NISHAT

PAKGEN POWER LIMITED

2024

Annual Report

PAKGEN POWER LIMITED

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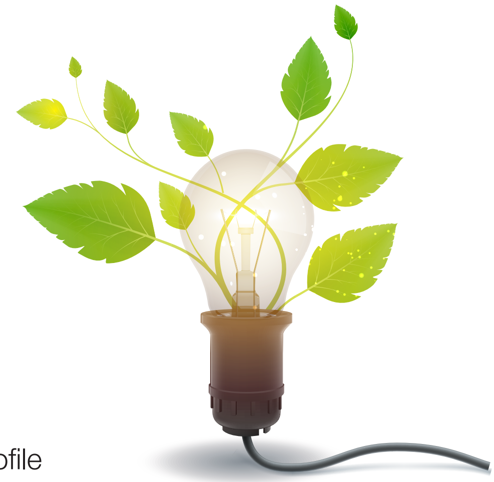


COMPANY PROFILE

THE COMPANY

Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 now the Companies Act, 2017. The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station ("the Complex") having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

BOARD OF DIRECTORS

Mrs. Sadia Younas Mansha	
Mr. Muhammad Ali Zeb	Director /Chairman
Mr. Samir Mustapha Chinoy	
Mr. Sheikh Muhammad Shakeel	
Mr. Farrukh Ifzal	
Mr. Ghazanfar Hussain Mirza	
Mr. Omer Zubair Khan	

CHIEF EXECUTIVE OFFICER

Mian Hassan Mansha

AUDIT COMMITTEE

Mr. Farrukh Ifzal	
Mr. Sheikh Muhammad Shakeel	Chairman
Mr. Muhammad Ali Zeb	

HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE

Mr. Samir Mustapha Chinoy	Chairman
Mian Hassan Mansha	
Mr. Ghazanfar Hussain Mirza	

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

REGISTERED OFFICE

53-A, Lawrence Road, Lahore-Pakistan
UAN: +92 42-111-11-33-33
+92 42 36367414

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House,99-B, Block-B, S.M.C.H.S
Shahra-e-Faisal, Karachi – 74400
Tel: (92-21) 111-111-500
Fax: (92-21) 34326053

CHIEF FINANCIAL OFFICER

Mr. Tanvir Khalid

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

Habib Bank Limited
The Bank of Punjab
Silk Bank Limited
United Bank Limited
Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Bank Islamic Pakistan Limited
Bank Al-Habib Limited
Al Baraka Bank (Pakistan) Limited

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

HEAD OFFICE

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

PLANT

Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

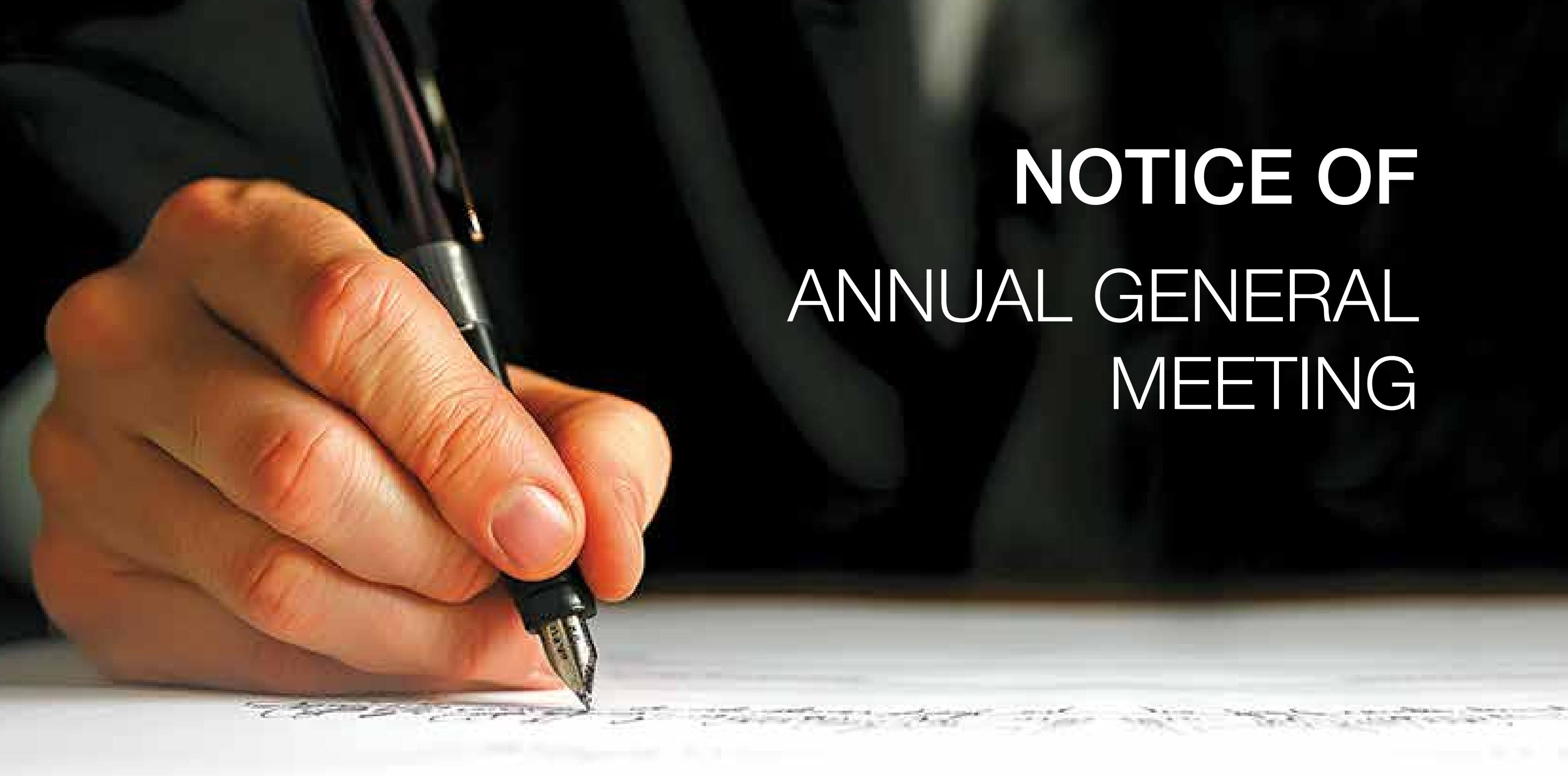
VISION & MISSION STATEMENT

VISION

ENLIGHTEN THE FUTURE THROUGH EXCELLENCE, COMMITMENT, INTEGRITY AND HONESTY

MISSION

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



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Members of Pakgen Power Limited (“the Company") will be held on April 28, 2025 (Monday) at 11:30 a.m. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. 1.To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended December 31, 2024 together with Notes to the Accounts, Chairman Review, Directors’ and Auditors’ reports thereon.

   The Annual Report (containing Financial Statements and related reports) has been uploaded on website of the Company, which can be downloaded from the following weblink and QR enabled code.

https://www.pakgenpower.com/finance/pdf/PKGP3Q2024.pdf

   Scan QR Code for Annual Report 2024

2. To ratify and approve already paid 70% Interim Cash Dividends for the year ended December 31, 2024.

4. To appoint statutory Auditors for the year ending December 31, 2025 and fix their remuneration.

By order of the Board

LAHORE
March 28, 2025

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

NOTES:

BOOK CLOSURE NOTICE:-

The Share Transfer Books of the Company will remain closed from 22-04-2025 to 28-04-2025 (both days inclusive) for attending and voting at AGM. The Physical transfers/CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 21-04-2025 at CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi will be considered in time for attending the meeting.

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING.

Proxies

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

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

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

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

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport (in case of non-resident) at the time of attending the Meeting.

b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and of the witnesses shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

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

SUBMISSION OF COPY OF CNIC (MANDATORY):

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

Transmission of Annual Financial Statements through Email:

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

Unclaimed Dividend / Shares

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

Conversion of Physical Shares into Book-entry Form:

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

Video Conference Facility

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

Video Link Facility for Meeting:-

The members can attend the AGM via video link using smart phones/tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at kchohan@pakgenpower.com or smahmood@dgcement.com by April 23, 2025.

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

DIRECTORS' PROFILE

Mian Hassan Mansha
Chief Executive Officer

Mian Hassan Mansha has over 25 years of diversified experience and serving on the Board of various listed and unlisted companies. Currently he is serving on the Boards of Nishat Power Limited, Security General Insurance Company Limited, Nishat Mills Limited, Lalpir Power Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Dairy (Private) Limited, Pakistan Aviators and Aviation (Private) Limited, Nishat Real Estate Development Company (Private) Limited, Nishat Agriculture Farming (Private) Limited, and Hyundai Nishat Motor (Pvt) Limited, Nishat Developer (Pvt) Limited, NexGen Auto (Private) Limited and Nishat Packaging Limited (Formerly Nishat Paper Products Limited)

He is also serving as an Honorary Consulate of Brazil in Pakistan.

Mrs. Sadia Younas Mansha
Non-Executive / Female Director

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

Mr. Muhammad Ali Zeb–Chairman
Non-Executive Director

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

Mr. Samir Mustapha Chinoy
Independent Director

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

Mr. Ghazanfar Hussain
Non-Executive Director

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

Sheikh Muhammad Shakeel
Non-Executive Director

S. M. Shakeel carries with him a wide range of experience in business management, project development and financial, corporate & tax management. He has extensive experience in the power sector of Pakistan where he has worked for more than 20 years.

