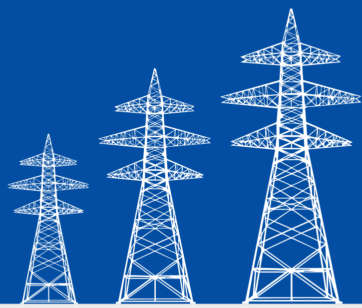
NISHAT

LALPIR POWER LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED
DECEMBER 31 2015



CONTENTS

THE COMPANY

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 8 May 1994 under the Companies Ordinance, 1984. 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. Aurangzeb Feroz	Chief Executive Officer
Mr. Kamran Rasool	
Mr. Khalid Qadeer Qureshi	
Mr. Mahmood Akhtar	
Mr. Jawaid Iqbal	
Mr. Saeed Ahmed Alvi	

AUDIT COMMITTEE

Mr. Jawaid Iqbal	Chairman
Mr. Kamran Rasool	
Mr. Mahmood Akhtar	

CHIEF FINANCIAL OFFICER

Mr. Khalid Qadeer Qureshi

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

REGISTERED OFFICE

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

HEAD OFFICE

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

BANKERS OF THE COMPANY

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

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

SHARE REGISTRAR

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

PLANT

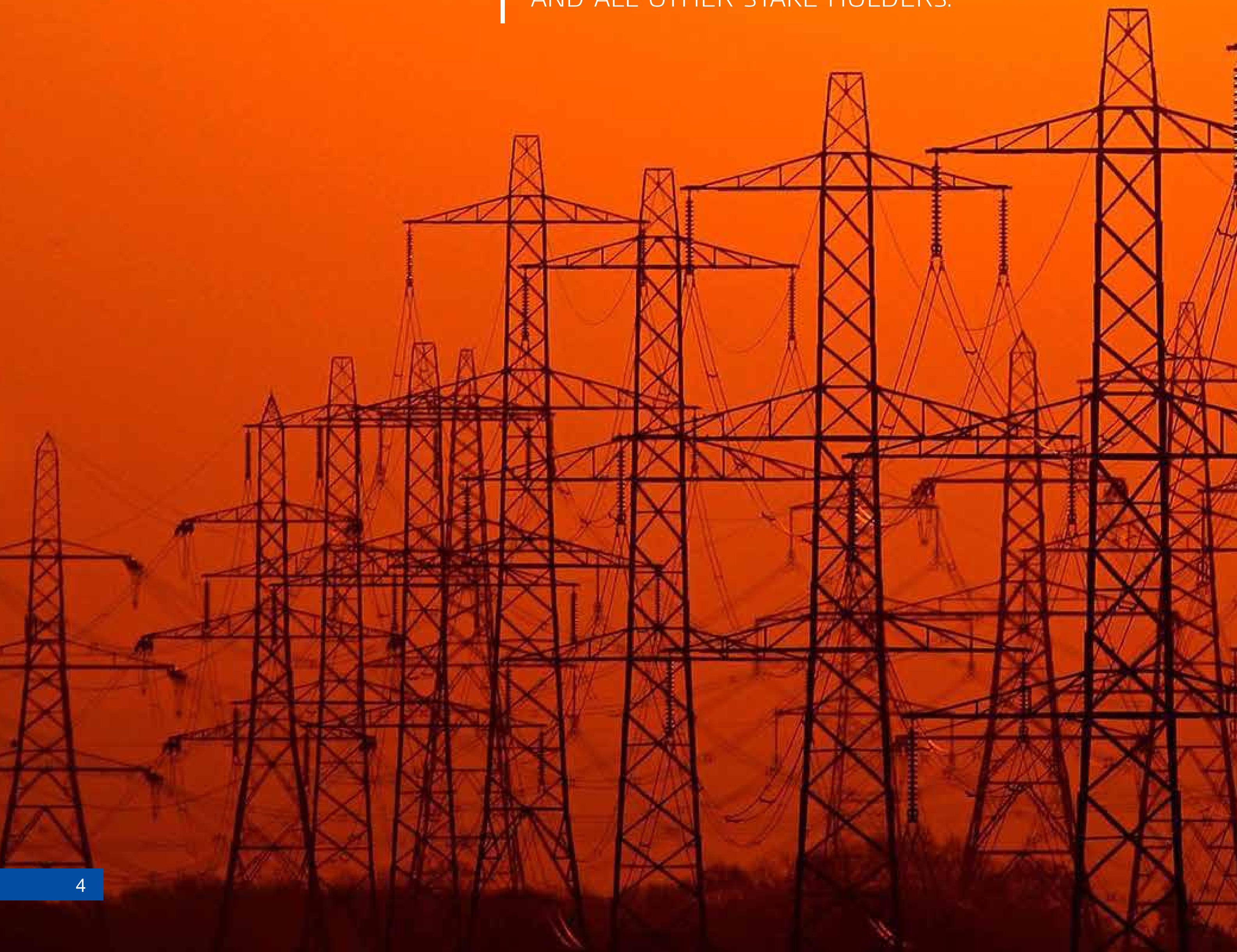
Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

VISION STATEMENT

ENLIGHTEN THE FUTURE THROUGH EXCELLENCE, COMMITMENT, INTEGRITY AND HONESTY

MISSION STATEMENT

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



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Shareholders of Lalpir Power Limited ("the Company") will be held on April 30, 2016 (Saturday) at 11:00 A.M. at Nishat Hotel, 9-A, Gulberg III, Mian Mahmood Ali Kasuri Road, Lahore to transact the following business:

1. To receive and adopt the Audited Financial Statements of the Company for the year ended December 31, 2015 together with the Directors' and Auditors' reports thereon.

2. To approve Final Cash Dividend @ 10% [i.e. Re.1/- (Rupee One Only) Per Ordinary Share] as recommended by the Board of Directors, in addition to 10% interim dividend already paid.

3. To appoint statutory Auditors for the year ended December 31, 2016 and fix their remuneration.

4. Special Business:

   To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the directors.

A) RESOLVED THAT "pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, and subject to the shareholders' approval and subject to the compliance with all statutory and legal requirements, Lalpir Power Limited ("the Company") be and is hereby authorized to invest up to Rs. 270,270,000 (Rupees Two Hundred Seventy Million Two Hundred Seventy Thousand only) by way of acquisition, from time to time, of 27,027,000 ordinary shares of the face value of PKR 10 each of Lalpir Solar Power (Private) Limited.

FURTHER RESOLVED that the above said resolution of investment shall be valid for 3 years and any two of Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly empowered and authorized to undertake the decision of said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders.

FURTHER RESOLVED that any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly authorized to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Lalpir Solar including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

FURTHER RESOLVED that any two of Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized jointly to dispose off through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company and its shareholders.

B) RESOLVED that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Lalpir Power Limited ("the Company") be and is hereby authorized to extend a loan as running finance facility of up to PKR 1,000,000,000/- (PKR One Billion Only), to Pakgen Power Limited ("Pakgen"), an associated company, as and when required by Pakgen, provided that the return on such running finance shall be equivalent to the average borrowing cost of the Company for each month with minimum rate of one (1) month KIBOR + 0.50% and that such loan shall be for a period of one year renewable by the members of the Company".

FURTHER RESOLVED, "that the Chairman and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when required by Pakgen and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of this special resolution".

By order of the Board

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

LAHORE
April 05, 2016

NOTES:

1. BOOK CLOSURE NOTICE:-

The Share Transfer Books of the Company shall remain closed for entitlement of Final Cash Dividend @ Re.1/- (Rupee One Only) per share i.e. 10% and attending of AGM from 23-04-2016 to 30-04-2016 (both days inclusive). Physical transfers/CDS transactions/IDs, received in order at Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, up to 1:00 p.m. on 22-04-2016 will be considered in time for the entitlement of said 10% Final Cash Dividend and attending of AGM.

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

3. Shareholders are requested to immediately notify the change in address, if any.

4. <u>Submission of copy of CNIC (Mandatory):</u>

The Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 779 (i) 2011 dated August 18, 2011 has directed the company to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant / Investor Account Services or to us (in case of physical shareholding) immediately to Company's Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi,

5. Dividend Mandate (Optional):

Under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desires, direct the Company to pay dividend through his/ her/its bank account. In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular Number 18 of 2012 dated June 05, 2012, kindly authorize the company for direct credit of your cash dividend in your bank account (please note that giving bank mandate for dividend payments is optional, in case you do not wish to avail this facility please ignore this notice, dividend will be paid to you through dividend warrant at your registered address). If you want to avail the facility of direct credit of dividend amount in your bank account, please provide following information to Company's Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi,

Bank Account Details of Shareholder

Title of Bank Account
Bank Account Number
Bank's name
Branch name and address
Cell number of shareholder
Landline number of shareholder, if any

It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate to the company and the concerned share registrar.

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Name, signature, folio # and CNIC number of shareholder

Notes:

(1) Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant / CDC Investor Account Services Department.

(2) If dividend mandate information has already been provided by you, ignore this request.

6. 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 said form duly signed by the shareholder along with copy of his CNIC to the Company's Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice, Financial Statements will be sent to you at your registered address.

7. Submission of Zakat Declaration (Form-CZ-50):

All Shareholders, physical and CDC account holders /Sub account holders, requiring exemption of Zakat deduction under Zakat & Usher Ordinance, 1980 are requested to submit immediately certified copies of their Zakat Declarations (Form CZ-50) to Company's Office at 53-A, Lawrence Road, Lahore or Company's Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, irrespective of the claim in account opening form.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on April 30, 2016.

A) Lalpir Solar Power (Pvt.) Limited incorporated on November 19, 2015 as a wholly owned subsidiary of Nishat Power Limited (Lalpir Solar) as an Independent Power Producer (IPP) under the Punjab Power Generation Policy 2006 (Revised 2009) (the "Provincial Policy"), promulgated by Government of Punjab (GoPb) in line with the stipulations of Federal Policy for Development of Renewable Energy for Power Generation 2006, (the "Federal Policies") and (collectively the "Policies") and Alternate Energy Development Board (AEDB) and the prevailing NEPRA Act and Rules and NEPRA Upfront Tariff with review determination dated May 25, 2015.

The principal activity of Lalpir Solar to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of approx 19 MWp with photovoltaic technology which uses PV Modules, Inverters, Combiner Boxes, Switchgear Cabinets, Transformer(s), High Voltage Switchyard, Cables, Metering, Cable Trays, Communication System, Earthing System, Lighting System, Protection Relays, Fire Protection/ Prevention System, Monitoring and Control System and civil infrastructure etc. The project site is located at Mehmood Kot, Dist. Muzaffar Garh.

Nishat Group Companies & Associates (Nishat) has submitted Expression of Interest (EOI) to Punjab Power Development Board (PPDB)/ AEDB to conduct feasibility study and then develop, construct, own, operate and maintain Solar Power Project ("the Project") for grid-connected photovoltaic (PV) modules solar power plant for project site at Mehmood Kot, Dist. Muzaffar Garh, Province of Punjab, Pakistan (the "Site").

Based on proposed plant capacity i.e., upto 20 MWp and notional project cost i.e. US $ 1.56 Million / MW, the total project cost is estimated around US$ 31.20 Million. The Project financing is based on 75 % Debt and 25% Equity. The equity will be apportioned in terms of joint venture agreement executed among consortium members.

Nishat Power Limited (NPL) shall be the main sponsor of the project with equity stake of 34% finally. NPL shall hold, until the sixth (6th) anniversary of successful commissioning of the Project, not less than 20% (twenty percent) of the total issued and paid up share capital of the Lalpir Solar.

The consortium members shall collectively hold at least 51% (fifty-one percent) of the total issued and paid up share capital of Lalpir Solar, until the sixth (6th) anniversary of successful commissioning of the Project.

After issuance of LOI, Lalpir Solar will complete the feasibility study considering the validity of upfront tariff upto 31-12-2015 and forecasting the timeline of project as stated in terms and conditions of NEPRA upfront tariff, subject to any delay on the part of any Government department which would not be counted towards the delay in completion of feasibility study, since few parts of feasibility study would require proper feedback/response from Government departments, including but not limited to;

1. Environmental Impact Assessment with the help of EPA
2. Interconnection study is complete with timely feedback from NTDC.
3. Assistance from Government providing necessary information regarding load on national grid relevant to renewable projects.

The directors have carried out their due diligence for the proposed investment and duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting.

Information for making equity investment in Lalpir Solar Power (Private) Limited as required under Clause (a) of sub-regulation (1) of regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Ref. No.	Requirement	Information
I	Name of associated company	Lalpir Solar Power (Private) Limited, wholly owned subsidiary of Nishat Power Limited, an associated company
	Criteria of associated relationship	Equity Share holding above 20%
II	Purpose	To earn dividend income as well as prospective capital gains
	Benefits	Dividend income as well as prospective capital gains
	Period of investment	Long term investment
III	Maximum amount of investment	270,270,000 Million
IV	Maximum price/share	Rs.10/- share.
V	Maximum number of shares to be acquired	27,027,000 Million ordinary shares
VI	Shareholding before investment	Nil No. of shares:
		Shareholding percentage: N/A
	Shareholding after investment	No. of shares: 27,027,000 million Shares Shareholding percentage: upto 33% Max
VII	Requirement in case of investment in listed associated company	Not Applicable
VIII	Fair market value of shares	Since the project is green field project, the Par value of its share is the fair value
IX	Break-up value of shares	Rs. 10 per share
X	Earnings per share for the last three years	Not Applicable
XI	Sources of fund from which shares will be acquired	Own funds of the Company
XII	Requirements if shares are intended to be acquired using borrowed funds	Not Applicable
XIII	Salient features of agreement(s) entered into with the associated company	A Joint Venture Agreement has been executed to invest in associated company.

