2,201,781)

28.1 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Liabilities from financing activities		
	Long term finance	Unclaimed dividend	Total
 (Rupees in thousand)		
Balance as at 01 January 2022	55,458	7,747	63,205
Long term financing repaid	(55,458)	-	(55,458)
Dividends declared	-	569,758	569,758
Dividends paid	-	(571,597)	(571,597)
Balance as at 31 December 2022	-	5,908	5,908
Dividend declared	-	6,457,263	6,457,263
Dividend paid	-	(6,452,172)	(6,452,172)
Balance as at 31 December 2023	-	10,999	10,999

29. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, other related parties, key management personnel and staff retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements, except for remuneration to key management personnel as disclosed in note 30, are as follows:

Associated companies	Nature of transaction	2023 (Rupees in thousand)	2022
Nishat Mills Limited	Dividend	1,868,003	151,784
Security General Insurance Company Limited	Dividend	200,574	9,486
	Insurance premium paid	1,511,193	1,092,068
	Insurance claims received	15	-
Nishat Hotels and Properties Limited	Loan repaid	-	350,000
	Interest charged	-	12,193
	Boarding and lodging services	550	320
Nishat (Aziz Avenue) Hotels and Properties Limited	Dividend	6,214	-
D.G. Khan Cement Company Limited	Purchase of goods	-	354
Nishat Real Estates Development Company (Private) Limited	Dividend	180	-
Hyundai Nishat Motor (Private) Limited	Purchase of vehicles	-	13,733
	Services received	234	174
	Reimbursement of expenses	-	660
MCB Bank Limited	Mark-up on borrowings	-	523
	Long term loans repaid	-	55,117
	Profit on bank deposits received	16,930	6,887
Adamjee Insurance Company Limited	Dividend	464,923	37,946
	Insurance premium paid	6,752	7,596
	Insurance claims received	1,101	1,060
Adamjee Life Assurance Company Limited	Insurance premium paid	1,611	1,953
Engen (Private) Limited*	Dividend	-	1

Other related parties	Nature of transaction	2023 (Rupees in thousand)	2022
Mr. Muhammad Azam	Dividend	9	1
Mian Hassan Mansha	Dividend	441,894	38,991
Mr. Inayat Ullah Niazi	Dividend	9	1
Mr. Mehmood Akhtar	Dividend	9	1
Mr. Amir Mehmood	Dividend	9	1
Mrs. Hajra Arham	Dividend	9	1
Mr. Zaheer Ahmed Ghanghro	Dividend	9	-
Mr. Jawaid Iqbal (Ex-director)**	Dividend	903	677
Staff retirement benefit plans			
Provident Fund Trust	Contributions	24,774	22,898
Gratuity Fund Trust	Benefits paid on behalf of fund	5,981	9,174

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

** Ceased to be the director of the Company with effect from 26 April 2023.

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

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year	Percentage of shareholding held by the Company
Nishat Mills Limited	Common Directorship	Yes	None
Security General Insurance Company Limited	Common Directorship	Yes	None
Nishat Hospitality (Private) Limited	Common Directorship	No	None
D.G. Khan Cement Company Limited	Common Directorship	No	None
Pakgen Power Limited	Common Directorship	No	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 (Raiwind) Hotels and Properties Limited	Common Directorship	No	None
Nishat Developers (Private) Limited	Common Directorship	No	None
Nishat Dairy (Private) Limited	Common Directorship	No	None

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year	Percentage of shareholding held by the Company
Nishat Agriculture Farming (Private) Limited	Common Directorship	No	None
Nishat Real Estate Development Company (Private) Limited	Common Directorship	Yes	None
Nishat Commodities (Private) Limited	Common Directorship	No	None
Nishat Paper Products Company Limited	Common Directorship	No	None
Nishat Energy Limited	Shareholding	No	25%
Hyundai Nishat Motor (Private) Limited	Common Directorship	Yes	None
Adamjee Insurance Company Limited	Group Company	Yes	None
Emporium Properties (Private) Limited	Group Company	No	None
Nishat Linen (Private) Limited	Group Company	No	None
MCB Bank Limited	Group Company	Yes	None
MCB Islamic Bank Limited	Group Company	Yes	None
Adamjee Life Assurance Company Limited	Group Company	Yes	None
Nishat Agrotech (Private) Limited	Common Company Secretary	No	None
Nishat Sutas Dairy Limited	Common Company Secretary	No	None
Golf View Land (Private) Limited	Common Company Secretary	No	None
Provident Fund Trust	Post-employment benefit plan	Yes	None
Gratuity Fund Trust	Post-employment benefit plan	Yes	None
Mr. Muhammad Azam	Director	Yes	None
Mian Hassan Mansha	Director	Yes	None
Mr. Inayat Ullah Niazi	Director	Yes	None
Mr. Mehmood Akhtar	Director	Yes	None
Mr. Amir Mehmood	Director	Yes	None
Mrs. Hajra Arham	Director	Yes	None
Mr. Zaheer Ahmed Ghanghro	Director	Yes	None