He served as the Chief Executive Officer of Kohinoor Energy Ltd (KEL), a 124 MW IPP from 2016-2021. KEL was set up a joint venture between Toyota Tsusho Corporation of Japan and Saigols Group. Mr. Shakeel was previously serving as KEL's Chief Operating Officer from 2008 to 2016, after which he was elevated to be the CEO of the company. He also served as the General Manager of Finance for the Saigols Group before joining KEL in 2008.

The initiatives taken under his leadership have transformed KEL into one of the best managed IPPs of the country, have significantly reduced the operating costs of the plant and have enhanced its performance across all the parameters relevant to a power plant including safety, availability, reliability and fuel efficiency. This has helped substantially increase the value for the shareholders of the company.

Mr. Shakeel has also been serving on the Boards of Directors and special committees of several listed and unlisted companies. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan.

Mr. Farrukh Ifzal
Non-Executive Director

Mr. Farrukh Ifzal is a Fellow member of the Institute of Chartered Accountants of Pakistan. He has over 36 years of diversified experience in the field of Accounts, Finance, Legal and General Management. He is currently serving as Chief Executive Officer of Nishat Chunian Power Limited.

He also served as Chairman Board of Directors Nishat (Chunian) Limited and Director Quaid-e-Azam Thermal Limited.

Mr. Omer Zubair Khan
Non-Executive Director

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

CHAIRMAN'S REVIEW

I am pleased to present the annual report of the Company for the year ended December 31, 2024 to our valued shareholders.

The Company has earned a profit after tax of Rs.4.470 billion as against a profit of Rs.5.863 billion earned during the previous year. The profit in current year has decreased by Rs.1.393 billion, because of Negotiated Settlement Agreement as detailed in Directors' Report of the Company and annexed financial statements, resulting in early termination of Company's Power Purchase Agreement with effect from January 31, 2025. The management has assessed the accounting implications of the aforementioned development in relation to the recoverability of the assets, which has resulted in non-recognition of Delayed Payment Interest for the year as well as negative implications on the value of fuel stock, stores and spares due to assessed net realizable values.

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

To evaluate the performance of the Board and its Committees, the Board has put in place mechanism for annual evaluation of the performance of the Board of Directors. Accordingly, the Board has completed its annual self-evaluation for the year 2024 and I am pleased to report that the overall performance benchmarked on the basis of set criteria remained satisfactory.

Further, I am pleased to inform that the composition of the Board depicts reasonable balance of executive and non-executive Directors including female and independent Directors. This combination, possess the requisite skills, core competencies and industry knowledge to lead the Company, whereby all Board members are aware of the high level of ethical and professional standards laid down in Vision & Mission Statements of the Company.

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

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

Chairman
Lahore: March 28, 2025

چیئرمین کا جائزہ

مجھے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ اپنے قابل قدر شیئر ہولڈرز کو پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

کمپنی نے 4.470 بلین روپے کا بعد از ٹیکس منافع کمایا ہے جبکہ گزشتہ سال کے دوران 5.863 بلین روپے کا منافع حاصل ہوا تھا۔ 31 جنوری 2025 سے کمپنی کا پاور پرچیز معاہدہ جلد ختم ہونے کے نتیجے میں کمپنی کی ڈائریکٹرز کی رپورٹ اور منسلک مالی گوشواروں میں دی گئی تفصیل کے مطابق مذاکراتی تصفیے کے معاہدے کی وجہ سے رواں سال کے دوران منافع میں 1.393 بلین روپے کی کمی واقع ہوئی ہے۔ انتظامیہ نے اثاثوں کی وصولی کے سلسلے میں مذکورہ بالا پیشرفت کے اکاؤنٹنگ مضمرات کا جائزہ لیا، جس کے نتیجے میں سال کے لئے تاخیر سے ادائیگی کے سود کو تسلیم نہیں کیا گیا ہے اور ساتھ ہی ایندھن کے اسٹاک، اسٹورز اور اسپیئرز کی قیمت پر منفی اثرات مرتب ہوئے ہیں۔

میں ملک میں موجود متعدد چیلنجز اور مشکل معاشی حالات کے باوجود اس سال کے دوران بورڈ کی مجموعی کارکردگی کو سراہتا ہوں۔ انہوں نے انتظامیہ کو اسٹریٹجک ہدایات فراہم کی ہیں اور ہمیشہ رہنمائی کے لئے دستیاب رہے ہیں۔ بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی جیسی مختلف کمیٹیاں تشکیل دیں۔ آڈٹ کمیٹی کے ذریعے بورڈ نے داخلی کنٹرول اور مالی گوشواروں کا جائزہ لیا اور اس بات کو یقینی بنایا کہ اکاؤنٹس منصفانہ طور پر کمپنی کی مالی پوزیشن کی نمائندگی کرتے ہیں۔ جبکہ ایچ آر کمیٹی ایچ آر پالیسی فریم ورک کا جائزہ لیتی ہے اور سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضے کی سفارش کرتی ہے۔

بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لئے بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کے سالانہ جائزے کے لئے طریقہ کار وضع کیا ہے۔ اس کے مطابق بورڈ نے سال 2024 کے لئے اپنی سالانہ خود تشخیصی مکمل کی اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ طے شدہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار تسلی بخش رہا ہے۔

مزید برآں، مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی تشکیل خواتین اور آزاد ڈائریکٹرز سمیت ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معقول توازن کی عکاسی کرتی ہے۔ یہ مجموعہ کمپنی کی قیادت کے لئے مطلوبہ مہارت، بنیادی قابلیت اور صنعتی علم رکھتا ہے، جس کے ذریعے بورڈ کے تمام ممبران کمپنی کے وژن اور مشن بیانات میں مقرر کردہ اعلیٰ سطح کے اخلاقی اور پیشہ ورانہ معیارات سے آگاہ ہیں۔

بورڈ کمپنی کے مالی گوشواروں کے معیار اور مناسبت، رپورٹنگ اور انکشافات کی شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ معروضی منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ نے ضابطہء اخلاق بھی تیار کیا ہے جو مطلوبہ طرز عمل کی وضاحت کرتا ہے اور اسے پوری کمپنی میں پھیلایا گیا ہے۔ مؤثر کنٹرول ماحول کو یقینی بنانے کے لئے مناسب کنٹرول اور مضبوط نظام موجود ہیں تاکہ کارپوریٹ گورننس کی بہترین پالیسیوں کی تعمیل کی جا سکے۔

میں اس موقع پر کمپنی کی افرادی قوت کی انتھک کوششوں کو سراہتا ہوں اور تمام اسٹیک ہولڈرز کا ان کے مسلسل تعاون، اعتماد اور حمایت کا شکر گزار ہوں۔

چیئرمین

لاہور: 28 مارچ 2025ء

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, 2024 together with the auditors' report thereon.

SIGNIFICANT DEVELOPMENT

The Company was set up to build and operate the Complex and provide Capacity and sell electrical power to the Power Purchaser (and no other party) as per the applicable regulatory framework. For this purpose, the Company had entered into an Implementation Agreement dated 24-09-1994 ("IA") with the President of the Islamic Republic of Pakistan, for and on behalf of the Islamic Republic of Pakistan, the Power Purchase Agreement dated 05-09-1995 ("PPA") entered into with WAPDA, the predecessor of the Central Power Purchasing Agency (Guarantee) Limited ("Power Purchaser") and the Guarantee dated 05-01-1996 ("Guarantee", together with the PPA and the IA to be collectively referred to as the "Agreements") issued by the President of the Islamic Republic of Pakistan, for and behalf of the Islamic Republic of Pakistan.

During the year, the Federal Government (GOP) notified a Task Force to negotiate the aforementioned Agreements. Although, these Agreements were scheduled to expire on October 07, 2028 however, the Task Force desired early termination of the aforementioned Agreements.

Accordingly, the terms given by Task Force were placed before the Board of Directors in its meeting held on December 10, 2024 and the Board of Directors placed the matter of early termination and the terms thereof for approval of shareholders. On January 27, 2025, shareholders of the Company in their Extra Ordinary General Meeting approved early termination of the PPA as proposed by the Task Force.;

As a result, following terms have been agreed and taken place:

- The original term of the Agreements (PPA and IA) and Guarantee was 30 years and the Agreements were scheduled to expire on 07 October 2028, now the Agreements have terminated with effect from 31 January 2025;

- Power Purchaser shall pay Rupees 11,670.691 million payable as on 30 November 2024 comprising Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items to the Company, in addition to above, the Company shall invoice and Power Purchaser shall also pay Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items invoices till the effective date as per the terms of PPA, as full and final settlement by 30 April 2025;

- In case the appeal regarding apportionment of input sales tax imposed on the Capacity Purchase Price, pending before the Apex courts as more fully explained in note 10.1(ii) to annexed financial statements, is decided finally in favor of Federal Board of Revenue (FBR), and the Company is required to make payment to the FBR after exhausting all legal remedies, the Power Purchaser shall be obliged to reimburse the payment to the Company within 30 days of the invoice, after making the payment by the Company;

- The Company shall invoice and the Power Purchaser shall make payment of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) accrued till 31 January 2025 on prorated based on the Company's profit, in addition to the payments as specified in above clauses.