Ref. No.	Requirement	Information
XIV	Direct/Indirect interest of directors in the associated company	The Directors have no interest in proposed associated company.
XV	Any other important detail	NIL
XVI	Description of the project	As stated above Paragraph
	Starting date of work	The Letter of Interest (LoI) to be awarded and feasibility consultant yet to be appointed. The Project Company is required to conduct feasibility study as stated above and subsequently the Construction & Development Works will start based on feasibility study.
	Completion of work	Based on Project feasibility i.e 08 Months from Letter of Support (LoS) which will be awarded after approval of feasibility study.
	Commercial operations date	To be decided subsequent to approval of feasibility study and approval of upfront tariff
	Expected time by which the project shall start paying return on investment	ROI will starts right from Commercial Operation Date "COD'

B) Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 under the Companies Ordinance, 1984. The registered office of the Company 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 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. It is currently listed on the Pakistan Stock Exchange Limited.

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

The Company feels that it can benefit itself from this opportunity by lending funds at a rate higher than the interest payable by the Company on its borrowing. The average borrowing rate of the Company was 9.33% per annum for the year ended December 31, 2015. Lalpir Power Limited will invest surplus funds available in order to enhance its profitability and good financial management.

Information for extending running finance facility to Lalpir Power Limited as required under Clause (a) of sub-regulation (1) of regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Ref. No.	Requirement	Information
i	Name of associated company	Pakgen Power Limited
	Criteria of associated relationship	Common Directorship
ii	Amount of loans and advances	Rs. 1,000,000,000/- (Rupees One Billion Only)
iii	Purpose	Both the companies are located in one place and they have some common facilities. The expenses of the facilities are shared between the companies according to share facility agreement. To cover DR and CR side of such transaction companies required the approval of board.
	Benefits	For smooth running of company's operations
iv	Details of existing loans	Nil
v	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Audited Financial Statements for the year ended December 31, 2015 showed: Rs. in million Balance Sheet: Assets Property, plant & equipment 10,019 Inventories 1,023 Trade debts 10,834 Other assets 3,673 25,549 Liabilities Borrowings 6,753 Trade and Other payables 3,475 Other liabilities 59 10,287 Equity 15,262 Current Ratio 1:1.71 Profit & loss: Sales 6,523 Gross Profit 1,979 Gross Profit Ratio 30.34% Net Profit after tax 1,598 Net Profit after tax Ratio 24.50% EPS 4.29
vi	Average borrowing cost of the investing company	9.40%

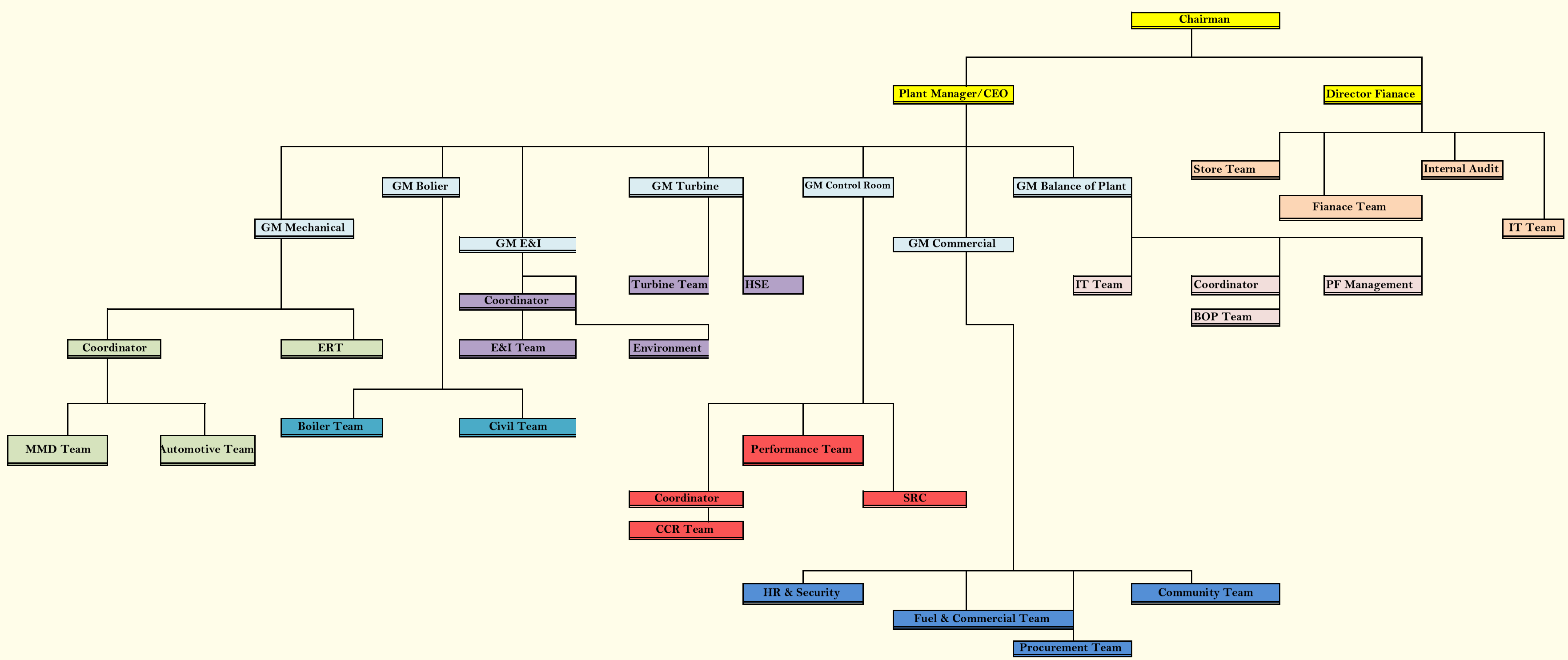
vii	Rate of interest, mark up, profit, fees or commission etc. to be charged	1 Month KIBOR + 0.50%
viii	Sources of funds from where loans or advances will be given	Surplus funds of the company.
ix	Where loans or advances are being granted using borrowed funds; justification for granting loan or advance out of borrowed funds; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company.	For smooth running of the company's operation.
x	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.	Nil
xi	If the loans or advances carry conversion feature:	Not applicable
xii	Repayment schedule and terms of loans or advances to be given to the investee company.	Repayment of loan will be within three years with payment of interest on quarterly basis.
xiii	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement will be executed before extending the loan on the basis of the terms and conditions as approved by the shareholders.
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration:	Five directors of Lalpir Power Limited, Mian Hassan Mansha currently holds 3.93% shares, Mr. Aurangzeb Firoz currently holds 0.03% shares, Mr. Khalid Qadeer Qureshi currently holds 0.00% shares, Mr. Kamran Rasool currently holds 0.00% shares, Mr. Mahmood Akhtar currently holds 0.00% shares, in Pakgen Power Limited. The directors of the associated company are interested in the investing company to the extent of their shareholding as under:- Name — % of Shareholding Mian Hassan Mansha — 6.84 Mr. Aurangzeb Firoz — 0.00 Mr. Kamran Rasool — 0.00 Mr. Mahmood Akhtar — 0.00 The companies holding shares of Lalpir Power Limited are interested in Pakgen Power Limited to the extent of their shareholding as follows:- % Nishat Mills Limited — 28.80 Engen (Pvt) Limited — 18.00 Security General Insurance Co. Ltd. — 1.80 Adamjee Insurance Co. Ltd. — 7.20
xv	Any other important details necessary for the members to understand the transaction:	None

xvi	In case of investment in a project of an associated company or associated undertaking that has not commenced operations:	Not applicable
	Starting date of work	Not applicable
	Completion of work	Not applicable
	Commercial operations date	Not applicable
	Expected time by which the project shall start paying return on investment	Not applicable

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

Name of Investee Company	:	Nishat Energy Limited
Total Investment Approved	:	Equity investment of Rs 4,875,000,000 (Rupees Four Billion Eight Hundred Seventy Five Million Only) was approved by members in EOGM held on August 22, 2014 for the period of (3) years.
Amount of Investment Made to date	:	PKR 2,500,000/-
Reason for not having made complete Investment so far where resolution Required to be implemented in Specified time.	:	The Investment in Nishat Energy is based on certain milestones which have not yet been accomplished. The first such milestone is conducting Feasibility Study. Nishat Energy has submitted its partial feasibility report to Punjab Power Development Board. Remaining portion of Feasibility Report Shall be Submitted Soon.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	:	Nishat Energy Limited has issued paid-up share capital of 1,000,000 shares of Rs 10 each amounting to Rs 10,000,000 (Rupees ten million).

ORGANIZATION CHART



DIRECTOR'S PROFILE

MIAN HASSAN MANSHA

Chairman

Mr. Hassan Mnasha has over 11 years of professional managerial experience. He has completed his education from USA and presently serving on the Board of Nishat Millis Limited, Security General Insurance Company Limited, Pakistan Aviators and Aviation (Pvt) Limited and Pakgen Power Limited. He is also the Chief Executive of Nishat Power Limited.

MR. AURANGZEB FIROZ

Chief Executive Officer

Mr. Aurangzeb Firoz currently heading the organization as the chief Executive Officer of Lalpir Power Limited. He is a graduate of the Lahore American School and University of London and has played a fundamental role in the planning and operation of the company.

His prime experience is focused in the areas of finance, business strategy and operation management. Apart from Lalpir power limited, Mr. Aurangzeb Firoz is also director of the City Schools Group and has been Instrumental in providing strategic and operational support in driving business expansion into Arab States for City Schools' (pvt) Ltd.

Mr. Aurangzeb Firoz holds directorships of Educational System (Pvt) Limited, City APIIT (PAKISTAN) (Pvt) Limited, Engen (Pvt) Limited, Pakgen Power Limited and City Hospitality Management Services (Pvt) Limited. His primary interest remains in the development of the new projects, especially in power & Energy and Educational Sector of Pakistan.

MR. KHALID QADEER QURESHI

Director Finance

Mr. Qureshi is a Fellow member of the Institute of Chartered Accountants of Pakistan. He has over 45 years experience in financial management at corporate level, corporate reporting, treasury and development and implementation of information systems. During his professional career he has been actively associated in mergers, IPOs, reorganization of companies including financial restructuring.

MR. KAMRAN RASOOL

Director

Mr. Kamran Rasool holds a Post Graduate Diploma in Development Administration from Manchester University and MA in English from Punjab University. He was associated with Govt. of Pakistan as secretary Defense (2007-2008), cabinet secretary (2006-2007), secretary Industries and Production (2005-2006). Mr. Rasool is also acting as the Adviser to President at MCB Bank Limited. He also holds Directorship in Pakistan Agricultural Storage and Services Corporation Limited.

MR. JAWAID IQBAL

Director

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

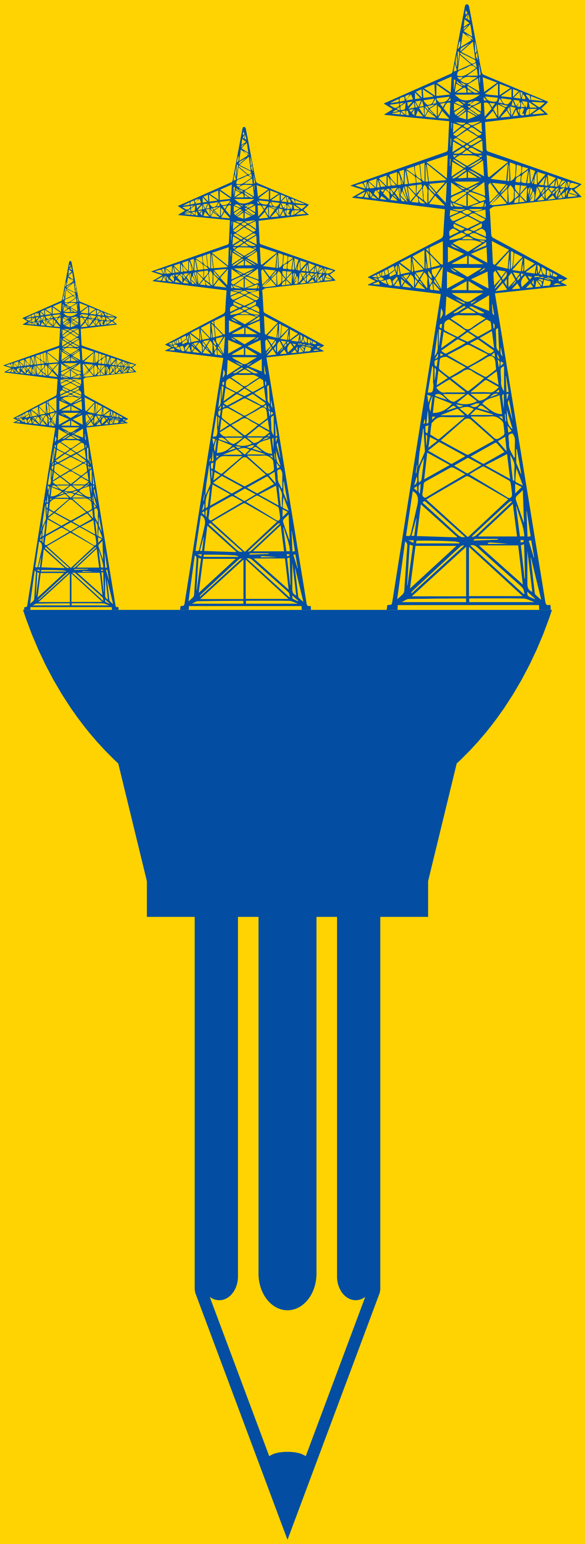
MR. MEHMOOD AKHATR
Director

Mr. Mehmood Akhtar an MBA from Punjab University and brings on board with him over 35 years of managerial experience spread across various industries.