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS 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:

	2023		2022	
	Chief Executive	Executives	Chief Executive	Executives
	(- - - - - Rupees in thousand - - - - -)			
Managerial remuneration	11,304	221,418	10,664	199,750
Medical expenses	1,130	22,142	1,066	19,975
Bonus	3,109	61,363	2,933	55,285
Retirement benefits	1,130	38,968	1,066	35,930
	<u>16,673</u>	<u>343,891</u>	<u>15,729</u>	<u>310,940</u>
Number of persons	<u>1</u>	<u>58</u>	<u>1</u>	<u>56</u>

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

30.2 Meeting fee of Rupees 855,000 (2022: Rupees 750,000) was paid to non-executive directors of the Company during the year.

30.3 No remuneration was paid to non-executive directors of the Company.

31. PROVIDENT FUND

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

32. NUMBER OF EMPLOYEES

	2023	2022
Number of employees as on 31 December	<u>95</u>	<u>102</u>
Average number of employees during the year	<u>99</u>	<u>100</u>

33. FINANCIAL RISK MANAGEMENT

33.1 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), British Pound Sterling (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:

	2023	2022
Trade and other payables		
- USD	(315)	(18,875)
- GBP	(667)	(260)
- Euro	-	(4,535)
Net exposure - USD	(315)	(18,875)
Net exposure - GBP	(667)	(260)
Net exposure - Euro	-	(4,535)

The following significant exchange rates were applicable during the year:

Rupees per US Dollar

Average rate	283.53	204.52
Reporting date rate	282.40	226.43

Rupees per GBP

Average rate	353.89	251.57
Reporting date rate	359.77	273.08

Rupees per Euro

Average rate	307.95	214.52
Reporting date rate	313.11	241.31

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and GBP (2022: USD, GBP and EURO) with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.016 million (2022: Rupees 0.272 million) lower / higher, mainly as a result of exchange losses 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, short term investments, past due trade debts and short-term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

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

	2023 (Rupees in thousand)	2022
Fixed rate instruments		
Financial assets		
Short term investments	849,995	5,000
Financial liabilities	-	-
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	412,385	2,153
Trade debts - past due	8,150,330	10,630,896
	8,562,715	10,633,049
Financial liabilities		
Short term borrowings	(5,260,489)	(4,546,222)
Net exposure	3,302,226	6,086,827

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss except Pakistan Investment Bond (PIB). A change in interest rate at the reporting date would not affect profit or loss of the Company as PIB are frequently traded.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 33.022 million (2022: Rupees 60.868 million) higher / lower, mainly as a result of higher / lower interest income. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2023 (Rupees in thousand)	2022
Loans to employees	22,987	26,639
Long term security deposits	1,850	1,850
Trade debts	10,270,511	12,449,518
Short term investments	849,995	5,116
Accrued interest	19	-
Other receivables	621,863	301,420
Bank balances	412,415	2,276
	<u>12,179,640</u>	<u>12,786,819</u>

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

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

	Rating			2023	2022
	Short Term	Long Term	Agency	(Rupees in thousand)	
CPPA-G		Not available		712,453	1,209,181
Short term investments					
State Bank of Pakistan		Not available		849,995	-
Askari Bank Limited	A-1+	AA+	PACRA	-	5,116
Banks					
National Bank of Pakistan	A-1+	AAA	PACRA	1	2
MCB Bank Limited	A-1+	AAA	PACRA	412,395	2,156
Faysal Bank Limited	A-1+	AA	PACRA	3	57
Allied Bank Limited	A-1+	AAA	PACRA	-	1
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	8	52
Habib Bank Limited	A-1+	AAA	VIS	3	2
United Bank Limited	A-1+	AAA	VIS	1	2
The Bank of Punjab	A-1+	AA+	PACRA	4	3
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	-	1
				412,415	2,276
				1,974,863	1,216,573