- The Company has agreed to waive off all of its rights or claims relating to delayed payment markup and the same have been written off;

- The Power Purchaser and GoP shall not be liable to pay any compensation in any matter of PPA, IA or Guarantee;

- The Company forfeits, waives and relinquish all or any rights, or claims it have, under the Guarantee; and

- The Company will retain the ownership of the Complex, including site;

Consequently, Trade Debts - Delayed Payment Interest receivables amounting to Rs 456.462 million have been written-off. as duly disclosed under Note 16.1 of the annexed financial statements.

FINANCE AND SIGNIFICANT EVENTS

We report that during the year 2024 the total sales revenue of the Company was Rupees 11.316 billion (2023: Rupees 20.837 billion) and operating costs were Rupees 5.964 billion (2023: Rupees 15.149 billion), resulting in gross profit of Rupees 5.352 billion (2023: Rupees 5.687 billion). The Company earned a profit after tax of Rupees 4.470 billion resulting in earnings per share of Rupees 12.01 as compared to a net profit of Rupees 5.863 billion and earnings per share of Rupees 15.76 last year.

The Company remains in a sound financial position and has sufficient liquidity and reserves to meet its plant preservation expenditures and discharge its liabilities for the foreseeable future. As on December 31, 2024, the Company's investments in Mutual Funds and cash and bank stand at Rs. 6,726 Million, which are primarily held to meet day to day expenditure and keeping in view the alternative plans of the Company, to participate in the upcoming Open Power Market, as envisaged in the Competitive Trading Bilateral Contract Market (CTBCM).

As explained in Note 1.2 to the financial statements, the Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the Agreements, consequently, the Power Plant is being kept in preservation mode, since 31st January 2025, to ensure that the Power Plant is readily available if the offtake of electricity is required in the Open Power Market in near future.

As per the terms of the NSA, the CPPA-G is obligated to pay all receivables within 90 days of the effective date, i.e. by 30th April 2025. As of reporting date, an amount of Rs 11.911 billion is still recoverable from CPPA-G.

FUTURE OUTLOOK

As stated in detail in Note 1.2 to the annexed financial statements of the Company for the year ended 31 December 2024, after early termination of Implementation Agreement (IA) entered into with the President of Islamic Republic of Pakistan and Guarantee issued by the President of Islamic Republic of Pakistan, for and on behalf of the Government of Pakistan (GoP) with effect from 31 January 2025, the management of the Company shall participate in the Competitive Trading Bilateral Contracts Market (CTBCM) once it is implemented by the Government of Pakistan (GoP), which will allow the Company to sell electricity as a Merchant Plant and to Bulk Consumers / Distribution Companies (DISCOs) through wheeling arrangements. The Company has Rupees 6,726 million surplus funds available as on 31 December 2024 which are invested in mutual funds and cash and bank as on 31 December 2024 and the Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors of the Company.

The Company's Auditors have highlighted that early termination of PPA, IA and Guarantee indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. As explained in detail in Note 1.2 to the financial statements, the management is confident that the Company will continue as going concern in foreseeable future, therefore the annexed financial statements have been prepared on a going concern basis.

INTERNAL AUDIT AND CONTROL

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has implemented a robust system of internal and financial controls to safeguard its assets, prevent fraud, and ensure compliance with legal requirements. The internal control framework is regularly reviewed and monitored by the Internal Audit function, established by the Board. The Audit Committee conducts quarterly reviews of the system in line with its terms of reference.

ENVIRONMENT HEALTH AND SAFETY

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND COMMUNITY WELFARE

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

- Managing a basic health unit that is fully equipped with emergency facilities and diagnostics laboratory for the local community. Additionally, the Company also arranges special eye camp for the local community on annual basis.

- The Company is awarding the scholarships to the deserving students of local community to pursue their professional education.

- Extensive plantation of trees in the surrounding areas.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE 2019

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

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

o 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.

o Proper books of account of the Company have been maintained.

o Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

o International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.

o The system of internal control is sound in design and has been effectively implemented and monitored.

o There are no doubts upon Company's ability to continue as going concern.

o 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.

o Value of investment in provident fund and gratuity scheme as at year ended 31st December 2024, were as follows;

  Provident fund: 31 December 2024 is Rupees: 324.747 Million

  Gratuity fund: 31 December 2024 is Rupees: 190.323 Million

COMPOSITION OF BOARD:

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

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

Sr. #	Name of Directors		No. of Meetings Attended
1	Mr. Muhammad Ali Zeb	(Director/Chairman)	4
2	Mian Hassan Mansha	(CEO)	5
3	Mr. Ghazanfar Hussain Mirza		5
4	Dr. Arif Bashir *		5
5	Mr. Omer Zubair Khan		5
6	Mrs. Sadia Younus Mansha		5
7	Mr. Farrukh Ifzal		5
8	Mr. Samir Mustapha Chinoy		2
9	Mr. Sheikh Muhammad Shakeel **		0

* Resigned on December 31, 2024

** Appointed as director on December 31, 2024 to fill casual vacancy in place of Dr. Arif Bashir

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. Farrukh Ifzal *	(Member)	4
2	Dr. Arif Bashir	(Member)	4
3	Mr. Muhmmad Ali Zeb	(Member)	1
4	Mr. Sheikh Muhammad Shakeel **	(Chairman)	0

* Status has been changed from Independent Director to Non- Executive Director and resigned from the office of Chairman Audit Committee on December 31, 2024.

** Appointed as member Audit Committee in place of Dr. Arif Bashir and Chairman Audit committee in place of Mr. Farrukh Ifzal on December 31, 2024.

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

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

DIRECTORS' REMUNERATION:

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration and meeting fee paid to executive and non-executive directors have been disclosed in note 35 of the annexed financial statements.

PATTERN OF SHAREHOLDING:

The statement of pattern of shareholding as on 31 December 2024 is attached.

TRADING IN THE SHARES OF THE COMPANY

All the trades in the shares of the listed Company, carried out by its directors, executives and their spouses and minor children during the year ended December 31, 2024 is annexed to this report.

RELATED PARTIES

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

FINANCIAL RISK MANAGEMENT

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

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

DIVIDEND:

The Board of Directors declared Interim Cash Dividend at the rate of PKR 7/- per share during the year ended December 31, 2024 which has already been paid and has recommended Nil Final Dividend.

AUDITORS

The present auditors M/s Riaz Ahmad and Company, Chartered Accountants retired and being eligible, offer themselves for re-appointment for the year 2025. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

ACKNOWLEDGEMENT

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

We also appreciate the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also take this opportunity to thank our executives and staff members for their consistent support, hard-work and commitment for delivering remarkable, under extra ordinary circumstances.

This Directors' Report has been signed by two directors instead of chief executive officer and one director as the chief executive officer is not available for the time being in Pakistan.

For and on behalf of the Board of Directors

Farrukh Ifzal
Director

Mr. Ghazanfar Hussain Mirza
Director

Lahore: March 31, 2025

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ اور نظرثانی شدہ مالی حسابات معہ ان پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

اہم ڈویلپمنٹ

کمپنی کو کمپلیکس کی تعمیر اور چلانے اور قابل اطلاق ریگولیٹری فریم ورک کے مطابق پاور پرچیزر (اور کسی دیگر فریق کو نہیں) کو بجلی فراہم کرنے اور بجلی فروخت کرنے کے لئے قائم کیا گیا تھا۔ اس مقصد کے لئے کمپنی نے مورخہ 1995-09-05 کو بجلی کی خریداری کا معاہدہ ("پی پی اے") سینٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ("پاور پرچیزر") کے پیش رو واپڈا کے ساتھ، اسلامی جمہوریہ پاکستان کے لئے اور کی جانب سے صدر اسلامی جمہوریہ پاکستان کے ساتھ مورخہ 1994-09-24 کو ایک امپلی مینٹیشن معاہدہ ("آئی اے") کیا تھا اور مورخہ 1996-01-05 کو گارنٹی ("گارنٹی"، پی پی اے اور آئی اے کے ساتھ مل کر مشترکہ طور پر "معاہدوں" کے طور پر جانا جاتا ہے) جو صدر اسلامی جمہوریہ پاکستان کی طرف سے اسلامی جمہوریہ پاکستان کے لئے اور کی جانب سے جاری کی گئی۔

سال کے دوران، وفاقی حکومت (جی او پی) نے مذکورہ معاہدوں پر مذاکرات کے لئے ایک ٹاسک فورس تشکیل دی۔ اگرچہ ان معاہدوں کی میعاد 07 اکتوبر 2028 کو ختم ہونی تھی تاہم ٹاسک فورس نے مذکورہ معاہدوں کو قبل از میعاد ختم کرنے کی خواہش کا اظہار کیا۔

اس کے مطابق ٹاسک فورس کی جانب سے دی گئی شرائط کو 10 دسمبر 2024 کو منعقد ہونے والے اپنے اجلاس میں بورڈ آف ڈائریکٹرز کے روبرو رکھا گیا اور بورڈ آف ڈائریکٹرز نے جلد برطرفی کا معاملہ اور اس کی شرائط شیئر ہولڈرز کی منظوری طلب کی۔ 27 جنوری، 2025 کو، کمپنی کے شیئر ہولڈرز نے اپنے غیر معمولی اجلاس عام میں ٹاسک فورس کی تجویز کے مطابق پی پی اے کو جلد برطرف کرنے کی منظوری دے دی ہے۔

نتیجتاً، مندرجہ ذیل شرائط پر اتفاق اور عمل کیا گیا:

- معاہدوں (پی پی اے اور آئی اے) اور گارنٹی کی اصل مدت 30 سال تھی اور معاہدے 07 اکتوبر، 2028 کو ختم ہونا تھے، اب معاہدے 31 جنوری، 2025 سے ختم ہوگئے ہیں۔
- 30 نومبر 2024 تک، پاور پرچیزر کپیسٹی پرچیز پرائس، توانائی کی خریداری کی قیمت، جنرل سیلز ٹیکس اور پاس تھرو آئٹم سمیت، 11,670.691 روپے کی قابل وصولیاں کمپنی کو ادا کرے گا۔ مذکورہ بالا کے علاوہ، کمپنی انوائس کرے گی اور پاور پرچیزر پی پی اے کی شرائط کے مطابق مؤثر تاریخ تک کپیسٹی پرچیز پرائس، توانائی کی خریداری کی قیمت، جنرل سیلز ٹیکس اور پاس تھرو آئٹمز انوائسز 30 اپریل 2025 تک کلی اور حتمی سیٹلمنٹ بھی ادا کرے گا۔
- اگر کپیسٹی پرچیز کی قیمت پر عائد ان پٹ سیلز ٹیکس کی تقسیم سے متعلق اپیل سپریم کورٹ میں زیر التواء ہے، جیسا کہ مالی گوشواروں کے نوٹ (ii)10.1 میں مکمل طور پر بیان کیا گیا ہے، تو حتمی فیصلہ فیڈرل بورڈ آف ریونیو (ایف بی آر) کے حق میں کیا جاتا ہے، اور کمپنی کو تمام قانونی اقدامات مکمل کرنے کے بعد ایف بی آر کو ادائیگی کرنا ہوگی، پاور پرچیزر کمپنی کی جانب سے ادائیگی کرنے کے بعد انوائس کے 30 دن کے اندر کمپنی کو ادائیگی کرنے کا پابند ہوگا۔
- کمپنی انوائس کرے گی اور پاور پرچیزر مذکورہ بالا شقوں میں بیان کردہ ادائیگیوں کے علاوہ 31 جنوری 2025 تک مجموعی ورکرز پرافٹ پارٹیسپیشن فنڈ (ڈبلیو پی پی ایف) اور ورکرز ویلفیئر فنڈ (ڈبلیو ڈبلیو ایف) کی ادائیگی کمپنی کے منافع کی بنیاد پر کرے گا۔
- کمپنی تاخیر سے ادائیگی کے مارک اپ سے متعلق اپنے تمام حقوق یا دعوؤں کو ختم کرنے پر راضی ہوگئی ہے اور اسے معاف کردیا ہے۔
- پاور پرچیزر اور GoP پی پی اے، آئی اے یا گارنٹی کے کسی بھی معاملے میں کوئی معاوضہ ادا کرنے کے ذمہ دار نہیں ہوں گے۔
- کمپنی گارنٹی کے تحت اپنے پاس موجود تمام یا کسی بھی حقوق، یا دعوؤں کو ضبط، معاف اور ترک کرتی ہے۔ اور

- کمپنی کمپلیکس بشمول سائٹ کی ملکیت برقرار رکھے گی۔

نتیجتاً 456.462 ملین روپے کے تجارتی قرضوں۔ تاخیر سے ادائیگی کے سود کی وصولی کو معاف کر دیا گیا ہے۔ جیسا کہ منسلک مالی گوشواروں کے نوٹ 16.1 میں موزوں انکشاف کیا گیا ہے۔

فنانس اور اہم واقعات

ہم بیان کرتے ہیں کہ سال 2024 کے دوران کمپنی کی کل فروخت آمدنی 11.316 بلین روپے (2023: 20.837 بلین روپے) اور آپریٹنگ اخراجات 5.964 بلین روپے (2023: 15.149 بلین روپے) تھے، جس کے نتیجے میں مجموعی منافع 5.352 بلین روپے (2023: 5.687 بلین روپے) رہا۔ کمپنی نے 4.470 بلین روپے کا بعد از ٹیکس منافع کمایا جس کے نتیجے میں فی حصص آمدنی 12.01 روپے رہی جبکہ گزشتہ سال خالص منافع 5.863 بلین روپے اور فی حصص آمدنی 15.76 روپے تھی۔

کمپنی ایک مستحکم مالی پوزیشن میں ہے اور اس کے پاس پلانٹ کے تحفظ کے اخراجات کو پورا کرنے اور مستقبل قریب کے لئے اپنی ذمہ داریوں کو ادا کرنے کے لئے کافی لیکویڈیٹی اور ذخائر موجود ہیں۔ 31 دسمبر، 2024ء تک میوچل فنڈز اور بینک سٹینڈ میں کمپنی کی سرمایہ کاری 6,726 ملین روپے ہے، جو بنیادی طور پر روزمرہ کے اخراجات کو پورا کرنے اور کمپنی کے متبادل منصوبوں کو مدِ نظر رکھتے ہوئے آئندہ اوپن پاور مارکیٹ میں حصہ لینے کے لئے رکھی گئی ہے، جیسا کہ مسابقتی ٹریڈنگ دوطرفہ کنٹریکٹ مارکیٹ (سی ٹی بی سی ایم) میں تصور کیا جاتا ہے۔

جیسا کہ مالیاتی گوشواروں کے نوٹ 1.2 میں وضاحت کی گئی ہے، کمپنی نے لاگت میں کمی کے متعدد اقدامات اٹھائے ہیں، جن میں رضاکارانہ علیحدگی اسکیم (وی ایس ایس) کے ذریعہ کارکنوں اور ملازمین کو کم کرنا اور پلانٹ کی دیکھ بھال کے اخراجات میں کمی/ اصلاح شامل ہے، تاکہ معاہدوں کے خاتمے کی وجہ سے پیدا ہونے والے مالی اثرات کو کم کیا جا سکے، نتیجتاً، 31 جنوری 2025 سے پاور پلانٹ کو تحفظ کے موڈ میں رکھا جا رہا ہے، اس بات کو یقینی بنانے کے لئے کہ اگر مستقبل قریب میں اوپن پاور مارکیٹ میں بجلی کی طلب کی ضرورت ہو تو پاور پلانٹ آسانی سے دستیاب ہو۔

این ایس اے کی شرائط کے مطابق، CPPA-G مؤثر تاریخ کے 90 دن کے اندر یعنی 30 اپریل 2025 تک تمام وصولیوں کی ادائیگی کا پابند ہے۔ اب تک CPPA-G سے 11.911 بلین روپے کی رقم وصول کی جا چکی ہے۔

مستقبل کا نقطہ نظر

جیسا کہ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے منسلک مالیاتی گوشواروں کے نوٹ 1.2 میں تفصیل سے بیان کیا گیا ہے، صدر اسلامی جمہوریہ پاکستان کے ساتھ امپلی مینٹیشن معاہدہ (آئی اے) اور حکومت پاکستان کے لیے اور کی جانب سے اسلامی جمہوریہ پاکستان کے صدر کی طرف سے جاری کردہ گارنٹی کے 31 جنوری 2025 کو قبل از معیاد برطرفی کے بعد، کمپنی کی انتظامیہ حکومت پاکستان (GoP) کی طرف سے لاگو ہونے کے بعد مسابقتی تجارتی دوطرفہ کنٹریکٹس مارکیٹ (CTBCM) میں حصہ لے گی، جو کمپنی کو ایک مرچنٹ پلانٹ کے طور پر اور وہیلنگ کے انتظامات کے ذریعے بلک کنزیومر/ ڈسٹری بیوشن کمپنیوں (DISCOs) کو بجلی فروخت کرنے کی اجازت دے گا۔ کمپنی کے پاس 31 دسمبر 2024 تک 6,726 ملین روپے کے اضافی فنڈز دستیاب ہیں جو 31 دسمبر 2024 تک میوچل فنڈز اور نقد رقم اور بینک میں سرمایہ کاری کئے گئے ہیں اور کمپنی نئے کاروبار کے قیام سمیت، کمپنی کے ہاں دستیاب فنڈز کو استعمال کرتے ہوئے آمدنی پیدا کرنے کے لیے دیگر مواقع تلاش کرنے کے لیے پوری طرح پُرعزم ہے، جن پر بات چیت جاری ہے اور کمپنی کے بورڈ آف ڈائریکٹرز کی سفارش کے بعد رسمی منظوری کے لئے کمپنی کے شیئر ہولڈرز کے رُوبرو رکھا جائے گا۔

کمپنی کے آڈیٹرز نے اس بات کو اُجاگر کیا ہے کہ IA، PPA اور گارنٹی کا جلد خاتمہ مادی غیر یقینی صورت حال کی نشاندہی کرتا ہے جو کمپنی کی جاری تشویش کے طور پر جاری رہنے کی صلاحیت پر اہم شکوک وشبہات پیدا کر سکتا ہے۔ جیسا کہ مالیاتی گوشواروں کے نوٹ 1.2 میں تفصیل سے وضاحت کی گئی ہے، انتظامیہ کو یقین ہے کہ کمپنی مستقبل قریب میں تشویش کے ساتھ جاری رہے گی، اس لیے منسلک مالی گوشواروں کو جاری تشویش کی بنیاد پر تیار کیا گیا ہے۔

اندرونی آڈٹ اور کنٹرول

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

موزوں داخلی مالیاتی کنٹرول

کمپنی نے اپنے اثاثوں کی حفاظت، دھوکہ دہی کو روکنے اور قانونی تقاضوں کی تعمیل کو یقینی بنانے کے لیے اندرونی اور مالیاتی کنٹرول کا ایک مضبوط نظام نافذ کیا ہے۔ داخلی کنٹرول کے فریم ورک کا بورڈ کے قائم کردہ اندرونی آڈٹ فنکشن کے ذریعے باقاعدگی سے جائزہ اور نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اپنی شرائط کے مطابق نظام کا سہ ماہی جائزہ لیتی ہے۔