MR. SAEED AHMED ALVI
Director

Mr. Saeed Ahmad Alvi has served over 36 years in the Pakistan Administrative Service (Ex-District Management Group) and retired as Federal Secretary. He brings with him vast experience of policy and program implementation working at the executive tiers at the Sub-Divisional, District, Divisional, Provincial and Federal levels. He has also served as ex-officio Director on some of the Boards of public sector companies and special institutions. He obtained Master's degree in Development Studies from UK in addition to Master's degrees in History and Pakistan Studies from Pakistan as also Bachelor's degree in Law.

Mr. Alvi is a Certified Director by completing Director's Training Program from ICMAP. He also serves on the Boards of Nishat Mills Limited, Nishat Power Limited, Nishat Hotels and Properties Limited, Nishat (Gulberg) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited and Nishat Real Estate Development Company
(Private) Limited.



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, 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON.

GENERAL

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 8 May 1994 under the Companies Ordinance, 1984. The shares of the Company are listed on the Karachi, and Lahore Stock Exchanges. 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 Water and Power Development Authority (WAPDA).

FINANCE

We report that during the year 2015 the total sales revenue of the Company was Rupees 22.079 billion (2014: Rupees 30.917 billion) and operating costs were Rupees 20.039 billion (2014: Rupees 29.037 billion), resulting in gross profit of Rupees 2.039 billion (2014: Rupees 1.879 billion). The Company earned a net profit of Rupees 850 Million resulting in earnings per share of Rupees 2.24 per share as compared to a net profit of Rupees 793 Million and earnings per share of Rupees 2.09 last year.

Main reason for increase in net profit for year ended 31 December 2015 in Comparison with year ended 31 December 2014 is decrease in delta loss of Rupees 660 Million due to decrease of 3.33 Grams per kWh fuel consumption as compared to last year.

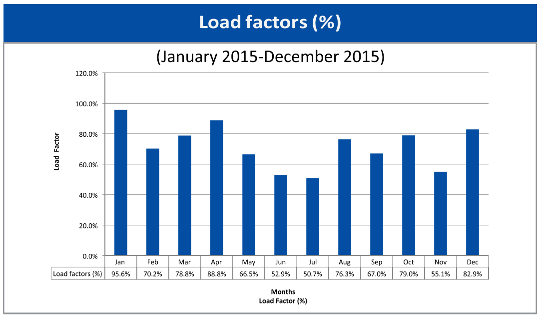
Our sole customer WAPDA remains unable to meet its obligations in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of Government of Pakistan. As on 31 December 2015 an amount of Rupees 6.677 billion was outstanding against WAPDA of these Rupees 4.495 billion was classified overdue. Despite frequent follow-up with the concerned Ministry of Government of Pakistan it is regretted there has been no improvement in the situation and this has resulted in irregular supply of fuel which has affected Plant Operations. In addition, WAPDA has failed to provide its obligatory Letter of Credit for Rupees 2,789 billion as required under the PPA. The Company is persistently pursuing WAPDA/NTDC and the GOP for early retirement of the entire outstanding amounts. The Company is also pursuing WAPDA for establishing the letter of credit as required under its PPA.

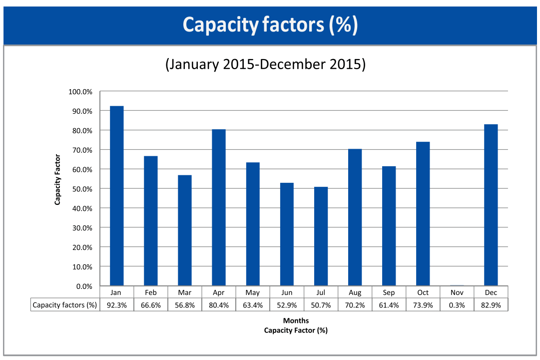
With respect to auditor's comments in auditor's report we report that WAPDA has raised invoices for liquidate damages to the company on account of short supply of electricity by the company. Liquidate damages invoiced to the company amounts to rupees 3,405 Million. We are of the view that since technically the plant was available to deliver electricity as per WAPDA's requirement and the failure to deliver was consequential only to financial constrains caused by default in payments by WAPDA, therefore WAPDA cannot claim the liquidate damages which are triggered as a result of its own default.

Resultantly we have disputed the said invoices of liquidate damages raised by WAPDA. Based on the strength of the case, management and the legal counsel of the company are confident that the matter will be settled in company's favor therefore no provision has been made in these financial statements.

OPERATIONS AND SIGNIFICATE EVENTS:

In response to load demanded by WAPDA, the Lalpir plant operated at capacity factor of 62.8% with an average load factor of 73.4% and an average complex availability of 99.2% and dispatched 1,915.4 GWh of electricity. The Company continues to allocate funds on various improvement projects towards the ongoing modernization of the plant in order to ensure its long term integrity and maximum availability for our customer WAPDA.





OPERATIONAL PERFORMANCE

As per the requirement of Power Purchase Agreement (PPA), the Company conducted its Annual Capacity Test on June 08, 2015 whereby it successfully maintained the capacity of 350 MW.

CORPORATE OBJECTIVE

Being a responsible and reliable energy company, we aim to facilitate the nation in reducing its cost of energy. To accomplish this objective MOU (Memorandum of Understanding) has been signed between Government of Pakistan and the company to convert its oil fired plant into coal or petcoke on 28 June 2013.Conversion is expected to take place within three years.

LALPIR SOLAR POWER (PVT) LIMITED:

During the year Board of Directors of the Company has approved investment in the Lalpir Solar Power (Pvt) Limited (LPSL). The principal activity of LSPL will be to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of approx 19 MWp at project site located at Mehmood Kot, Dist. Muzaffar Garh.

Nishat Group Companies & Associates (Nishat) has submitted Expression of Interest (EOI) to Punjab Power Development Board (PPDB)/ Alternate Energy Development Board (AEDB) to conduct feasibility study. Subsequent to approval from PPDB and/or AEDB Nishat will submit a performance guarantee in favour of PPDB/AEDB to show the commitment and agree to complete the feasibility study within stipulated time frame.

Consortium members (Lalpir Power Limited, Pakgen Power Limited and Nishat power Limited and any other appropriate investor) can share the equity stake subsequently. The consortium members shall collectively hold at least 51% (fifty-one percent) of the total issued and paid up share capital of Lalpir Solar, until the sixth (6th) anniversary of successful commissioning of the Project.

The management has decided to continue with solar project despite a downward revision of upfront tariff by NEPRA.

CREDIT RATINGS

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

HUMAN RESOURCES

The Company has employed experienced and qualified human resources to meet the challenges ahead and to achieve its management objectives. The Company offers an encouraging work environment and employs a dedicated management team and workforce who are instrumental in achieving higher levels

of productivity through continuous growth and expansion. The Company has transparent Human Resource policies, including succession planning, hiring, developing and retaining the best talent.

INTERNAL AUDIT AND CONTROL:

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

ENVIRONMENT HEALTH AND SAFETY

Lalpir Power Limited is proud of its commitment to protecting the environment and enhancing the health and safety of its employees. We continued our pursuit of Health, Safety and Environment (HSE) excellence remaining true to our corporate values. We recognize and applaud the exceptional efforts of our employees for the work they do to protect the environment and to promote health and safety.

Health and safety excellence, integrated with our business goals, positions our Company for continued leadership and future growth. The Company continues to maintain the safer work place for all of the employees. 'Put Safety First' is among the highest priorities of our Company's management. A complete medical checkup of the employees is carried out every year and where required a full concentration is given to any required medical treatment.

Social Responsibility and Community Welfare
Company since inception has consistently worked for the uplift of communities that are influenced directly or indirectly by our business. The Corporate Social Responsibility (CSR) program is based on the principles of transparency, accountability, integrity and sustainability. Community and stakeholder needs are carefully assessed and strategic support is extended in line with the Company's Policies, Code of Business Ethics and business objectives. The Company takes its responsibilities to the society seriously. We want to be perceived as a good neighbor within the communities where we are present, and to contribute to worthy causes wherever and whenever we can.

Our CSR program has focused on Healthcare, education, environment and infrastructure. The initiatives undertaken seek to ensure that there is clear value addition and that the real impact is made at the grassroots level.

CSR INITIATIVES:

- The company is managing a clinic that is fully equipped with emergency facilities and diagnostics laboratory for the local community. Additionally company also arranges special eye camp for the local community on annual basis.

- Supporting operational expenses to CARE Foundation for the five adopted government schools of local community.

- Continuing support to TCF schools in local community, started from primary level and being upgraded to metric level.

- Company also running a little angle program for the free education to the house maids working in employee's community.

- The company has upgraded many local government institutions like Vocational Training Institute and higher secondary school.

- Extensive Plantation of trees. The Company has built/upgrade the infrastructure in the surrounding community like building houses damaged by flood, roads, bridges, drinking water etc. on as and when required basis.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company Management is fully cognizant of its responsibility as recognized by the formulated Companies Ordinance 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 there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no 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 investments of provident fund and gratuity scheme as at 31 December 2014 were as follows

  Provident fund: 31 December 2015 is Rupees: 249.102 Million

  Gratuity fund: 31 December 2015 is Rupees: 91.633 Million

During the year under review 5 meetings of the board of Directors were held, attendance position was as under:

Sr. #	Name of Directors		No. of Meetings Attended
1	Mian Hassan Mansha	(Director/Chairman)	5
2	Mr. Aurangzeb Firoz	(Director/CEO)	4
3	Mr. Kamran Rasool		3
4	Mr. Khalid Qadeer Qureshi		5
5	Mr. Mahmood Akhtar		5
6	Mr. Saeed Ahmad Alvi		5
7	Mr. Jawaid Iqbal		2

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

Sr. #	Name of Directors		No. of Meetings Attended
1	Mr. Mahmood Akhtar	(Member)	4
2	Mr. Jawaid Iqbal	(Member / Chairman)	2
3	Mr. Kamran Rasool	(Member)	2

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

Sr. #	Name of Directors		No. of Meetings Attended
1.	Mian Hassan Mansha	(Member/Chairman)	1
2.	Mr. Kamran Rasool	(Member)	0
3.	Mr. Ghazanfar Hussain Mirza	(Member)	1

CORPORATE GOVERNANCE

The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

PATTERN OF SHAREHOLDING:

The statement of pattern of shareholding as on 31 December 2015 is attached.

RELATED PARTIES

Related party transactions were placed before the Audit Committee and approved by the Board. These transactions were in line with the requirements of IFRS and the Companies Ordinance, 1984. The Company maintains a record of all such transactions.

DIVIDEND DISTRIBUTION

The Board of Directors take pleasure to recommend, to the shareholders of the Company for approval in the ensuing Annual General Meeting, a final dividend at the rate of Rupee 1 per ordinary share of Rupees 10/ each (i.e. @ 10%) which will be paid to those shareholders whose names would appear on members' register on the date as mentioned in the notice of AGM. This dividend, together with the interim dividend which has already paid @10% shall make the cumulative dividend distribution for the financial year 2015 @ 20%.

AUDITORS

The present auditors M/s Riaz Ahmad and Company, Chartered Accountants retired and being eligible, offer themselves for re-appointment for the year 2016. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

Mr. Aurangzeb Feroz
Chief Executive Officer
Lahore: 5 April 2016

FINANCIAL DATA

	2015	2014	2013	2012	2011	2010
Dispatch level %	62.80	55.20	63.10	54.80	57.00	76.00
Dispatch(GWH)	1,915	1,680	1,925	1,685	1,768	1,387
Revenue(000)						
Revenue	22,078,537	30,916,857	36,571,100	32,906,885	29,669,914	17,967,660
Cost Of Sales	(20,039,190)	(29,037,489)	(34,773,224)	(30,415,938)	(27,283,667)	(16,317,534)
Gross Profit	2,039,347	1,879,368	1,797,876	2,490,947	2,386,247	1,650,126
Profitability (000)						
profit/(loss) before tax	849,863	792,741	644,691	1,446,258	1,431,684	1,478,175
Provision for tax	-	-	-	-	-	30,245
profit/(loss) after tax	849,863	792,741	644,691	1,446,258	1,431,684	1,508,420
Financial position (000)						
Non Current Assets	10,313,647	11,100,713	8,406,498	8,393,893	7,872,095	7,623,513
Current Assets	11,172,980	12,522,547	13,943,942	14,439,681	11,639,766	9,868,069
less: Current Liabilities	7,742,120	9,493,110	10,246,135	10,615,270	7,531,720	5,219,656
Net Working Capital	3,430,860	3,029,437	3,697,807	3,824,411	4,108,046	4,648,413
Capital Employed	13,744,507	14,130,150	12,104,305	12,218,304	11,980,141	12,271,926
less: Long trem Loans	1,336,453	1,813,876	-	-	-	-
less: Deffered Liabilities	21,991	17,937	20,222	13,620	13,137	10,066
Share Holders Equity	12,386,063	12,298,337	12,084,083	12,204,684	11,967,004	12,261,860
Represented by (000)						
Share Capital	3,798,387	3,798,387	3,798,387	3,453,079	3,453,079	3,453,079
Capital Reserve	107,004	107,004	107,004	107,004	107,004	107,004
Un-appropiated Profit	8,480,672	8,392,946	8,178,692	8,644,601	8,406,921	8,701,777
	12,386,063	12,298,337	12,084,083	12,204,684	11,967,004	12,261,860
Dividends (000)	379,839	379,839	949,597	1,070,455	2,244,502	1,249,439
Earning Per Share	2.24	2.09	1.70	4.19	4.15	4.37
P/E ratio	4.46	4.78	5.88	2.39	2.41	2.29
Delta Loss(000)	801,137	1,461,527	1,971,173	1,342,229	1,282,053	788,945
Ratio						
Break up value per share of RS 10 Each share	32.61	32.38	31.81	35.34	34.66	35.51
current ratio	1.44	1.32	1.36	1.36	1.55	1.89
Net profit/(loss) to sales %	3.85	2.56	1.76	4.40	4.83	8.40