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 on 31 December 2023, the Company had Rupees 9,397.911 million (2022: Rupees 12,607.178 million) available borrowing limits from financial institutions, Rupees 849.995 million (2022: Rupees 5.116 million) short term investments and Rupees 412.939 million (2022: Rupees 2.735 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 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
(----- Rupees in thousand -----)						
Non-derivative financial liabilities:						
Trade and other payables	235,953	235,953	235,953	-	-	-
Accrued mark-up / profit	163,512	163,512	163,512	-	-	-
Unclaimed dividend	10,999	10,999	10,999	-	-	-
Short term borrowings	5,260,489	5,443,726	5,443,726	-	-	-
	<u>5,670,953</u>	<u>5,854,190</u>	<u>5,854,190</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 31 December 2022:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
(----- Rupees in thousand -----)						
Non-derivative financial liabilities:						
Trade and other payables	191,917	191,917	191,917	-	-	-
Accrued mark-up / profit	176,998	176,998	176,998	-	-	-
Unclaimed dividend	5,908	5,908	5,908	-	-	-
Short term borrowings	4,546,222	4,676,457	4,676,457	-	-	-
	<u>4,921,045</u>	<u>5,051,280</u>	<u>5,051,280</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 31 December. The rates of mark-up / profit have been disclosed in note 8 to these financial statements.

33.2 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.

33.3 Financial instruments by categories

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

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

Assets as per statement of financial position

Loans to employees	22,987	-	22,987
Long term security deposits	1,850	-	1,850
Trade debts	10,270,511	-	10,270,511
Short term investments	-	849,995	849,995
Accrued interest	19	-	19
Other receivables	621,863	-	621,863
Cash and bank balances	412,939	-	412,939
	<u>11,330,169</u>	<u>849,995</u>	<u>12,180,164</u>

	2022
	At amortized cost
	(Rupees in thousand)
Loans to employees	26,639
Long term security deposits	1,850
Trade debts	12,449,518
Short term investments	5,116
Other receivables	301,420
Cash and bank balances	2,735
	12,787,278

Liabilities as per statement of financial position

Financial liabilities at amortized cost

	2023	2022
	(Rupees in thousand)	
Trade and other payables	235,953	191,917
Accrued mark-up / profit	163,512	176,998
Unclaimed dividend	10,999	5,908
Short term borrowings	5,260,489	4,546,222
	5,670,953	4,921,045

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

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

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

Assets

Long term loans to employees	13,407	-	13,407
Long term security deposits	1,850	-	1,850
Loans, advances and short term prepayments	9,580	56,118	65,698
Trade debts	10,270,511	-	10,270,511
Short term investments	849,995	-	849,995
Other receivables	621,863	-	621,863
Accrued interest	19	-	19
Cash and bank balances	412,939	-	412,939

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

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

Liabilities

Trade and other payables	235,953	490,180	726,133
Accrued mark-up / profit	163,512	-	163,512
Unclaimed dividend	10,999	-	10,999
Short term borrowings	5,260,489	-	5,260,489

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

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

Assets

Long term loans to employees	15,068	-	15,068
Long term security deposits	1,850	-	1,850
Loans, advances and short term prepayments	11,571	387,520	399,091
Trade debts	12,449,518	-	12,449,518
Short term investments	5,116	-	5,116
Other receivables	301,420	-	301,420
Cash and bank balances	2,735	-	2,735

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

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

Liabilities

Trade and other payables	191,917	304,885	496,802
Accrued mark-up / profit	176,998	-	176,998
Unclaimed dividend	5,908	-	5,908
Short term borrowings	4,546,222	-	4,546,222

34. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 31 December 2023	Level 1	Level 2	Level 3	Level 4
----- (Rupees in thousand) -----				
Financial assets				
Financial assets at fair value through profit or loss	-	849,995	-	849,995

Recurring fair value measurements at 31 December 2022	Level 1	Level 2	Level 3	Level 4
----- (Rupees in thousand) -----				
Financial assets				
Financial assets at fair value through profit or loss	-	-	-	-

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

	2023 MWH	2022 MWH
35. CAPACITY AND ACTUAL PRODUCTION		
Installed capacity based on 8,760 (2022: 8,760) hours	3,171,120	3,171,120
Actual energy delivered	266,709	837,112

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

36. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023 (Rupees in thousand)	2022	2023 (Rupees in thousand)	2022
Total facilities	2,110,000	2,115,000	14,658,400	17,153,400
Utilized at the end of the year	125,380	960,729	5,260,489	4,546,222
Unutilized at the end of the year	1,984,620	1,154,271	9,397,911	12,607,178

37. 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.