ماحول صحت اور حفاظت

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

کارپوریٹ سماجی ذمہ داری (CSR) اور کمیونٹی ویلفیئر

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

کمپنی کی طرف سے چند CSR اقدامات میں شامل ہیں:

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

کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

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

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے مکمل کھاتہ جات بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی

ہے۔

- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔ ڈائریکٹرز کو اورینٹیشن کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- گذشتہ چھ سالوں کا کلیدی اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہے۔
- 31 دسمبر 2024 کو ختم ہونے والے سال کے مطابق پراویڈنٹ فنڈ اور گریجوئٹی اسکیم میں سرمایہ کاری کی قدر حسب ذیل تھی:

  پراویڈنٹ فنڈ: 31 دسمبر 2024 کو 324.747 ملین روپے

  گریجوئٹی فنڈ: 31 دسمبر 2024 کو 190.323 ملین روپے

بورڈ کی تشکیل:

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

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

نمبر شمار	نام ڈائریکٹر	تعداد اجلاس
1	جناب محمد علی زیب (چیئرمین/ ڈائریکٹر)	4
2	میاں حسن منشاء (سی ای او)	5
3	جناب غضنفر حسین مرزا	5
4	ڈاکٹر عارف بشیر *	5
5	جناب عمر زبیر خان	5
6	محترمہ سعدیہ یونس منشا	5
7	جناب فرخ افضال	5
8	جناب سمیر مصطفے چنائے	2
9	جناب شیخ محمد شکیل **	0

*31 دسمبر 2024 کو مستعفی ہو گئے۔

**31 دسمبر 2024 کو ڈاکٹر عارف بشیر کی جگہ خالی آسامی پُر کرنے کے لئے 31 دسمبر 2024 کو ڈائریکٹر منتخب ہوئے۔

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

نمبر شمار	نام رکن	تعداد اجلاس
1	جناب فرخ افضال* (ممبر)	4
2	ڈاکٹر عارف بشیر (ممبر)	4
3	جناب محمد علی زیب (ممبر)	1
4	جناب شیخ محمد شکیل** (چیئرمین)	0

ڈاکٹر عارف بشیر کے مستعفی ہو جانے کے بعد 31 دسمبر 2024 کو آڈٹ کمیٹی دوبارہ تشکیل دی گئی۔

* آزاد ڈائریکٹر سے نان ایگزیکٹو ڈائریکٹر حیثیت تبدیل ہو گئی اور چیئرمین آڈٹ کمیٹی کے عہدہ سے مستعفی ہو گئے۔

** چیئرمین آڈٹ کمیٹی مقرر ہوئے۔

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

نمبر شمار	نام رکن	تعداد اجلاس
1	جناب سمیر مصطفٰے چنائے (ممبر / چیئرمین)	2
2	میاں حسن منشا (ممبر)	2
3	جناب غضنفر حسین مرزا (ممبر)	2

ڈائریکٹرز کا معاوضہ:

کمپنی اپنے آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کو اجلاس فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ اور اجلاس فیس کی مجموعی رقم منسلکہ مالی گوشواروں کے نوٹ 35 میں منکشف ہے۔

حصص داری کا نمونہ:

بمطابق 31 دسمبر 2024 نمونہ حصص داری منسلک ہے۔

کمپنی کے حصص میں ٹریڈنگ:

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

متعلقہ پارٹیاں:

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

فنانشل رسک مینجمنٹ:

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

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

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

ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے دوران -/7 روپے فی شیئر کی شرح سے عبوری کیش ڈیویڈنڈ کا اعلان کیا جو پہلے ہی ادا کر دیا گیا ہے اور اس نے نل فائنل ڈیویڈنڈ کی سفارش کی ہے۔

محاسب:

موجودہ محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے اہل ہونے کی بناء پر سال 2025 کے لئے دوبارہ تعیناتی کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے محاسب کی دوبارہ تقرری کی سفارش کی ہے۔

اظہار تشکر:

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

ہم ایک جدید اور حوصلہ افزاء کام کا ماحول قائم کرنے اور پاور پلانٹ کے تمام شعبوں میں کارکردگی کی اعلیٰ سطح کو فروغ دینے کے لئے انتظامیہ کی محنت کو سراہتے ہیں۔ ہم، غیر معمولی حالات کے تحت، قابل ذکر نتائج کی فراہمی کے لئے اپنے ایگزیکٹوز اور عملے کے ارکان کی مسلسل حمایت، سخت محنت اور عزم کے لئے بھی شکریہ ادا کرتے ہیں۔

اس ڈائریکٹرز کی رپورٹ پر چیف ایگزیکٹو آفیسر اور ایک ڈائریکٹر کی بجائے دو ڈائریکٹرز نے دستخط کئے ہیں کیونکہ فی الوقت چیف ایگزیکٹو آفیسر پاکستان میں دستیاب نہیں ہیں۔

منجانب مجلس نظماء

(فرخ افضال)
ڈائریکٹر

(جناب غضنفر حسین مرزا)
ڈائریکٹر

لاہور: 28 مارچ 2025ء

PATTERN OF SHAREHOLDINGS
As at December 31, 2024

# of Shareholders	Shareholdings' Slab			Total Shares Held
341	1	to	100	6,078
330	101	to	500	153,642
181	501	to	1000	171,820
216	1001	to	5000	626,985
84	5001	to	10000	704,864
24	10001	to	15000	314,529
15	15001	to	20000	283,588
8	20001	to	25000	188,891
9	25001	to	30000	261,721
1	35001	to	40000	40,000
2	40001	to	45000	82,500
8	45001	to	50000	388,057
1	55001	to	60000	58,500
2	60001	to	65000	127,500
1	75001	to	80000	80,000
1	80001	to	85000	85,000
2	85001	to	90000	178,000
4	95001	to	100000	400,000
1	100001	to	105000	100,954
1	105001	to	110000	110,000
1	110001	to	115000	115,000
1	115001	to	120000	117,500
1	135001	to	140000	140,000
1	140001	to	145000	143,000
1	150001	to	155000	155,000
1	155001	to	160000	160,000
2	195001	to	200000	396,000
1	200001	to	205000	205,000
1	420001	to	425000	424,000
1	450001	to	455000	450,198
1	520001	to	525000	525,000
1	525001	to	530000	526,315
1	620001	to	625000	620,500
1	625001	to	630000	630,000

# of Shareholders	Shareholdings' Slab			Total Shares Held
1	730001	to	735000	732,000
1	760001	to	765000	762,000
1	995001	to	1000000	1,000,000
1	1050001	to	1055000	1,052,631
1	1915001	to	1920000	1,915,500
1	2025001	to	2030000	2,029,000
1	3200001	to	3205000	3,200,922
1	3270001	to	3275000	3,270,845
1	3670001	to	3675000	3,672,000
1	7510001	to	7515000	7,513,296
1	9315001	to	9320000	9,318,337
1	11320001	to	11325000	11,324,500
1	14630001	to	14635000	14,631,340
1	15935001	to	15940000	15,935,969
1	16310001	to	16315000	16,314,000
1	16615001	to	16620000	16,617,500
1	17510001	to	17515000	17,511,000
1	19520001	to	19525000	19,525,000
1	21880001	to	21885000	21,882,200
1	25630001	to	25635000	25,631,181
1	56720001	to	56725000	56,724,500
1	112545001	to	112550000	112,547,728
1269				372,081,591

PATTERN OF SHAREHOLDINGS
As at December 31, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Oficer, and their spouse(s) and minor children			
GHAZANFAR HUSAIN MIRZA	1	1,000	0.00
SAMIR MUSTAPHA CHINOY	1	500	0.00
HASAN MANSHA	1	14,631,340	3.93
SADIA YOUNAS MANSHA	1	500	0.00
MOHAMMAD ALI ZEB	1	500	0.00
OMER ZUBAIR KHAN	1	500	0.00
FARRUKH IFZAL	1	500	0.00
Associated companies, undertakings and related parties			
ENGEN (PRIVATE) LIMITED	1	500	0.00
SECURITY GENERAL INSURANCE CO LTD	2	7,513,796	2.02
NISHAT MILLS LIMITED	2	112,548,228	30.25
ADAMJEE INSURANCE COMPANY LIMITED	1	25,631,181	6.89
JAHANGIR FIROZ	1	100,954	0.03
ZAINAB NOOR FIROZ	2	17,518,000	4.71
AURANGZEB FIROZ	1	16,314,000	4.38
FARZANA FIROZ	1	11,324,500	3.04
IFTIKHAR FIROZ	1	19,525,000	5.25
RAZA MANSHA	1	196,000	0.05
UMER MANSHA	1	140,000	0.04
MRS. BEGUM NAZ MANSHA	2	937,000	0.25
NISHAT REAL ESTATES DEVELOPMENT COMPANY (PRIVATE) LIMITED	1	46,000	0.01
NISHAT (AZIZ AVENUE) HOTELS AND PROPERTIES LIMITED	1	85,000	0.02
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Development Financial Institutions, Non-Banking Financial Institutions	-	-	-
Insurance Companies	-	-	-
Modarabas & Mutual Funds	1	47,000	0.01
General Public			
a. Local	1,214	63,729,362	17.13
b. Foreign	13	122,019	0.03
Foreign Companies	-	-	-
OTHERS	16	81,668,211	21.95
Totals	1,269	372,081,591	100.00

Share holders holding10% or more	Shares Held	Percentage
NISHAT MILLS LIMITED	112,548,228	30.25
PROVIDUS CAPITAL (PVT.) LIMITED	56,724,500	15.25

"No trading in the shares of the Company was carried out by its Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, Substantial Shareholder their Spouses and minor children during the year January 01, 2024 to December 31, 2024."