VERTICAL ANALYSIS

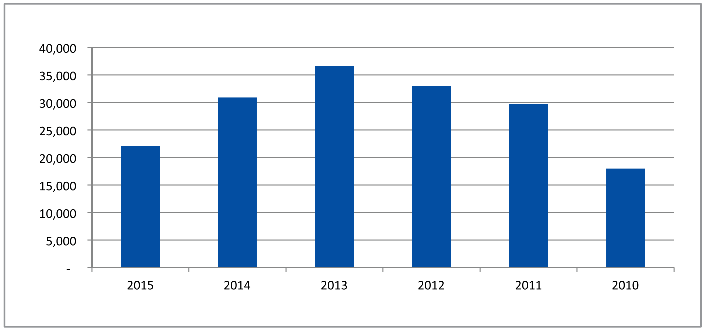
	2015	% of Turnover	2014	% of Turnover	2013	% of Turnover
Revenue	22,078,537	100	30,916,857	100	36,571,100	100
Cost of Sales	(20,039,190)	(90.76)	(29,037,489)	(93.92)	(34,790,520)	(95.13)
Gross Profit	2,039,347	9.24	1,879,368	6.08	1,780,580	4.87
Administration Expenses	(146,976)	(0.67)	(132,789)	(0.43)	(154,706)	(0.42)
Other operating Expenses	(245,528)	(1.11)	(2,341)	(0.01)	(43,186)	(0.12)
Other income	11,929	0.05	24,172	0.08	26,194	0.07
Finance Cost.	(807,489)	(3.66)	(975,558)	(3.16)	(964,191)	(2.64)
Share of loss of associated company	(1,420)	(0.01)	(111)	(0.00)	-	-
Profit for the year	849,863	3.85	792,852	2.56	644,691	1.76

HORIZONTAL ANALYSIS

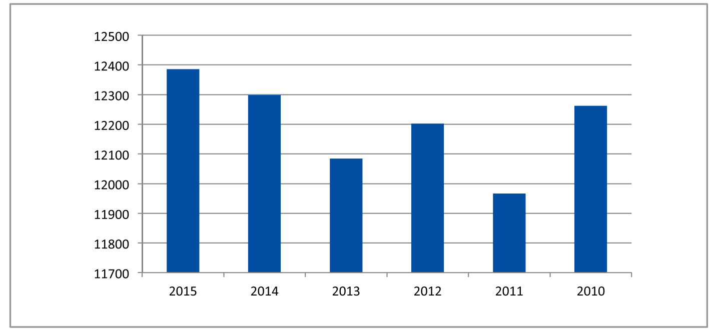
	2015	15 v 14	2014	14 v 13	2013	13 v 12
Revenue	22,078,537	(28.59)	30,916,857	(15.46)	36,571,100	23.26
Cost of Sales	(20,039,190)	(30.99)	(29,037,489)	(16.54)	(34,790,520)	27.59
Gross Profit	2,039,347	8.51	1,879,368	5.55	1,780,580	(25.91)
Administration Expenses	(146,976)	10.68	(132,789)	(14.17)	(154,706)	299.88
Other operating Expenses	(245,528)	10,388.17	(2,341)	(94.58)	(43,186)	11.63
Other income	11,929	(50.65)	24,172	(7.72)	26,194	(67.30)
Finance Cost.	(807,489)	(17.23)	(975,558)	1.18	(964,191)	15.89
Share of loss of associated company	(1,420)	(0.01)	(111)	(0.00)	-	-
Profit for the year	849,863	7.21	792,741	22.96	644,691	(57.26)

PERFORMANCE REVIEW

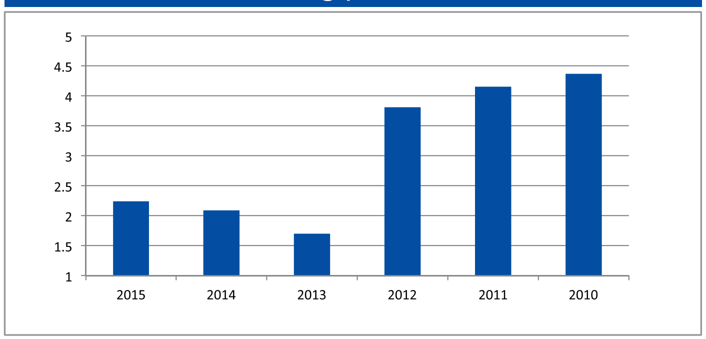
Turnover



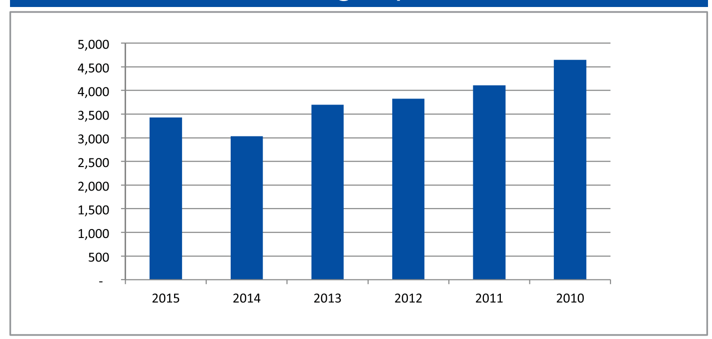
Shareholder Equity



Earning per Share



Working Capital



PATTERN OF SHAREHOLDINGS

As at December 31, 2015

# of Shareholders	Shareholdings' Slab			Total Shares Held
145	1	to	100	2,414
890	101	to	500	439,800
279	501	to	1000	275,451
379	1001	to	5000	1,062,295
121	5001	to	10000	1,056,091
36	10001	to	15000	470,545
24	15001	to	20000	444,242
26	20001	to	25000	617,234
16	25001	to	30000	458,220
8	30001	to	35000	263,105
8	35001	to	40000	300,000
1	40001	to	45000	43,480
14	45001	to	50000	681,749
4	50001	to	55000	207,500
3	55001	to	60000	169,901
3	60001	to	65000	192,500
3	65001	to	70000	201,346
2	70001	to	75000	150,000
2	75001	to	80000	160,000
2	80001	to	85000	161,500
3	85001	to	90000	266,000
3	90001	to	95000	274,000
8	95001	to	100000	800,000
1	105001	to	110000	110,000
1	110001	to	115000	112,500
1	120001	to	125000	122,500
1	130001	to	135000	135,000
1	135001	to	140000	137,000
1	140001	to	145000	144,149
1	155001	to	160000	160,000
1	175001	to	180000	175,500
1	180001	to	185000	182,000
2	195001	to	200000	400,000
1	215001	to	220000	218,500
1	220001	to	225000	225,000
1	235001	to	240000	240,000
3	245001	to	250000	750,000
1	285001	to	290000	287,100
2	295001	to	300000	600,000
1	330001	to	335000	334,500
3	345001	to	350000	1,050,000
2	380001	to	385000	766,027
2	395001	to	400000	796,500
1	420001	to	425000	423,349
1	445001	to	450000	450,000
1	455001	to	460000	457,500
5	495001	to	500000	2,500,000
1	510001	to	515000	515,000
1	615001	to	620000	620,000
1	620001	to	625000	625,000
1	630001	to	635000	632,500

# of Shareholders	Shareholdings' Slab			Total Shares Held
1	695001	to	700000	697,500
1	710001	to	715000	713,000
1	755001	to	760000	759,000
1	800001	to	805000	802,000
1	845001	to	850000	850,000
1	860001	to	865000	865,000
1	885001	to	890000	887,200
1	915001	to	920000	918,500
1	920001	to	925000	924,000
1	970001	to	975000	974,055
1	1075001	to	1080000	1,077,000
1	1095001	to	1100000	1,096,000
1	1120001	to	1125000	1,125,000
1	1190001	to	1195000	1,190,500
1	1230001	to	1235000	1,230,500
1	1260001	to	1265000	1,264,000
1	1275001	to	1280000	1,275,555
1	1335001	to	1340000	1,337,000
1	1505001	to	1510000	1,508,000
1	1535001	to	1540000	1,539,000
1	1555001	to	1560000	1,559,500
1	1575001	to	1580000	1,579,500
1	1595001	to	1600000	1,600,000
1	2070001	to	2075000	2,071,402
1	2090001	to	2095000	2,094,500
1	2135001	to	2140000	2,137,000
1	2945001	to	2950000	2,948,500
1	3000001	to	3005000	3,002,500
1	3150001	to	3155000	3,152,000
1	3595001	to	3600000	3,600,000
1	3965001	to	3970000	3,969,000
1	4200001	to	4205000	4,201,000
2	4995001	to	5000000	10,000,000
1	6835001	to	6840000	6,836,547
1	8395001	to	8400000	8,399,000
1	8995001	to	9000000	9,000,000
1	9045001	to	9050000	9,047,500
1	9715001	to	9720000	9,716,500
1	9910001	to	9915000	9,912,000
1	14015001	to	14020000	14,018,000
1	22840001	to	22845000	22,841,711
1	27345001	to	27350000	27,348,388
1	68510001	to	68515000	68,511,371
1	109390001	to	109395000	109,393,005
2065				379,838,732

CATEGORIES OF SHAREHOLDERS

As at December 2015

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MIAN HASSAN MANSHA	3	25,993,762	6.84
AURANGZEB FIROZ	1	550	0.00
KHALID QADEER QURESHI	1	550	0.00
MAHMOOD AKHTAR	1	550	0.00
KAMRAN RASOOL	1	500	0.00
SAEED AHMAD ALVI	1	10,000	0.00
JAWAID IQBAL	1	500	0.00
Associated Companies, undertakings and related parties			
NISHAT MILLS LIMITED	1	109,393,005	28.80
SECURITY GENERAL INSURANCE COMPANY LIMITED	2	6,836,548	1.80
ADAMJEE INSURANCE COMPANY LIMITED	1	27,348,388	7.20
ENGEN (PRIVATE) LIMITED	3	69,011,922	18.17
Executives	-	-	-
Public Sector Companies and Corporations	2	1,475,000	0.39
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	16	19,882,410	5.23
Mutual Funds			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	8,399,000	2.21
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	515,000	0.14
CDC - TRUSTEE MCB PAKISTAN ISLAMIC STOCK FUND	1	759,000	0.20
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	3,969,000	1.04
CDC - TRUSTEE MEEZAN BALANCED FUND	1	1,077,000	0.28
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	457,500	0.12
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	17,000	0.00
CDC - TRUSTEE PICIC ENERGY FUND	1	5,000,000	1.32
CDC-TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	1	865,000	0.23
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	1,337,000	0.35
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	9,047,500	2.38
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	1,600,000	0.42
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	697,500	0.18
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	924,000	0.24
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	802,000	0.21
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	1,539,000	0.41
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	918,500	0.24
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,275,555	0.34

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE ABL STOCK FUND	1	2,948,500	0.78
CDC - TRUSTEE LAKSON EQUITY FUND	1	887,200	0.23
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	2,137,000	0.56
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	49,000	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	974,055	0.26
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	1	384,500	0.10
CDC - TRUSTEE PAKISTAN SARMAYA MEHFOOZ FUND	1	620,000	0.16
General Public			
a. Local	1942	20,023,472	5.27
b. Foreign	1	27,363	0.01
Foreign Companies	3	678,027	0.18
Others	60	51,956,375	13.68
Totals	2065	379,838,732	100.00

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

All Trades carried out by Directors ,CEO,CFO,Company Secretary,Exrcutives,their Spouse(s) and minor Children during the year 2015 are given as under:-

Name	Status	No. of Shares	Purchase/ Sale
Mian Hassan Mansha	Director/ Chairman	848,000	Sale

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE (CCG 2012) [SEE CLAUSE (XL)5.1923]

NAME OF COMPANY: LALPIR POWER LIMITED

YEAR ENDED: DECEMBER 31, 2015.

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.5.19 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

CATEGORY	NAMES
Independent Directors	Mr. Jawaid Iqbal
Executive Directors	Mr. Khalid Qadeer Quershi
	Mr. Aurangzab Firoz
Non Executive Directors	Mian Hassan Mansha
	Mr.Saeed Ahmad Alvi
	Mr.Kamran Rasool
	Mr.Mahmood Akhtar

   The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year.

5. 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.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranged following training programs for its Directors during the year.

   Orientation Course: -

   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

   Directors' Training Programme: -

   (i) One (1) Director of the Company is exempt due to 14 years of education and 15 years of experience on the board of a listed company.