	2023 (Rupees in thousand)	2022
38. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
Loans / advances obtained as per Islamic mode		
Loans	2,015,805	1,600,162
Shariah compliant bank deposits / bank balances		
Bank balances	11	111
Profit earned from shariah compliant bank deposits / bank balances		
Profit on deposits with banks	-	-
Revenue earned from shariah compliant business segment	17,537,378	36,731,115
Mark-up paid on Islamic mode of financing	378,989	314,346
Profits earned or interest paid on any conventional loan or advance		
Profits earned	16,952	7,244
Interest paid on loans	430,439	244,780

Relationship with shariah compliant banks

Name	Relationship
MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance and short term borrowings
Faysal Bank Limited	Bank balance and short term borrowings
Al-Baraka Bank (Pakistan) Limited	Bank balance
Bank Islami Pakistan Limited	Bank balance

39. EVENTS AFTER THE REPORTING PERIOD

39.1 The Board of Directors of the Company has proposed final cash dividend for the year ended 31 December 2023 of Rupees Nil per share (2022: Rupee 2 per share). However, this event has been considered as non-adjusting event under IAS 10 'Events after Reporting Period' and has not been recognized in these financial statements.

40. CORRESPONDING FIGURES

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

41. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27th February 2024 by the Board of Directors of the Company.

42. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Lalpir Power Limited to be held on (Tuesday) April 23, 2024 at 11:30 AM (PST) at Emporium Mall, the Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

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

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

Special Resolutions
<p>Agenda Item 4(a)</p> <p>To ratify and approve transactions conducted with the Related Parties during the year ended December 31, 2023 by passing the following special resolution with or without modification:</p> <p>Resolved that the Related Party Transactions as disclosed in Annual Audited Financial Statements for the year ended December 31, 2023 and as already approved by the Board of Directors of Lalpir Power Limited be and are hereby ratified, approved and confirmed in all respects.</p>
<p>Agenda Item 4(b)</p> <p>To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on December 31, 2024 by passing the following special resolution with or without modification:</p> <p>RESOLVED that the Board of Directors of Lalpir Power Limited be and is hereby authorized to approve the transactions to be conducted with the related parties during the financial year ending on December 31, 2024 and these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their ratification.</p>

Agenda Item 4(c)

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

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

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

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

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

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

Place: _____

Date: _____

NOTES:

1. Duly filled postal ballots should be sent to the Chairman at Nishat House, 53-A, Lawrence Road, Lahore or through email at: chairman@lalpir.com .
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before April 22, 2024 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

ڈاک کے ذریعے ووٹنگ کے لیے بیلٹ پیپر

بروز منگل، 23 اپریل 2024 کو صبح 11:30 بجے (PST) ایپو ریٹیم مال، نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپوسنٹر، عبدالحق روڈ، جوہڑا ڈن، لاہور، پر منعقد ہونے والے لال پیر پاور لیٹیڈ کے سالانہ اجلاس عام میں ڈاک کے ذریعے ووٹنگ برائے خصوصی امور کے لیے۔

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

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

خصوصی قراردادیں

ایجنڈا آئٹم 4(a)

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

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

ایجنڈا آئٹم 4(b)

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

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

ایجنڈا آئٹم 4(c)

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

قرارداد یا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی رو سے اجازت کے مطابق لال پیر پاور لیٹیڈ ("کمپنی") کے

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

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

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

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

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

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

مقام:

تاریخ:

نوٹس:

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

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

3- پوسٹل بیلٹ فارم 22 اپریل 2024 شام 5:00 بجے یا اس سے پہلے چیئر مین اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ/وقت کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ دو ٹنگ کے لیے قبول نہیں کیا جائے گا۔

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

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

6- ناکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھنسا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔

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 on April 23, 2024 (Tuesday) at 11:30 A.M. at The Nishat Hotel (Emporium Mall), Trade and Finance Centre, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally present at such meeting.

As witness my/our hands in this day of _____ 2024.

Revenue
Stamp
of Rs. 50/-

Signature _____

Address _____

No. of shares held _____

Witnesses:-

Name _____

Name _____

Address _____

Address _____

IMPORTANT:

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

AFFIX
CORRECT
POSTAGE

The Company Secretary

LALPIR POWER LIMITED

53 - A, Lawrence Road, Lahore.

Tel : 042 - 736367812 - 16 Fax: 042 - 736367414

AFFIX
CORRECT
POSTAGE

The Company Secretary

LALPIR POWER LIMITED

53 - A, Lawrence Road, Lahore.

Tel : 042 - 736367812 - 16 Fax: 042 - 736367414



N I S H A T

LALPIR POWER LIMITED

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