GENDER PAY GAP STATEMENT

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024 OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Name of Company: **Pakgen Power Limited**

Year ended: **31 December, 2024**

Following is the gender pay gap calculated for the year ended December 31, 2024:

(i) Mean Gender pay gap: 49%

(ii) Median Gender pay gap: 37%

(iii) Any other data/details as deemed relevant: The company offers its employees equitable compensation based on their individual profile and performance without any discrimination with respect to their gender.

For and on behalf of Board of Directors of the Company

Farrukh Ifzal
Director

Mr. Ghazanfar Hussain Mirza
Director

Lahore: March 28, 2025

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

Name of Company: Pakgen Power Limited

Year ended: December 31, 2024

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

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

   a. Male: 07
   b. Female: 01

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Samir Mustapha Chinoy Mr. Sheikh Muhammad Shakeel
Non-executive Directors	Mr. Ghazanfar Hussain Mirza Mrs. Sadia Younas Mansha (Female Director) Mr. Muhammad Ali Zeb Mr. Omer Zubair Khan Mr. Farrukh Ifzal
Executive Director	Mian Hassan Mansha (Chief Executive Officer)

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

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

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. Following Directors have attained the directors training program certification:

Name of Directors:
Mr. Farrukh Ifzal
Mr. Samir Mustapha Chinoy
Mrs. Sadia Younas Mansha
Mr. Ghazanfar Hussain Mirza
Mr. Muhammad Ali Zeb
Mr. Omer Zubair Khan

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

a) Audit Committee

Names	Designation held
Mr. Sheikh Muhammad Shakeel	Chairman
Mr. Farrukh Ifzal	Member
Mr. Muhammad Ali Zeb	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Samir Mustapha Chinoy	Chairman
Mian Hassan Mansha	Member
Mr. Ghazanfar Hussain Mirza	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended December 31, 2024.

b) HR and Remuneration Committee

Two meetings of HR and Remuneration Committee were held during the financial year ended December 31, 2024.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
2	**Significant policies** The Board is required to approve anti-harassment policy to safeguard the rights and well-being of employees.	During the year, Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(4)(xvi)
3	**Role of the Board and its members to address Sustainability Risks and Opportunities** The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.	During the year, SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.	10(A)
4	**Directors' Training** It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Six directors of the company have acquired Directors' Training Program certification. The company has planned to arrange Directors' Training Program certification for remaining two directors.	19(1)
5	**Directors' Training** Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
6	**Directors' Training** Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The company has planned to arrange Directors' Training Program certification for at least one head of department annually over the next few years.	19(3)
7	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
8	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and a senior officer of the Company performs the requisite functions and apprise the Board accordingly.	30

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

Muhammad Ali Zeb
Chairman

Farrukh Ifzal
Director

(This statement has been signed by Chairman and one Director instead of Chairman and Chief Executive Officer as the Chief Executive Officer is not available for the time being in Pakistan.

Lahore:
March 28, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakgen Power Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakgen Power Limited (the Company) for the year ended 31 December 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2024.

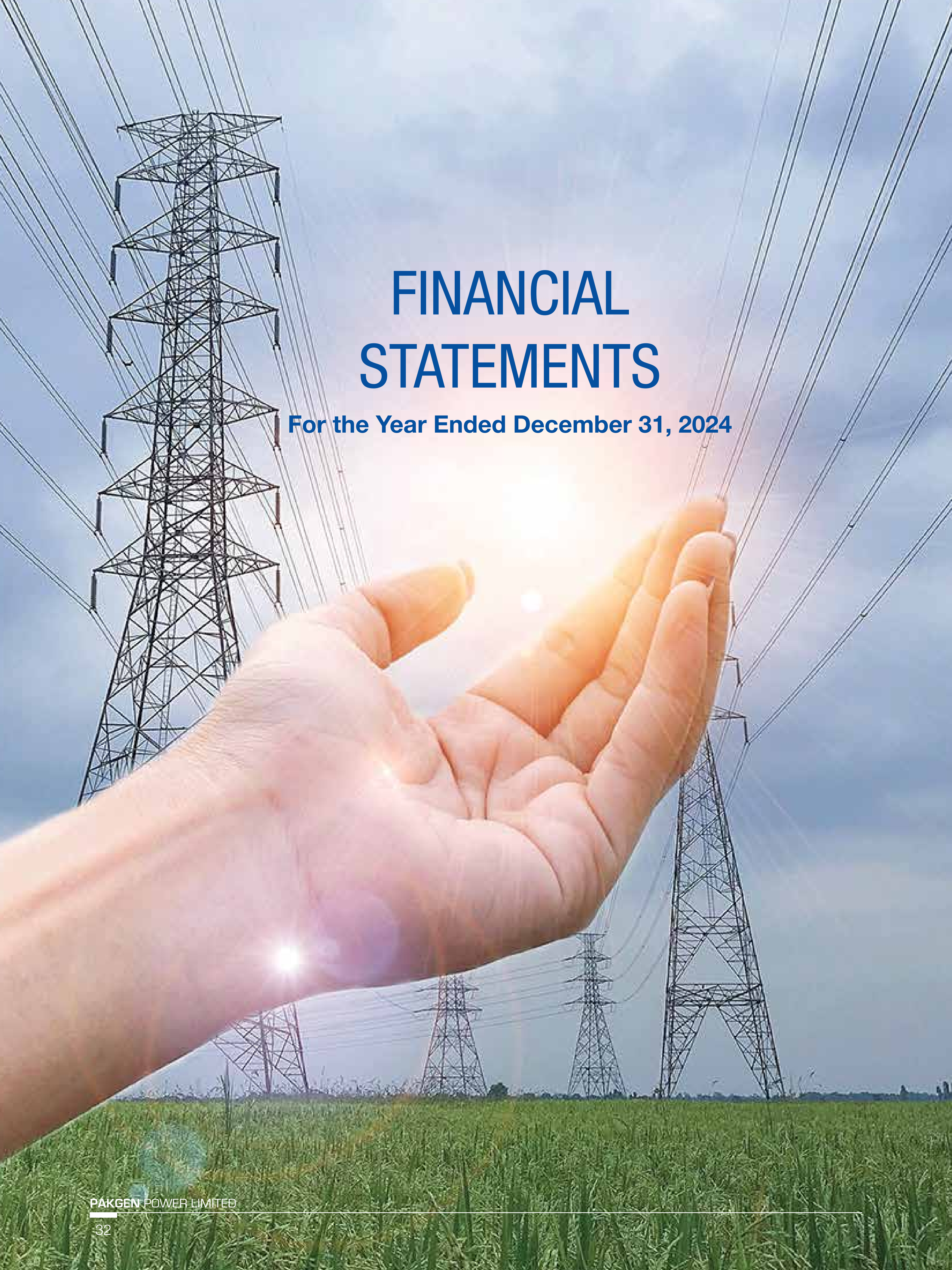
Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 29 March 2025

UDIN: CR2024101329sxkj0u78



FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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

Opinion

We have audited the annexed financial statements of Pakgen Power Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 1.2 in these financial statements, which describes the matter relating to early termination of Power Purchase Agreement with the Power Purchaser and early termination of Implementation Agreement and the Guarantee by the Government of Pakistan. As stated in note 1.2 to these financial statements, these events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	**Contingencies** As disclosed in note 10.1 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter. For further information on contingencies, refer to the following: - Material accounting policy information, Contingent liabilities (note 2.1(c) and note 2.15 to the financial statements). - Contingencies (note 10.1) to the financial statements.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have: • Obtained and reviewed detail of the pending matters and discussed the same with the Company's management; • Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the pending tax cases and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters; • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
2.	**Early termination of the Power Purchase Agreement (PPA)** During the year ended 31 December 2024, the Company entered into negotiations with relevant authorities for early termination of its PPA. After several rounds of discussions, the Company consented for early termination of its PPA with effect from 31 January 2025. Consequently, the Company has recognized adjustments to the amounts of relevant assets and liabilities.	Our audit procedures among others included the following: • Evaluated the management's assessment of the related impacts in light of the early termination of the PPA; • Obtained an understanding of the management's process to determine

Sr. No.	Key audit matter	How the matter was addressed in our audit
	Further, the early termination of PPA also necessitated the Company to evaluate the potential impact on the carrying amount of its tangible fixed assets and stores, spare parts and other consumables. Accordingly, the management performed an impairment assessment for tangible fixed assets and determined the net realizable value of stores, spare parts and other consumables. Early termination of PPA was a significant event during the year. Considering its significance and the judgements involved in estimating the recoverable amount and net realizable value, we have considered this as a key audit matter. For further information, refer to the following: - Impact on going concern assumption due to early termination of PPA (note 1.2) - Material accounting policy information, Stores, spare parts and other consumables [note 2.1(c)], Useful lives, pattern of economic benefits and impairment [note 2.1(c)], Inventories (note 2.12) and Impairment of non-financial assets (note 2.23) to the financial statements. - Stores, spare parts and other consumables (note 14) to the financial statements.	adjustments and recoverable amount of tangible fixed assets and net realizable value of stores, spare parts and other consumables; • Evaluated the appropriateness of the methodology used to estimate the recoverable amount for impairment assessment of tangible fixed assets; • Evaluated the appropriateness of the methodology used to estimate the net realizable value of stores, spare parts and other consumables; • Checked the mathematical accuracy of the adjustments and the recoverable amount and net realizable value; • Assessed the adequacy of the related disclosures in the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