   (ii) Five Directors Mr. Aurangzeb Firoz, Mr. Saeed Ahmad Alvi and Mr. Mahmood Akhtar Mr. Jawaid Iqbal and Mr. Kamran Rasool have completed the directors training programme.

10. No new appointment of CFO, Company Secretary and Head of Internal Audit has been approved by the board. The remuneration of CFO was revised during the year after due approval of the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises of 3 members of whom 2 are non-executive directors and one is independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed Human Resource and Remuneration Committee. It comprises 3 members of whom 2 are non-executive directors and the chairman of the committee is non executive director.

18. The board has set up an effective internal audit function, and the members of internal audit function are considered suitably qualified and experienced for the purpose and are conversant with the policies and the procedures of the Company.

19. 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final financial results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied.

(AURANGZEB FEROZ)
CHIEF EXECUTIVE
CNIC Number:42301-0959716-1

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of LALPIR POWER LIMITED ("the Company") for the year ended 31 December 2015 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company personnel and reviews of various documents prepared by the Company to comply with the Code.

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

The Code requires the Company to place before the Audit Committee and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2015.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 5 April, 2016

LAHORE

FINANCIAL HIGHLIGHTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of LALPIR POWER LIMITED as at 31 December 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  ii) the expenditure incurred during the year was for the purpose of the company's business; and

  iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2015 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, 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.

We draw attention to note 10.1.2 to the financial statements which explains the uncertainty regarding outcome of claims lodged by Water and Power Development Authority (WAPDA), which have been disputed by the company. Our opinion is not qualified in respect of this matter.

Riaz Ahmad

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 5th April 2016

LAHORE

BALANCE SHEET
As at 31 December 2015

	Note	2015	2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 500,000,000 (2014: 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		8,480,672	8,392,946
Total equity		12,386,063	12,298,337
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing	5	1,336,453	1,813,876
Employee benefit - gratuity	6	21,991	17,937
		1,358,444	1,831,813
CURRENT LIABILITIES			
Trade and other payables	7	442,653	1,203,913
Accrued mark-up / profit	8	136,883	193,634
Short-term borrowings	9	6,609,569	7,918,600
Current portion of long-term financing	5	553,015	176,963
		7,742,120	9,493,110
Total liabilities		9,100,564	11,324,923
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		21,486,627	23,623,260

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

CHIEF EXECUTIVE

	Note	2015	2014
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	10,246,139	11,048,768
Investment property	12	10,284	-
Long term investment	13	969	2,389
Long-term loans to employees	14	55,955	49,256
Long term security deposit		300	300
		10,313,647	11,100,713
CURRENT ASSETS			
Stores, spare parts and other consumables	15	933,412	881,470
Fuel stock	16	406,970	337,226
Trade debts	17	6,677,326	8,480,277
Loans, advances and short-term prepayments	18	740,001	482,249
Other receivables	19	187,822	145,329
Sales tax recoverable		1,546,347	1,563,648
Cash and bank balances	20	681,102	632,348
		11,172,980	12,522,547
TOTAL ASSETS		21,486,627	23,623,260

DIRECTOR

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Note	2015	2014
		(Rupees in thousand)	
REVENUE	21	22,078,537	30,916,857
COST OF SALES	22	(20,039,190)	(29,037,489)
GROSS PROFIT		2,039,347	1,879,368
ADMINISTRATIVE EXPENSES	23	(146,951)	(132,789)
OTHER EXPENSES	24	(245,553)	(2,341)
OTHER INCOME	25	11,929	24,172
PROFIT FROM OPERATIONS		1,658,772	1,768,410
FINANCE COST	26	(807,489)	(975,558)
SHARE OF LOSS FROM ASSOCIATED COMPANY	13	(1,420)	(111)
PROFIT BEFORE TAXATION		849,863	792,741
TAXATION	27	-	-
PROFIT AFTER TAXATION		849,863	792,741
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS ACCOUNT		-	-
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS ACCOUNT:			
LOSS ON REMEASUREMENTS OF DEFINED BENEFIT PLAN		(2,459)	(8,729)
OTHER COMPREHENSIVE LOSS		(2,459)	(8,729)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		847,404	784,012
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	28	2.24	2.09

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

CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT
for the year ended 31 December 2015

	Note	2015	2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	3,329,906	5,170,916
Finance cost paid		(864,240)	(1,108,821)
Gratuity paid		(9,450)	(21,415)
Net increase in long-term loans to employees		(9,557)	(9,030)
Long-term security deposit paid		-	(300)
Interest income received		208	528
Income tax paid		(12,503)	(146,166)
Net cash generated from operating activities		2,434,364	3,885,712
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(229,377)	(3,063,159)
Proceeds from disposal of operating fixed assets		12,976	11,913
Long term investment made		-	(2,500)
Net cash used in investing activities		(216,401)	(3,053,746)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		-	1,990,839
Repayment of long-term financing		(101,371)	-
Dividend paid		(758,807)	(569,150)
Net cash (used in) / from financing activities		(860,178)	1,421,689
Net increase in cash and cash equivalents		1,357,785	2,253,655
Cash and cash equivalents at beginning of the year		(7,286,252)	(9,539,907)
Cash and cash equivalents at end of the year		(5,928,467)	(7,286,252)
CASH AND CASH EQUIVALENTS			
Cash in hand		153	254
Cash at banks		680,949	632,094
Short-term borrowings		(6,609,569)	(7,918,600)
		(5,928,467)	(7,286,252)

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un-appropriated profit	
	(- - - - - - - - - - -	-Rupees in thousand	- - - - - - - - - - - -)	
Balance as at 31 December 2013	3,798,387	107,004	8,178,692	12,084,083
Transactions with owners:				
Final dividend for the year ended 31 December 2013 @ Rupees 1.5 per share	-	-	(569,758)	(569,758)
Profit for the year ended 31 December 2014	-	-	792,741	792,741
Other comprehensive loss for the year ended 31 December 2014	-	-	(8,729)	(8,729)
Total comprehensive income for the year ended 31 December 2014	-	-	784,012	784,012
Balance as at 31 December 2014	3,798,387	107,004	8,392,946	12,298,337
Transactions with owners:				
Final dividend for the year ended 31 December 2014 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Interim dividend for the year ended 31 December 2015 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Transactions with owners of the Company recognised directly in equity	-	-	(759,678)	(759,678)
Profit for the year ended 31 December 2015	-	-	849,863	849,863
Other comprehensive loss for the year ended 31 December 2015	-	-	(2,459)	(2,459)
Total comprehensive income for the year ended 31 December 2015	-	-	847,404	847,404
Balance as at 31 December 2015	3,798,387	107,004	8,480,672	12,386,063

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

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. THE COMPANY AND ITS OPERATIONS

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 08 May 1994 under the Companies Ordinance, 1984. The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain an oil fired power station ("the Complex") having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

Securities and Exchange Commission of Pakistan (SECP) granted waiver to all companies from the requirements of International Financial Reporting Interpretation Committee (IFRIC) 4 'Determining Whether an Arrangement Contains a Lease' through its notification, S.R.O. 24(1)/2012 dated 16 January 2012. Therefore, the Company is not required to account for the portion of its Power Purchase Agreement (PPA) with Water and Power Development Authority (WAPDA) as a lease under International Accounting Standard (IAS) 17 'Leases'. Further, SECP also granted waiver for the requirements of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in respect of accounting principle of capitalization of exchange differences to power sector companies.

However, if the Company followed IFRIC 4 and IAS 17, the effect on the financial statements would be as follows:

	2015	2014
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(10,127,030)	(10,860,891)
Recognition of lease debtor	4,255,821	4,304,134
	(5,871,209)	(6,556,757)
Decrease in un-appropriated profit at the beginning of the year	(6,556,757)	(3,838,636)
Increase / (decrease) in profit for the year	685,548	(2,718,121)
Decrease in un-appropriated profit at the end of the year	(5,871,209)	(6,556,757)

b) Accounting convention

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

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

Taxation

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

Useful lives, pattern of economic benefits and impairment

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

Provision for obsolescence of stores, spare parts and other consumables

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

Provisions for doubtful debts

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

Retirement benefit

The cost of defined benefit retirement plan is determined using actuarial valuation. The actuarial valuation is based on the assumptions as mentioned in Note 6.12.

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

The following standards and amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 January 2015:

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IAS 19 (Amendments), 'Employee benefits' (effective for annual periods beginning on or after 01 July 2014). The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendments do not have significant any impact on these financial statements.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to six IFRSs more specifically in IFRS 13 'Fair Value Measurement' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments do not have a significant impact on the Company's financial statements.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2011 – 2013 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 13 'Fair Value Measurement', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments do not have a significant impact on the Company's financial statements.

e) Standards and amendments to published standards that are effective in current year but not relevant to the Company

There are standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 January 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2016 or later periods:

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

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

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

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 19 'Employee Benefits' and IAS 34 'Interim Financial Reporting', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

g) Standard and amendments to published standards that are not yet and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 January 2016 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Property, plant and equipment

2.2.1 Operating fixed assets

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

Depreciation is charged to income applying the straight line method whereby cost of an asset less its residual value is written off over its estimated useful life at the rates given in Note 11.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

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

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

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

2.2.2 Capital work-in-progress

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

2.3 Investment property

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

2.4 Leases

The Company is the lessee:

2.4.1 Operating leases

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

2.5 Investments

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

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

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

2.5.1 Investment at fair value through profit or loss

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

2.5.2 Held-to-maturity

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

2.5.3 Investment in associate - (with significant influence)

Investment in associate is valued using equity method in accordance with the IAS 28 "Investments in Associates and Joint Ventures".

2.5.4 Available-for-sale

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

Quoted

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

Unquoted

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

2.6 Foreign currency translation

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

2.7 Employee benefits

2.7.1 Defined contribution plan

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

2.7.2 Defined benefit plan

The Company operates a funded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognised in the balance sheet 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 2015 using projected unit credit method. The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in income.

2.8 Inventories

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

2.8.1 Fuel stock

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

2.8.2 Stores, spare parts and other consumables

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

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.9 Financial instruments

2.9.1 Recognition and de-recognition

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

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

2.9.2 Offsetting

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

2.10 Cash and cash equivalents

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

2.11 Provision

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

2.12 Taxation

2.12.1 Current

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

2.12.2 Deferred

Deferred tax is accounted for using the balance sheet 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 and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.13 Borrowings

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

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

2.14 Borrowing costs

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

2.15 Trade debts and other receivables

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

2.16 Trade and other payables

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

2.17 Loans and receivables

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

2.18 Impairment

2.18.1 Financial assets

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

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

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

2.18.2 Non-financial assets

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

2.19 Revenue

2.19.1 Sale of electricity

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

2.19.2 Interest income

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

2.19.3 Rental income

Rental income is recognized on accrual basis.

2.2 Dividend and other appropriations

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

2.21 Share capital

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

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015	2014		2015	2014
(Number of Shares)			(Rupees in thousand)	
342,458,215	342,458,215	Ordinary shares of Rupees 10 each fully paid-up in cash	3,424,582	3,424,582
2,849,724	2,849,724	Ordinary shares of Rupees 10 each issued as fully paid-up for consideration other than cash	28,497	28,497
34,530,794	34,530,794	Ordinary shares of Rupees 10 each issued as fully paid-up bonus shares	345,308	345,308
379,838,733	379,838,733		3,798,387	3,798,387

3.1 Ordinary shares of the Company held by associated companies:

	2015	2014
	(Number of shares)	
Nishat Mills Limited	109,393,005	109,393,005
Adamjee Insurance Company Limited	27,348,388	27,348,388
Security General Insurance Company Limited	6,836,548	6,836,548
Engen (Private) Limited	69,011,922	69,011,922
	212,589,863	212,589,863

3.2 Capital risk management

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

	2015	2014
	(Rupees in thousand)	
Long-term financing	1,889,468	1,990,839
Short-term borrowings	6,609,569	7,918,600
Cash and bank balances	(681,102)	(632,348)
Net debt	7,817,935	9,277,091
Equity	12,386,063	12,298,337
Capital and net debt	20,203,998	21,575,428
Gearing ratio	38.69%	43.00%

4. CAPITAL RESERVE

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

5. LONG TERM FINANCING

	2015	2014
	(Rupees in thousand)	
From banking company - secured		
Long term loan (Note 5.1)	1,889,468	1,990,839
Less: Current portion shown under current liabilities	553,015	176,963
	1,336,453	1,813,876

5.1 This represents syndicated medium term finance facility obtained through Standard Chartered Bank (Pakistan) Limited (lead arranger) for the purpose to finance the change of turbine rotors for the Complex. This facility consists of two parts, Rupees 188.643 million (2014: Rupees 207.047 million) on mark-up basis whereas remaining Rupees 1,700.825 million (2014: Rupees 1,783.792 million) represents Islamic facility (Diminishing Musharaka Finance). This carries mark-up at the rate of one month KIBOR plus 2.75% per annum payable monthly. The effective rate of mark-up charged during the year is ranged from 9.16% to 12.61% (2014: 12.46% to 13.13%) per annum. This finance is repayable in forty five equal monthly installments with a grace period of fifteen months and is secured by the way of parri passu charge over present and future fixed assets (excluding land and buildings) of the Company amounting to Rupees 4,000 million.