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

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 29 March 2025

UDIN: AR202410132augt8GilK

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2023 : 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid-up share capital	4	3,720,816	3,720,816
Capital reserve	5	116,959	116,959
Revenue reserve - un-appropriated profit		22,757,378	20,849,904
Total equity		26,595,153	24,687,679
LIABILITIES			
NON-CURRENT LIABILITY			
Employee benefit - gratuity	6	-	2,770
CURRENT LIABILITIES			
Trade and other payables	7	572,234	914,539
Accrued mark-up / profit	8	10,502	11,327
Short term borrowings	9	-	3,749,911
Taxation and levy - net	19	41,082	-
Unclaimed dividend		130,615	106,942
		754,433	4,782,719
Total liabilities		754,433	4,785,489
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		27,349,586	29,473,168

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

Statement under section 232 of the Companies Act, 2017

These financial statements have been signed by two directors and chief financial officer instead of chief executive officer, one director and chief financial officer as the chief executive officer is not available for the time being in Pakistan.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	11	2,998,120	3,869,927
Long term investment	12	-	-
Long term loans to employees	13	18,982	26,120
Long term security deposits		1,774	1,774
Employee benefit - gratuity	6	19,822	-
		3,038,698	3,897,821
CURRENT ASSETS			
Stores, spare parts and other consumables	14	647,068	680,844
Fuel stock	15	2,486,106	1,798,418
Trade debts	16	11,514,884	10,868,052
Loans, advances and short term prepayments	17	804,976	47,572
Other receivables	18	2,128,564	3,178,076
Taxation and levy - net	19	-	144,098
Accrued interest		2,961	45
Short term investments	20	6,626,325	6,723,553
Cash and bank balances	21	100,004	2,134,689
		24,310,888	25,575,347
TOTAL ASSETS		27,349,586	29,473,168

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DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024	2023
		(Rupees in thousand)	
REVENUE FROM CONTRACT WITH CUSTOMER	22	11,316,380	20,836,512
COST OF SALES	23	(5,964,562)	(15,149,438)
GROSS PROFIT		5,351,818	5,687,074
ADMINISTRATIVE EXPENSES	24	(432,353)	(329,817)
OTHER EXPENSES	25	(1,434,316)	(15,298)
OTHER INCOME	26	1,388,501	734,618
PROFIT FROM OPERATIONS		4,873,650	6,076,577
FINANCE COST	27	(40,382)	(31,350)
PROFIT BEFORE TAXATION AND LEVY		4,833,268	6,045,227
LEVY	28	(84,444)	(42,935)
PROFIT BEFORE TAXATION		4,748,824	6,002,292
TAXATION	29	(278,366)	(138,993)
PROFIT AFTER TAXATION		4,470,458	5,863,299
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
REMEASUREMENTS OF DEFINED BENEFIT PLAN		41,587	338
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-
		41,587	338
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,512,045	5,863,637
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	30	12.01	15.76

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DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	SHARE CAPITAL	RESERVES Capital: Retained payments reserve	RESERVES Revenue: Un-appropriated profit	TOTAL EQUITY
	(- - - - - - - - Rupees in thousand	- - - - - - -)		
Balance as at 31 December 2022	3,720,816	116,959	21,311,654	25,149,429
Transactions with owners:				
Final dividend for the year ended 31 December 2022 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
Interim dividend for the year ended 31 December 2023 @ Rupees 15.00 per share	-	-	(5,581,224)	(5,581,224)
	-	-	(6,325,387)	(6,325,387)
Profit for the year ended 31 December 2023	-	-	5,863,299	5,863,299
Other comprehensive income for the year ended 31 December 2023	-	-	338	338
Total comprehensive income for the year ended 31 December 2023	-	-	5,863,637	5,863,637
Balance as at 31 December 2023	3,720,816	116,959	20,849,904	24,687,679
Transactions with owners:				
First interim dividend for the quarter ended 31 March 2024 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
Second interim dividend for the half year ended 30 June 2024 @ Rupees 3.00 per share	-	-	(1,116,245)	(1,116,245)
Third interim dividend for nine months ended 30 September 2024 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
			(2,604,571)	(2,604,571)
Profit for the year ended 31 December 2024	-	-	4,470,458	4,470,458
Other comprehensive income for the year ended 31 December 2024	-	-	41,587	41,587
Total comprehensive income for the year ended 31 December 2024	-	-	4,512,045	4,512,045
Balance as at 31 December 2024	3,720,816	116,959	22,757,378	26,595,153

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

Statement under section 232 of the Companies Act, 2017

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DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	Note	2024	2023
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	3,124,804	11,742,986
Finance cost paid		(41,207)	(54,101)
Income tax paid		(177,630)	(43,162)
Net decrease / (increase) in long term loans to employees		7,138	(5,798)
Gratuity paid	6.2	-	(13,511)
Net cash generated from operating activities		2,913,105	11,626,414
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on operating fixed assets		(37,078)	(325,967)
Short term investments made		(189,682,182)	(313,528,092)
Proceeds from disposal of short term investments		190,970,493	307,423,322
Interest received		131,786	106,719
Net cash from / (used in) investing activities		1,383,019	(6,324,018)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,580,898)	(6,226,297)
Net cash used in financing activities		(2,580,898)	(6,226,297)
Net increase / (decrease) in cash and cash equivalents		1,715,226	(923,901)
Cash and cash equivalents at beginning of the year		(1,615,222)	(691,321)
Cash and cash equivalents at end of the year		100,004	(1,615,222)
CASH AND CASH EQUIVALENTS			
Cash in hand	21	255	291
Cash at banks	21	99,749	2,134,398
Short term borrowings	9	-	(3,749,911)
		100,004	(1,615,222)

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DIRECTOR | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. THE COMPANY AND ITS OPERATIONS

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

1.2 Impact on going concern assumption due to early termination of PPA

The PPA of the Company was initially for a term of 30 years and was scheduled to expire on 07 October 2028. However, during the year ended 31 December 2024, the Company entered into negotiations with the National Task Force on Structural Reforms (Task Force) constituted by the Prime Minister of Pakistan. After several round of discussions with the Task Force, the Company consented the early termination of existing PPA with the Power Purchaser with effect from 31 January 2025. The Company also consented the early termination of Implementation Agreement (IA) entered into with the President of Islamic Republic of Pakistan and Guarantee issued by the President of Islamic Republic of Pakistan, for and on behalf of the Government of Pakistan (GoP) with effect from 31 January 2025. As a result, following terms have been agreed and taken place:

- The original term of the Agreements (PPA and IA) and Guarantee was 30 years and the Agreements were scheduled to expire on 07 October 2028, now the Agreements have been terminated with effect from 31 January 2025;
- Power Purchaser shall pay Rupees 11,670.691 million payable as on 30 November 2024 comprising Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items to the company, in addition to above, the Company shall invoice and Power Purchaser shall also pay Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items invoices till the effective date as per the terms of PPA, as full and final settlement by 30 April 2025; Subsequent to the reporting period, the Company has received Rupees 10.9 billion under the Negotiated Settlement Agreement and the remainder amount is to be received by 30 April 2025;
- In case the appeal regarding apportionment of input sales tax imposed on the Capacity Purchase Price, pending before the Apex courts as more fully explained in note 10.1(ii) to these financial statements, is decided finally in favor of Federal Board of Revenue (FBR), and the Company is required to make payment to the FBR after exhausting all legal remedies, the Power Purchaser shall be obliged to reimburse the payment to the Company within 30 days of the invoice, after making the payment by the Company;
- The Company shall invoice and the Power Purchaser shall make payment of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) accrued till 31 January 2025 on prorated based on the Company's profit, in addition to the payments as specified in above clauses.
- The Company has agreed to waive off all of its rights or claims relating to delayed payment markup and the same have been written off; (Note 16.1)

- The Power Purchaser and GoP shall not be liable to pay any compensation in any matter of PPA, IA or Guarantee;
- The Company forfeits, waives and relinquish all or any rights, or claims it have, under the Guarantee; and
- The Company will retain the ownership of the Complex, including site;

The above terms given by the Task Force were place before the Board of Directors of the Company in their meeting held on 10 December 2024 and the Board of Directors placed the matter of early termination and the terms thereof for the approval of shareholders of the Company. On 27 January 2025, subsequent to the reporting period, shareholders of the Company accorded approval for early termination of the PPA, IA and the Guarantee and adoption of the terms placed before the shareholders. Subsequent to the reporting period, these terms have been formally approved and the Agreements stands terminated with effect from 31 January 2025.