6. EMPLOYEE BENEFIT - GRATUITY

The latest actuarial valuation of the defined benefit plan as at 31 December 2015 was carried out using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	2015	2014
	(Rupees in thousand)	
6.1 Balance sheet reconciliation:		
Present value of defined benefit obligation (Note 6.2)	113,624	85,326
Fair value of plan assets (Note 6.3)	(91,633)	(67,389)
Liability recognized at balance sheet date	21,991	17,937
6.2 Movement in present value of defined benefit obligation:		
Present value of obligation at beginning of the year	85,326	63,011
Current service cost	21,149	20,242
Interest cost	8,825	7,438
Benefits paid	(2,559)	(11,594)
Remeasurement	883	6,229
Present value of obligation at end of the year	113,624	85,326
6.3 Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	67,389	42,789
Contributions	17,937	20,223
Interest income	7,883	6,877
Benefits paid on behalf of fund	2,559	11,594
Benefits paid by fund	(2,559)	(11,594)
Remeasurement	(1,576)	(2,500)
Fair value of plan assets at the end of the year	91,633	67,389
6.4 Actual return on plan assets	6,307	4,377
6.5 Plan assets consist of the followings:		
Term deposit receipts	28,175	38,916
Units of mutual funds	31,162	6,114
Cash at banks	32,296	22,359
	91,633	67,389

	2015	2014
	(Rupees in thousand)	
6.6 Net movement in liability:		
Opening liability	17,937	20,222
Charge for the year (Note 6.7)	22,091	20,803
Remeasurements recognized in other comprehensive income (Note 6.9)	2,459	8,729
Contributions	(17,937)	(20,223)
Benefits paid on behalf of fund	(2,559)	(11,594)
Closing liability	21,991	17,937
6.7 Charge for the year recognized in profit and loss account:		
Current service cost	21,149	20,242
Interest cost - net	942	561
Charge for the year	22,091	20,803

6.8 The charge for the year is shared with Pakgen Power Limited - associated company on fifty-fifty basis in accordance with "Shared Facilities Agreement".

	2015	2014
	(Rupees in thousand)	
6.9 Remeasurements recognised in other comprehensive income:		
Experience losses	883	6,229
Remeasurement of fair value of plan assets	1,576	2,500
Remeasurements	2,459	8,729

6.10 Plan assets held in the trust are governed by local regulations which mainly includes the Trust Act, 1882, the Companies Ordinance, 1984, the Income Tax Rules, 2002 and Rules under the Trust Deed of the plan. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

6.11 Amounts for the current and previous four years:

	2015	2014	2013	2012	2011
	(- - - - -	Rupees in thousand		- - - - -)	
Present value of defined benefit obligation	113,624	85,326	63,011	42,246	23,877
Fair value of plan assets	(91,633)	(67,389)	(42,789)	(25,830)	(10,668)
Deficit	21,991	17,937	20,222	16,416	13,209
Remeasurement loss / (gain) on obligation	883	6,229	2,403	2,595	(640)
Remeasurement gain / (loss) on plan assets	(1,576)	(2,500)	(415)	(129)	2

6.12 Principal actuarial assumptions used:

	2015	2014
	(% per	annum)
Discount rate	9.00	10.50
Expected rate of increase in salary	9.00	10.50
Expected rate of return on plan assets	9.00	10.50

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

6.14 The expected charge to profit and loss account of the Company for defined benefit plan obligation for the next year is Rupees 23.489 million.

6.15 The Company's contribution to defined benefit plan in 2016 is expected to Rupees 14.564 million. There are no minimum funding requirements to the defined benefit plan. The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

6.16 The weighted average duration of the defined benefit plan is 7.92 years.

6.17 Sensitivity analysis for actuarial assumptions:

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

	Impact on defined benefit plan		
	Changes in assumption	Increase in assumption	Decrease in assumption
	(Rupees in thousand)		
Discount rate	1.00%	105,305	123,307
Future salary increases	1.00%	123,754	104,771

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

6.18 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 balance sheet date.

6.19 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 - - - - - - - - - - - - - - -)					
16,463	8,595	38,561	34,012	170,848	268,479

7. TRADE AND OTHER PAYABLES

	2015	2014
	(Rupees in thousand)	
Creditors	248,988	1,021,674
Accrued liabilities	120,785	108,762
Workers' profit participation fund payable (Note 7.1)	42,493	39,637
Unclaimed dividend	2,043	1,172
Income tax deducted at source	1,205	3,032
Payable to provident fund trust	6,067	4,914
Others	21,072	24,722
	442,653	1,203,913

	2015	2014
	(Rupees in thousand)	

7.1 Workers' profit participation fund payable

	2015	2014
Opening balance	39,637	104,548
Allocation for the year (Note 24.2)	42,493	39,637
Payments made to the fund during the year	(39,637)	(104,548)
Closing balance	42,493	39,637

8. ACCRUED MARK-UP / PROFIT

	2015	2014
Long-term financing	3,109	2,268
Short term borrowings	133,774	191,366
	136,883	193,634

9. SHORT-TERM BORROWINGS

From banking companies and financial institution:

	2015	2014
Working capital finances - secured (Note 9.1)	4,609,569	5,918,601
Privately placed Islamic CP Sukuk - secured (Note 9.2)	2,000,000	1,999,999
	6,609,569	7,918,600

9.1 The Company has total working capital finance facilities of Rupees 11,949 million (2014: Rupees 11,493 million) available from commercial banks and financial institution out of which Rupees 7,339 million (2014: Rupees 5,574 million) remained unutilized at year end. These facilities carry mark-up at average offer rate for 1 month to 6 months KIBOR plus 0.25% to 2.50% (2014: 1 month to 6 months KIBOR plus 0.45% to 2.50%) per annum payable monthly / quarterly / semi-annually (2014: quarterly / semi-annually). The effective mark-up rate charged during the year ranges from 6.76% to 11.90% (2014: from 10.75% to 11.54%) per annum. These facilities are secured by way of charge to the extent of Rupees 17,142 million (2014: Rupees 16,607 million) on the present and future current assets of the Company.

9.2 This represents Islamic CP Sukuk certificates of Rupees 2,000 million (2014: Rupees 2,000 million) obtained from Meezan Bank Limited to meet short term working capital requirements. This facility carries profit at the rate of 6 months KIBOR plus 0.50% (2014: 6 months KIBOR plus 0.55%) per annum payable on redemption. The effective profit rate charged during the year ranges from 7.58% to 10.72% (2014: 10.72%) per annum. This facility is secured by way of first charge on current assets amounting to Rupees 2,500 million (2014: Rupees 2,500 million). This facility will be redeemed in lump sum at the expiry of the tenor.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

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

The management, based on legal advice, asserts that if the Company does not succeed in the above petition and it is held that the scheme is applicable to the Company, any payments that the Company is ultimately required to make under the provision of the Act are considered as pass through items recoverable from Water and Power Development Authority (WAPDA) under the provisions of the Power Purchase Agreement (PPA). Consequently, there will be no impact on its financial position and its results of operations, even if it does not succeed in the above petition.

Consequent to the amendments that have been made in the Act through the Finance Act, 2006, the Company is required to pay 5% of its profits to WPPF from the financial year 2006. The Company established a workers' profit participation fund to comply with the requirements of the Companies Profit (Workers' Participation) Act, 1968. The changes to the law will not affect the aforementioned petition filed by the Company. The Company expects a favourable outcome of the matter.

10.1.2 WAPDA has raised invoices for liquidated damages to the Company from 11th to 18th (up to December 2015) agreement year (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) on account of short supply of electricity by the Company, which was due to cash constraints of the Company as a result of default by WAPDA in making timely payments. Liquidated damages invoiced to the Company amounts to Rupees 3,405 million (2014: Rupees 3,296 million). Out of these the Company has accepted and paid Rupees 21.94 million (2014: Rupees 19.86 million). The Company disputes and rejects balance claims on account of liquidated damages that are raised by WAPDA on the premise that its failure to despatch electricity was due to WAPDA's non-payment of dues on timely basis to the Company and consequential inability of the Company to make timely payments to its fuel suppliers that resulted in inadequate level of electricity production owing to shortage of fuel. Against these the Company has raised invoice dispute notices to WAPDA. Currently, the Company has appointed mediation expert under the mechanism given in the PPA. Further, according to legal advice available with the Company, there are adequate grounds to defend any claim by WAPDA for such liquidated damages since these conditions were imposed on the Company due to circumstances beyond its control. The ultimate outcome of the matter cannot presently be determined, and consequently, no provision for such liquidated damages has been made in these financial statements.

10.1.3 The Inspecting Additional Commissioner of Income Tax (IACIT) passed reassessment orders under section 66A of the Income Tax Ordinance, 1979 (ITO, 79) for the assessment years 1995-1996, 1996-1997 and 1997-1998 creating tax demands aggregating of Rupees 781 million by treating the assessment orders earlier passed by the Deputy Commissioner of Income Tax (DCIT), as erroneous and prejudicial to the interest of Federal Board of Revenue. Completed assessments were reopened on the ground that while framing the assessments under section 52/86, the assessing officer failed to take cognizance of the fact that the Company failed to withhold tax, as required under section 50(3) of the ITO, 79, at the time of issuance of the shares to its parent company against project development expenditure incurred by parent company. The said reassessments made by IACIT were contested by the Company in Appellate Tribunal Inland Revenue (ATIR), Lahore. ATIR remanded back the case to the IACIT for re-examination with specific directions. The Company filed tax reference application before the Honourable Lahore High Court, Lahore against the decision of ATIR which was rejected. Thereafter, the Company has filed appeals before the Honourable Supreme Court of Pakistan which have not yet been taken up for hearing. Meanwhile after rejection of reference application by the Honourable Lahore High Court, Additional Commissioner Inland Revenue (ACIR) has issued notice in compliance with the order of ATIR. However, no provision is made as per legal advice which states that department has acted against the explicit provisions of law. Accordingly, the management is confident of favourable outcome.

10.1.4 Deputy Commissioner Inland Revenue (DCIR) issued order to the Company in which sales tax refund claims amounting to Rupees 910.122 million for the tax periods from November 2008 to July 2012 were rejected by apportioning input sales tax between capacity invoices and energy invoices and allowed input sales tax allocated to energy invoices only. Against aforesaid order, the Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which was decided in favour of the Company. Against the order of CIR(A), tax department filed appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favour of tax department and vacated the order passed by CIR(A). Against the decision of ATIR, the Company has filed reference application in the Honourable Lahore High Court ("the Court") which is in the process of hearing. Further, DCIR issued show cause notice to the Company for the tax periods from August 2009 to December 2012 declaring refund claims amounting to Rupees 1,971.516 million being inadmissible on aforesaid grounds. The Company challenged the show cause notice before the Court along with reply of the show cause notice to DCIR. The Court, as an interim relief, stayed the proceedings of the show cause notice during the pendency of the proceedings before the Court. The management is of the view that there are meritorious grounds available to defend the foregoing rejection. Consequently, no provision for such rejection has been made in these financial statements.

10.1.5 The tax authorities have completed assessment proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2009 to 2013 creating a demand of Rupees 790.551 million on account of interest on delayed payments by WAPDA not been offered for tax. As per tax authorities, interest on delayed payments falls under the head income from other sources and is not exempt from tax as the same is not covered under clause 132, Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company filed appeals against foregoing assessment proceedings before Commissioner Inland Revenue (Appeals) [CIR(A)], which were decided in favour of the Company. Against the orders of

CIR(A), tax authorities have filed appeals before the Appellate Tribunal Inland Revenue (ATIR) which are in the process of hearing. Subsequent to the year end, ACIR has issued assessment order for tax year 2014 creating a tax demand of Rupees 180.778 million on the above said grounds. The Company has filed an appeal before CIR(A) which is not yet heard. Based on tax advisor's opinion and CIR(A)'s decision in favour of the Company, the management is confident that the matter will be decided in favour of the Company and accordingly no provision has been made in these financial statements.

10.1.6 During the year, Deputy Commissioner Inland Revenue (DCIR), through an assessment order, rejected the deferred sales tax refund claims of different tax periods amounting to Rupees 81.850 million on the grounds that the Company has failed to prove admissibility of refund claims in the light of objection raised by Sales Tax Automated Refund Repository (STARR). The Company filed an appeal before CIR (A) which has not yet been taken up for hearing. The management is of the view that there are meritorious grounds available to defend the foregoing rejection. Consequently, no provision for such rejection has been made in these financial statements.

10.1.7 The banks of the Company has issued a letter of credit in favour of Water and Power Development Authority (WAPDA) for an amount of Rupees 596 million (2014: Rupees 596 million) to meet its obligations under the Power Purchase Agreement (PPA).

10.1.8 The bank of the Company has issued a letter of guarantee in favour of Outreach (Private) Limited - fuel supplier for an amount of Rupees 100 million (2014: Rupees Nil).

10.1.9 Post dated cheques amounting to Rupees 218 million (2014: Rupees 164 million) were issued in favour of fuel suppliers against purchase of fuel.

10.2 Commitments

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

	2015	2014
	(Rupees in thousand)	
10.2.2 Commitments in respect of letters of credit for capital expenditure	278,009	97,700
10.2.3 Commitments in respect of other than capital expenditure	278,403	-

11. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
Operating fixed assets (Note 11.1)	9,649,568	10,231,231
Capital work-in-progress (Note 11.2)	596,571	817,537
	10,246,139	11,048,768

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

Description	Freehold land	Buildings on freehold land	Improvements on leasehold property	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Electric equipment and appliances	Telephone installations	Clinical equipment	Total
	Rupees in thousand										
At 01 January 2014											
Cost	10,399	1,222,840	41,342	10,763,026	20,004	79,973	60,130	119,849	1,084	1,393	12,320,040
Accumulated depreciation	-	(408,034)	(9,608)	(4,039,269)	(12,662)	(39,564)	(35,978)	(40,287)	(1,073)	(1,336)	(4,587,811)
Net book value	10,399	814,806	31,734	6,723,757	7,342	40,409	24,152	79,562	11	57	7,732,229
Year ended 31 December 2014											
Opening net book value	10,399	814,806	31,734	6,723,757	7,342	40,409	24,152	79,562	11	57	7,732,229
Additions	-	2,728	-	2,975,575	1,113	29,061	5,060	7,168	-	-	3,020,705
Disposals / derecognitions:											
Cost	-	-	-	(41,990)	-	(14,754)	-	-	-	-	(56,744)
Accumulated depreciation	-	-	-	41,990	-	10,273	-	-	-	-	52,263
	-	-	-	-	-	(4,481)	-	-	-	-	(4,481)
Depreciation charge	-	(42,078)	(4,134)	(441,833)	(1,745)	(13,941)	(3,779)	(9,653)	(2)	(57)	(517,222)
Closing net book value	10,399	775,456	27,600	9,257,499	6,710	51,048	25,433	77,077	9	-	10,231,231
At 31 December 2014											
Cost	10,399	1,225,568	41,342	13,696,611	21,117	94,280	65,190	127,017	1,084	1,393	15,284,001
Accumulated depreciation	-	(450,112)	(13,742)	(4,439,112)	(14,407)	(43,232)	(39,757)	(49,940)	(1,075)	(1,393)	(5,052,770)
Net book value	10,399	775,456	27,600	9,257,499	6,710	51,048	25,433	77,077	9	-	10,231,231
Year ended 31 December 2015											
Opening net book value	10,399	775,456	27,600	9,257,499	6,710	51,048	25,433	77,077	9	-	10,231,231
Additions	-	-	-	430,054	5	17,601	2,588	95	-	-	450,343
Reclassification adjustments:											
Cost	-	-	-	52,951	-	-	-	(53,684)	733	-	-
Accumulated depreciation	-	-	-	(8,564)	-	-	-	8,826	(262)	-	-
	-	-	-	44,387	-	-	-	(44,858)	471	-	-
Transferred to investment property (Note 12):											
Cost	-	(11,041)	-	-	-	-	-	-	-	-	(11,041)
Accumulated depreciation	-	674	-	-	-	-	-	-	-	-	674
	-	(10,367)	-	-	-	-	-	-	-	-	(10,367)
Disposals / derecognitions:											
Cost	-	-	-	(496,625)	(59)	(22,119)	(27)	-	-	-	(518,830)
Accumulated depreciation	-	-	-	253,250	10	9,691	27	-	-	-	262,978
	-	-	-	(243,375)	(49)	(12,428)	-	-	-	-	(255,852)
Depreciation charge	-	(41,790)	(4,134)	(691,804)	(1,464)	(13,421)	(5,557)	(7,554)	(63)	-	(765,787)
Closing net book value	10,399	723,299	23,466	8,796,761	5,202	42,800	22,464	24,760	417	-	9,649,568
At 31 December 2015											
Cost	10,399	1,214,527	41,342	13,682,991	21,063	89,762	67,751	73,428	1,817	1,393	15,204,473
Accumulated depreciation	-	(491,228)	(17,876)	(4,886,230)	(15,861)	(46,962)	(45,287)	(48,668)	(1,400)	(1,393)	(5,554,905)
Net book value	10,399	723,299	23,466	8,796,761	5,202	42,800	22,464	24,760	417	-	9,649,568
Annual rate of depreciation (%)		2.5-10	10	2.5-33	10	20	10-33.3	10	10	10	

11.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 50,000 disposed of during the year is as follows:

2015

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers
	------------- Rupees in thousand ---------------						
Vehicles							
Land Cruiser LEB-14-2748	15,458	3,092	12,366	9,100	(3,266)	Negotiation	Mr. Anis Ahmed Sheikh, Lahore
Plant and machinery							
Turbine rotor & blade	441,296	197,921	243,375	-	(243,375)	(Note 11.1.4)	Written off
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	62,076	61,965	111	3,876	3,765	(Note 11.1.4)	Written off
	518,830	262,978	255,852	12,976	(242,876)		

2014

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchasers
	------------- Rupees in thousand ---------------						
Vehicles							
Land Cruiser LE-10-2228	13,441	8,960	4,481	11,000	6,519	Insurance Claim	Adamjee Insurance Company Limited Associated Company
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	43,303	43,303	-	913	913	(Note 11.1.4)	Written off
	56,744	52,263	4,481	11,913	7,432		

	2015	2014
	(Rupees in thousand)	
11.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 22)	733,594	483,911
Administrative expenses (Note 23)	32,193	33,311
	765,787	517,222

11.1.3 Property, plant and equipment include operating fixed assets costing Rupees 189.551 million (2014: Rupees 165.033 million) which are fully depreciated but still in the use of the Company.

11.1.4 This includes operating fixed assets costing Rupees 39.933 million (2014: Rupees 41.990 million) derecognized during the year due to replacement of assets as per requirement of IAS 16 "Property, Plant and Equipment".

11.1.5 Improvements on leasehold property represent costs of improvements incurred on rented property which is owned by Nishat (Aziz Avenue) Hotels and Properties Limited - associated company.

11.2 Capital work-in-progress

	2015	2014
	(Rupees in thousand)	
Civil works	20,285	-
Plant and machinery	576,014	816,932
Others	272	605
	596,571	817,537

12. INVESTMENT PROPERTY

	Land	Building	Total
	(Rupees in thousand)		
Year ended 31 December 2015			
Opening net book value	-	-	-
Transferred from operating fixed assets (Note 11.1)			
Cost	9,388	1,653	11,041
Accumulated depreciation	-	(674)	(674)
	9,388	979	10,367
Depreciation charge	-	(83)	(83)
Closing net book value	9,388	896	10,284
At 31 December 2015			
Cost	9,388	1,653	11,041
Accumulated depreciation	-	(757)	(757)
Net book value	9,388	896	10,284
Annual rate of depreciation (%)		5	

12.1 This represents house rented out, the market value of which is estimated at Rupees 73.501 million by M/s Unit-3 Consultants, an independent valuer. Fair value of land and building is based on market value and present depreciated cost of construction respectively.

13. LONG TERM INVESTMENT

	2015	2014
	(Rupees in thousand)	
Associated company - under equity method		
Nishat Energy Limited - unquoted 250,000 (2014: 250,000) fully paid ordinary shares of Rupees 10 each Equity held 25% (2014: 25%) at cost	2,500	2,500
Share of reserve		
As at 01 January	(111)	-
Less: Share of loss	(1,420)	(111)
As at 31 December	(1,531)	(111)
Carrying amount under equity method	969	2,389

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

	2015	2014
	(Rupees in thousand)	
Non-current assets	2,897	-
Current assets	977	9,558
Total assets	3,874	9,558
Liabilities	-	-
Net assets	3,874	9,558
Loss for the year / period (Note 13.5)	5,684	442

13.2 Nishat Energy Limited is a public limited company incorporated in Pakistan and having its principal place of business in the Province of Punjab, Pakistan. The principal activity of Nishat Energy Limited is to build, own, operate and maintain coal power station.

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

13.4 There are no contingent liabilities relating to the Company's interest in the Nishat Energy Limited.

13.5 Provision for taxation is nil in the financial statements of Nishat Energy Limited.

	2015	2014
	(Rupees in thousand)	
14. LONG-TERM LOANS TO EMPLOYEES		
Considered good:		
Executives (Note 14.1)	79,673	71,151
Other employees	1,500	465
	81,173	71,616
Current portion shown under current assets (Note 18)		
Executives	(24,800)	(22,102)
Other employees	(418)	(258)
	(25,218)	(22,360)
	55,955	49,256
14.1 Reconciliation of carrying amount of loans to executives:		
Balance as at 01 January	71,151	61,243
Add: Disbursements	62,699	55,277
Add: Transferred from others employees	-	585
	133,850	117,105
Less: Repayments	54,177	45,954
Balance as at 31 December	79,673	71,151

14.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 79.673 million (2014: Rupees 71.151 million).

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

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

	2015	2014
	(Rupees in thousand)	

15. STORES, SPARE PARTS AND OTHER CONSUMABLES

	2015	2014
Stores, spare parts and other consumables	998,465	946,523
Provision for slow moving / obsolete items	(65,053)	(65,053)
	933,412	881,470

16. FUEL STOCK

	2015	2014
Furnace oil	396,112	325,622
Diesel	10,858	11,604
	406,970	337,226

17. TRADE DEBTS

	2015	2014
Other than related parties - Considered good	6,677,326	8,480,277

17.1 These represent receivables from Water and Power Development Authority (WAPDA), the Company's sole customer, and are backed by sovereign guarantee of Government of Pakistan. This includes an overdue amount of Rupees 3,258 million (2014: Rupees 3,375 million) on which a penal mark-up at the rate of State Bank of Pakistan (SBP) discount rate plus 2% per annum compounded semi-annually is charged in case the amounts are not paid within due dates. The penal mark-up rate charged during the year ranges from 8.5% to 12% (2014: 11.5% to 12%) per annum.

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

	2015	2014
	(Rupees in thousand)	
Neither past due nor impaired	2,597,902	4,886,163
Past due but not impaired:		
- 26 to 90 days	1,827,555	2,585,890
- 91 to 180 days	1,157,094	758,583
- 181 to 365 days	764,418	249,641
- Above 365 days	330,357	-
	4,079,424	3,594,114
	6,677,326	8,480,277

	2015	2014
	(Rupees in thousand)	

18. LOANS, ADVANCES AND SHORT-TERM PREPAYMENTS

	2015	2014
Current maturity of long-term loans to employees (Note 14)	25,218	22,360
Advances - considered good, unsecured		
- to employees for expenses	1,075	1,573
- to suppliers	365,272	122,196
Advance income tax - net	346,038	333,535
Short-term prepayment	2,398	2,585
	740,001	482,249

19. OTHER RECEIVABLES

	2015	2014
Recoverable from WAPDA as pass through item:		
Workers' profit participation fund (Note 19.1)	186,678	144,185
Workers' welfare fund (Note 19.2)	-	-
Others	1,144	1,144
	187,822	145,329

19.1 Workers' profit participation fund

	2015	2014
Balance as at 01 January	144,185	342,021
Allocation for the year (Note 24.2)	42,493	39,637
Amount received during the year	-	(237,473)
Balance as at 31 December	186,678	144,185

19.2 Workers' welfare fund

	2015	2014
Considered doubtful	13,216	13,216
Provision for doubtful receivable	(13,216)	(13,216)
	-	-

19.2.1 Provision for Workers' Welfare Fund has not been made in these financial statements based on the advice of legal counsel of the Company.

	2015	2014
	(Rupees in thousand)	

20. CASH AND BANK BALANCES

	2015	2014
Cash in hand	153	254
Cash at banks - saving accounts (Note 20.1)	680,949	632,094
	681,102	632,348

20.1 Saving accounts carry mark-up at the rates ranging from 4% to 6.50% (2014: from 6% to 6.50%) per annum.

	2015	2014
	(Rupees in thousand)	

21. REVENUE

	2015	2014
Energy	21,186,054	31,391,790
Less: Sales tax	(3,046,621)	(4,495,697)
	18,139,433	26,896,093
Capacity	3,939,104	4,020,764
	22,078,537	30,916,857

22. COST OF SALES

	2015	2014
Fuel cost (Note 22.1)	18,450,870	27,693,343
Operation and maintenance costs (Note 22.2)	478,469	542,597
Insurance	374,721	312,809
Depreciation (Note 11.1.2)	733,594	483,911
Liquidated damages to WAPDA	1,536	380
Others	-	4,449
	20,039,190	29,037,489

22.1 Fuel cost

	2015	2014
Opening stock	337,226	455,110
Purchased during the year	18,520,614	27,575,459
	18,857,840	28,030,569
Closing stock	(406,970)	(337,226)
	18,450,870	27,693,343

22.2 Operation and maintenance costs

	2015	2014
Salaries, wages and other benefits (Note 22.2.1)	179,957	164,699
Repair and maintenance	97,282	124,663
Fee and subscription	4,767	4,606
Stores and spare parts consumed	169,917	196,493
Electricity consumed in-house	26,546	52,136
	478,469	542,597

22.2.1 Salaries, wages and other benefits include provident fund contribution and provision for gratuity of Rupees 10.138 million (2014: Rupees 9.474 million) and Rupees 8.434 million (2014: Rupees 8.122 million) respectively.

23. ADMINISTRATIVE EXPENSES

	2015	2014
	(Rupees in thousand)	
Salaries and other benefits (Note 23.1)	55,709	46,207
Travelling, conveyance and entertainment	8,964	7,778
Office rent	6,280	6,280
Communication and utilities	1,389	1,323
Insurance	5,417	6,758
Repair and maintenance	3,814	4,425
Printing and stationery	2,328	1,538
Advertisement and publicity	342	149
Legal and professional charges	17,849	10,179
Depreciation (Note 11.1.2)	32,193	33,311
Community welfare	3,716	5,196
Security services	79	310
General expenses	8,871	9,335
	146,951	132,789

23.1 Salaries and other benefits include provident fund contribution and provision for gratuity of Rupees 3.138 million (2014: Rupees 2.658 million) and Rupees 2.611 million (2014: Rupees 2.279 million) respectively.

24. OTHER EXPENSES

	2015	2014
	(Rupees in thousand)	
Auditors' remuneration (Note 24.1)	2,594	2,341
Depreciation on investment property (Note 12)	83	-
Workers' profit participation fund (Note 24.2)	-	-
Loss on disposal / derecognition of operating fixed assets	242,876	-
	245,553	2,341

24.1 Auditors' remuneration

	2015	2014
Statutory audit	1,906	1,733
Half yearly review	550	500
Other certifications and reporting	50	25
Out of pocket expenses	88	83
	2,594	2,341

	2015	2014
	(Rupees in thousand)	

24.2 Workers' profit participation fund

	2015	2014
Allocation for workers' profit participation fund (Note 7.1)	42,493	39,637
Allocation to workers' profit participation fund recoverable from WAPDA (Note 19.1)	(42,493)	(39,637)
	-	-

25. OTHER INCOME

	2015	2014
Income from financial assets		
Interest income	208	528
Income from assets other than financial assets		
Rental income (Note 25.1)	4,253	3,978
Gain on disposal of operating fixed assets	-	7,432
Scrap sales	7,468	12,234
	11,929	24,172

25.1 This includes rental income amounting to Rupees 2.503 million from investment property.

26. FINANCE COST

	2015	2014
	(Rupees in thousand)	
Mark-up / profit on:		
Long-term financing	202,235	21,249
Short-term borrowings	599,154	949,023
Bank charges and commission	6,100	5,286
	807,489	975,558

27. TAXATION

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

28. EARNINGS PER SHARE - BASIC AND DILUTED

	2015	2014
There is no dilutive effect on the basic earnings per share which is based on:		
Profit after taxation attributable to ordinary shareholders (Rupees in thousand)	849,863	792,741
Weighted average number of shares (Number)	379,838,733	379,838,733
Earnings per share - basic (Rupees)	2.24	2.09

29. CASH GENERATED FROM OPERATIONS

	2015	2014
	(Rupees in thousand)	
Profit before taxation	849,863	792,741
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	765,787	517,222
Depreciation on investment property	83	-
Provision for gratuity	11,045	10,401
Loss / (gain) on disposal of operating fixed assets	242,876	(7,432)
Share of loss from associated company	1,420	111
Interest income	(208)	(528)
Finance cost	807,489	975,558
Cash flows from operating activities before working capital changes	2,678,355	2,288,073
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(51,942)	(71,877)
Fuel stock	(69,744)	117,884
Trade debts	1,802,951	1,709,989
Loans, advances and short-term prepayments	(242,391)	442,919
Other receivables	(42,493)	197,846
Sales tax recoverable	17,301	(198,926)
	1,413,682	2,197,835
(Decrease) / increase in trade and other payables	(762,131)	685,008
	3,329,906	5,170,916

30. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, key management personnel and staff retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements, except for remuneration to key management personnel is disclosed in note 31, are as follows:

Associated company	Nature of transaction	2015	2014
		(Rupees in thousand)	
Nishat Mills Limited	Dividend	218,786	164,090
	Purchase of stores	460	-
Adamjee Insurance Company Limited	Dividend	54,697	41,023
	Insurance premium	15,558	15,338
	Insurance claims received	2,427	11,033
Security General Insurance Company Limited	Dividend	13,673	10,255
	Insurance premium	434,083	362,461
Nishat Hospitality (Private) Limited	Boarding lodging services	513	1,216
	Sale of operating fixed assets	59	-
Stanhope Investments	Dividend	-	101,335
Engen (Private) Limited	Dividend	138,024	102,555
Pakgen Power Limited	Share of expenses	312,286	306,890
	Share of rental income	1,620	1,585
	Stores and spare parts transferred to	21,521	23,046
	Stores and spare parts transferred from	26,348	15,307
Pakistan Aviators and Aviation (Private) Limited	Flying services	-	2,388
Nishat (Aziz Avenue) Hotels and Properties Limited	Rent expense	6,280	6,280
Nishat Energy Limited	Investment made	-	2,500
	Expense charged	151	-
Nishat Power Limited	Purchase of operating fixed assets	-	83
Staff retirement benefit plans			
Provident fund	Contributions	26,553	24,263
Gratuity fund	Contributions	17,937	20,223

30.1 The Company shares premises, employees and other common costs with its associated company, Pakgen Power Limited on fifty-fifty basis in accordance with "Shared Facilities Agreement".

31. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

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

	2015		2014	
	Executive Director	Executives	Executive Director	Executives
	(- - - - - - - Rupees in thousand - - - - - - -)			
Managerial remuneration	5,097	140,843	4,854	128,872
Medical expenses	75	3,985	70	3,754
Bonus	1,070	29,938	971	24,788
Retirement benefits	463	12,429	441	11,315
	6,705	187,195	6,336	168,729
Number of persons	1	134	1	129

31.1 No expense was charged in these financial statements against salary to Chief Executive of the Company during the year. The Company provides to director and certain executives with free use of the Company maintained cars.

31.2 Meeting fee of Rupees 275,000 (2014: Rupees 125,000) was paid to non-executive directors of the Company during the year.

32. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund trust:

	2015	2014
	(Rupees in thousand)	
Size of the fund - total assets	354,633	301,133
Cost of investments	249,102	215,672
Percentage of investments made	70.24%	71.62%
Fair value of investments	254,439	227,282

32.1 The break-up of cost of investments is as follows:

	2015	2014	2015	2014
	Percentage		(Rupees in thousand)	
Units of mutual funds	52.36%	12.48%	130,424	35,672
Term deposit receipts and certificate of investment of scheduled banks	39.61%	77.79%	98,678	160,000
Preference shares - unlisted (Note 32.2)	8.03%	9.73%	20,000	20,000
	100%	100%	249,102	215,672

32.2 These represent non-cumulative convertible preference shares issued by Silk Bank Limited at Rupees 2.50 per share. These convertible preference shares have three years tenor and are convertible into ordinary shares of Silk Bank Limited at the conversion ratio of 1:1. Silk Bank Limited has long term credit rating of "A-" by JCR-VIS.

32.3 Investments, out of provident fund, have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose other than investment in preference shares of Silk Bank Limited which has been disposed of subsequent to the reporting date.

33. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on December 31	172	166
Average number of employees during the year	171	167

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2015	2014
Trade and other payables		
- USD	(6,380)	-
- GBP	(31,216)	-
- Euro	(55,368)	(231,908)
Net exposure - USD	(6,380)	-
Net exposure - GBP	(31,216)	-
Net exposure - Euro	(55,368)	(231,908)
The following significant exchange rates were applicable during the year:		
Rupees per US Dollar		
Average rate	102.94	100.92
Reporting date rate	104.80	100.60
Rupees per GBP		
Average rate	157.15	166.15
Reporting date rate	155.34	156.63
Rupees per Euro		
Average rate	113.75	133.43
Reporting date rate	114.54	122.37

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP and Euro (2014: Euro) with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.593 million (2014: Rupees 1.419 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) Interest rate risk

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

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

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

	2015	2014
	(Rupees in thousand)	
Floating rate instruments		
Financial assets		
Bank balances- saving accounts	680,949	632,094
Trade debts - past due	3,257,844	3,374,664
	3,938,793	4,006,758
Financial liabilities		
Long-term financing	(1,889,468)	(1,990,839)
Short-term borrowings	(6,609,569)	(7,918,600)
	(8,499,037)	(9,909,439)
Net exposure	(4,560,244)	(5,902,681)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 45.602 million (2014: Rupees 59.027 million) lower / higher, mainly as a result of higher / lower interest income and as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2015	2014
	(Rupees in thousand)	
Long-term loans to employees	81,173	71,616
Long term security deposit	300	300
Trade debts	6,677,326	8,480,277
Other receivables	187,822	145,329
Bank balances	680,949	632,094
	7,627,570	9,329,616

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

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

	Rating			2015	2014
	Short Term	Long Term	Agency	(Rupees in thousand)	
WAPDA		Not available		2,597,902	4,886,163
National Bank of Pakistan	A-1+	AAA	PACRA	1,369	2,500
Habib Bank Limited	A-1+	AAA	JCR-VIS	1	1
MCB Bank Limited	A1+	AAA	PACRA	641,158	1,439
United Bank Limited	A-1+	AA+	JCR-VIS	1	1
The Bank of Punjab	A1+	AA-	PACRA	35	34
Allied Bank Limited	A1+	AA+	PACRA	1	1
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	38,384	628,118
NIB Bank Limited	A1+	AA -	PACRA	-	-
				3,278,851	5,518,257

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As 31 December 2015, the Company had Rupees 7,339 million (2014: Rupees 5,574 million) available borrowing limits from financial institutions and Rupees 681.102 million (2014: Rupees 632.348 million) cash and bank balances to meet the short-term funding requirements due to delay in payments by WAPDA. 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 2015:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(- - - - - - - - -	- - - - - - Rupees	in thousand	- - - - - - -	- - - - - - -	-)
Non-derivative financial liabilities:						
Long-term financing	1,889,468	2,177,330	355,494	342,856	647,799	831,181
Trade and other payables	392,888	392,888	392,888	-	-	-
Accrued mark-up / profit	136,883	136,883	136,883	-	-	-
Short-term borrowings	6,609,569	6,742,008	6,476,212	265,796	-	-
	9,028,808	9,449,109	7,361,477	608,652	647,799	831,181

Contractual maturities of financial liabilities as at 31 December 2014:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(- - - - - - - - -	- - - - - - Rupees	in thousand	- - - - - - -	- - - - - - -	-)
Non-derivative financial liabilities:						
Long-term financing	1,990,839	2,571,533	125,405	302,369	719,778	1,423,981
Trade and other payables	1,164,276	1,164,276	1,164,276	-	-	-
Accrued mark-up / profit	193,634	193,634	193,634	-	-	-
Short-term borrowings	7,918,600	8,038,423	8,038,423	-	-	-
	11,267,349	11,967,866	9,521,738	302,369	719,778	1,423,981

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 31 December. The rates of mark-up / profit have been disclosed in note 5 and 9 to these financial statements.

34.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

34.3 Financial instruments by categories

	Loans and receivables	
	2015	2014
	(Rupees in thousand)	
Assets as per balance sheet		
Long-term loans to employees	81,173	71,616
Long term security deposit	300	300
Trade debts	6,677,326	8,480,277
Other receivables	187,822	145,329
Cash and bank balances	681,102	632,348
	7,627,723	9,329,870

	Financial liabilities at amortized cost	
	2015	2014
	(Rupees in thousand)	
Liabilities as per balance sheet		
Long-term financing	1,889,468	1,990,839
Trade and other payables	392,888	1,164,276
Accrued mark-up / profit	136,883	193,634
Short-term borrowings	6,609,569	7,918,600
	9,028,808	11,267,349

35. CAPACITY AND ACTUAL PRODUCTION

	2015 MWH	2014 MWH
Installed capacity based on 8,760 (2014: 8,760) hours	3,171,120	3,171,120
Actual energy delivered	1,915,431	1,680,499

Output produced by the Complex is dependent on the load demanded by WAPDA and Complex availability.

36. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2015	2014	2015	2014
	(Rupees in thousand)		(Rupees in thousand)	
Total facilities	3,076,643	2,154,308	13,948,910	13,493,410
Utilized at the end of the year	1,003,755	1,170,570	6,609,569	7,918,601
Unutilized at the end of the year	2,072,888	983,738	7,339,341	5,574,809

37. SEGMENT INFORMATION

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

38. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed final cash dividend for the year ended 31 December 2015 of Rupee 1 per share (2014: Rupee 1 per share). However, this event has been considered as non-adjusting event under IAS 10 'Event after Reporting Period' and has not been recognized in these financial statements.

39. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant rearrangement and reclassification have been made in these financial statements.

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 5 April 2016 by the Board of Directors of the Company.

41. GENERAL

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

CHIEF EXECUTIVE

DIRECTOR

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 30th April 2016 (Saturday) at 11:00a.m. Nishat Hotel, 9-A, Mian Mahmood Ali Kasuri Road, Gulberg III, 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___________2016.

Revenue
Stamp
of Rs. 5/-

Signature ________________________

Address _________________________

____

No. of shares held __________________

Witness:-

Name ___________________________

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.

نمائندگی کا فارم (پراکسی فارم)
غیر معمولی اجلاسِ عام

کمپنی سیکرٹری
53۔اے، لارنس روڈ،
لاہور، پاکستان۔

میں/ہم ۔۔۔۔۔۔۔۔۔۔کا/کے ۔۔۔۔۔۔۔۔۔بحیثیت رکن لال پیر پاور لمیٹڈ اور حامل عامل حصص بمطابق شیئر رجسٹرار فولیو نمبر۔۔۔۔۔۔۔اور/یا سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر۔۔۔۔۔اور ذیلی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔ محترم/محترمہ کو اپنے/ہمارے ایماء پر ۔۔۔۔۔۔۔۔۔۔۔کے ۔۔۔۔۔۔۔۔کا لال پیر پاور لمیٹڈ 30 اپریل 2016ء نشاط ہوٹل 9۔اے، میاں محمود قصوری روڈ گلبرگ 3، لاہور پر ہونے والے غیر معمولی اجلاسِ عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں ۔۔۔۔۔۔۔۔کے ۔۔۔۔۔۔۔۔میں اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا/کرتے ہیں۔

آج بروز۔۔۔۔۔۔۔بتاریخ۔۔۔۔۔۔۔2016ء کو دستخط کیے گئے۔

گواہ:

دستخط۔۔۔۔۔۔۔۔۔۔۔۔

نام۔۔۔۔۔۔۔۔۔۔۔۔۔

پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔

سی این آئی سی نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
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NISHAT

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