The termination of PPA indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the management of the Company believes that it will be able to continue as a going concern basis, based on the following factors:

- There is no impediment in the ability of the Company to generate electricity, subject to certain regulatory and formal legal formalities;
- The management of the Company shall participate in the Competitive Trading Bilateral Contracts Market (CTBCM) once it is implemented by the Government of Pakistan (GoP), which will allow the Company to sell electricity as a Merchant Plant and to Bulk Consumers / Distribution Companies (DISCOs) through wheeling arrangements;
- The Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) [note 25.4 to these financial statements] and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the Agreements;
- The Company has Rupees 6,726.329 million surplus funds available as on 31 December 2024 which are invested in mutual funds and cash and banks balances to generate sufficient income to support the operations of the Company.
- The Company has Rupees 11,514.884 million receivable (note 16 to these financial statements) as on 31 December 2024 from the Power Purchaser which is due to be received by 30 April 2025 pursuant to the terms agreed in Negotiation Settlement Agreement; Subsequent to the reporting period, the Company has received Rupees 10.9 billion under the Negotiated Settlement Agreement and the remainder amount is to be received by 30 April 2025
- The management of the Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors of the Company.

Notwithstanding, as elaborated above, the Company has sound financial position and as per the management's forecasts, the Company has enough liquidity and reserves to meet the operational expenditures and discharge its liabilities for the foreseeable future. Therefore, the management is confident that the Company will continue as a going concern in the foreseeable future. Thus, these financial statements have been prepared on a going concern basis and consequently, do not require adjustment relating to the realization of its assets and liquidation of liabilities.

The management has also assessed the accounting implications of the aforementioned developments in relation to the impairment of tangible fixed assets under IAS 36 'Impairment of Assets'. However, according to management's assessment, there is no impact of impairment on these financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Income tax and levy

In making the estimate for income tax and levy 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.

Stores, spare parts and other consumables

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

Contingencies

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

Revenue from contract with customer involving sale of electricity (Note 2.24)

Provisions

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

Employees' retirement benefit

The cost of defined benefit retirement plan is determined using actuarial valuation. The actuarial valuation is based on the assumptions as mentioned in note 6.11 to these financial statements.

Classification of investments

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

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 January 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current;
- Amendments to IFRS 16 'Leases" - Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' -

Supplier Finance Arrangements.

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

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

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

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

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2025 or later periods:

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

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

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

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 ‘Climate-related Disclosures’. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Amendments to IFRS 9 ‘Financial Instruments’ and IFRS 7 ‘Financial Instruments: Disclosures’ regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

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

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 January 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Fixed assets

2.2.1 Operating fixed assets

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

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

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

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

2.2.2 Capital work-in-progress

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

2.3 Leases

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

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

	2024	2023
	(Rupees in thousand)	
De-recognition of fixed assets	(2,956,791)	(3,831,818)
Recognition of lease debtor	9,247,135	5,263,619
De-recognition of trade debts	(8,173,833)	(4,015,601)
Decrease in un-appropriated profit at the beginning of the year	(2,583,849)	(2,957,928)
Increase in profit for the year	700,311	374,079
Decrease in un-appropriated profit at the end of the year	(1,883,538)	(2,583,849)

2.4 Investments and other financial assets

a) Classification

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

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

- those to be measured at amortized cost.

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

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

b) Measurement

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

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

Debt instruments

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

Company classifies its debt instruments:

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

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

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

2.5 Financial liabilities – Classification and measurement

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

2.6 Impairment of financial assets

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

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

2.7 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.8 Offsetting of financial instruments

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

2.9 Investment in associate - (with significant influence)

Associate is an entity over which the Company has significant influence but not control or joint control.

Investment in associate is accounted for using the equity method of accounting, after initially being recognized at cost.

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

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

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

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

2.10 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.

2.11 Employee benefits

2.11.1 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.

2.11.2 Defined benefit plan

The Company operates a funded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognised in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The charge for the year is based on actuarial valuation. The latest actuarial valuation was carried out as at 31 December 2024 using projected unit credit method. The amount arising as a result of remeasurements are recognised immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

2.12 Inventories

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

2.12.1 Fuel stock

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

2.12.2 Stores, spare parts and other consumables

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

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

2.13 Provisions

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

2.14 Contingent assets

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

2.15 Contingent liabilities

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

2.16 Taxation

2.16.1 Current

Income (profit and gains) of the Company derived from electric power generation are exempt from income tax under Clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company is also exempt from minimum tax under clause (11A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 for the period it continues to be entitled to exemption under clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Full provision for current tax and levy is made in the statement of profit or loss and other comprehensive income on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss and other comprehensive income. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss and other comprehensive income. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss and other comprehensive income. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by the Institute of Chartered Accountants of Pakistan through Circular No. 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	Audited 31 December 2023
		.... (Rupees in thousand) ....
Statement of financial position:		
Advance income tax	Prepaid levy	25,761
Provision for taxation	Levy payable	42,935

Had there been no change in the above referred accounting policy, amounts of levy Rupees 84.444 million, prepaid levy Rupees 50.791 million and levy payable Rupees 84.444 million would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements for the year ended 31 December 2024. Further, this change in accounting policy has no impact on earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

2.16.2 Deferred

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

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

Deferred tax has not been provided in these financial statements as the management believes that the temporary differences will not reverse in the foreseeable future as in a recent judgement involving an Independent Power Producer, the Appellate Tribunal Inland Revenue (ATIR) has held that exemption under Clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 covers the income from sales of unused raw materials, spare parts and fixed assets etc. Hence, the Company's income (from sale of unused furnace and lube oil, spare parts and fixed assets etc.) will remain exempt under the aforesaid Clause (132) even after the termination of PPA.

2.17 Cash and cash equivalents

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

2.18 Borrowings

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

2.19 Borrowing costs

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

2.20 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 1784(I)/2024 dated 04 November 2024 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2025 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

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

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

2.21 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 2.24 and therefore are all classified as current. Trade debts are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.22 Trade and other payables

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

2.23 Impairment of non-financial assets

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

2.24 Revenue recognition

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

Sale of electricity

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

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G; and

- Energy Purchases Price revenue is recognized at a 'point in time' based on the Net Electrical Output (NEO) delivered to CPPA-G.

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

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

Interest

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

Rent

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

Dividend

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

2.25 Dividend and other appropriations

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

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Right-of-use assets

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

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

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

3.2 Lease liabilities

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

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

3.3 Functional and presentation currency

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

3.4 Earnings per share

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

3.5 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.

3.6 Government grants

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

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

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

4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024	2023		2024	2023
(Rupees in thousand)			(Rupees in thousand)	
370,586,125	370,586,125	Ordinary shares of Rupees 10 each fully paid-up in cash	3,705,861	3,705,861
1,495,466	1,495,466	Ordinary shares of Rupees 10 each issued as fully paid-up for consideration other than cash (Note 4.2)	14,955	14,955
372,081,591	372,081,591		3,720,816	3,720,816

	2024	2023
	(Rupees in thousand)	
4.1 Ordinary shares of the Company held by associated undertakings:		
Nishat Mills Limited	112,548,228	112,548,228
Adamjee Insurance Company Limited	25,631,181	25,631,181
Security General Insurance Company Limited	7,513,796	7,513,796
Nishat Real Estates Development Company (Private) Limited	46,000	46,000
Nishat (Aziz Avenue) Hotels and Properties Limited	85,000	85,000
	145,824,205	145,824,205

4.2 These were issued against project development expenses.

4.3 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders keeping in view its cash flow requirements. The Company monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The Company includes within net debt, short term borrowings less cash and bank balances. Capital includes equity attributable to the equity holders.

	2024	2023
	(Rupees in thousand)	
Short term borrowings	-	3,749,911
Cash and bank balances	(100,004)	(2,134,689)
Net (cash and bank balances) / debt	(100,004)	1,615,222
Equity	26,595,153	24,687,679
Equity and net (cash and bank balances) / debt	26,495,149	26,302,901
Gearing ratio	0.00%	6.14%

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

5 CAPITAL RESERVE

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

6 EMPLOYEE BENEFIT - GRATUITY

The latest actuarial valuation of the defined benefit plan as at 31 December 2024 was carried out using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	2024	2023
	(Rupees in thousand)	
6.1 Statement of financial position reconciliation:		
Present value of defined benefit obligation (Note 6.2)	170,502	167,077
Fair value of plan assets (Note 6.3)	(190,324)	(164,307)
(Asset) / Liability recognized at reporting date	(19,822)	2,770
6.2 Movement in present value of defined benefit obligation:		
Present value of obligation at the beginning of the year	167,077	139,021
Current service cost	18,566	12,362
Interest cost	22,380	19,178
Benefits paid	(45,380)	(13,511)
Transferred from gratuity fund of Lalpir Power Limited - associated company	24,129	-
Remeasurement	(16,270)	10,027
Present value of obligation at the end of the year	170,502	167,077

	2024	2023
	(Rupees in thousand)	

6.3 Movement in fair value of plan assets:

	2024	2023
Fair value of plan assets at the beginning of the year	164,307	134,447
Interest income	21,951	19,495
Benefits paid on behalf of fund by the Company	-	13,511
Benefits paid by the fund	(45,380)	(13,511)
Transferred from gratuity fund of Lalpir Power Limited - associated company	24,129	-
Remeasurement	25,317	10,365
Fair value of plan assets at the end of the year	190,324	164,307

	2024	2023
6.4 Actual return on plan assets	47,268	29,860

6.5 Plan assets consist of the followings:

	2024	2023
Term deposit receipts	50,836	41,206
Government treasury bills	-	111,235
Mutual funds	138,550	-
Cash at banks	937	11,866
	190,323	164,307

6.6 Net movement in liability:

	2024	2023
Opening liability	2,770	4,574
Charge for the year (Note 6.7)	18,995	12,045
Remeasurements recognized in other comprehensive income (Note 6.8)	(41,587)	(338)
Benefits paid on behalf of the fund	-	(13,511)
Closing liability	(19,822)	2,770

6.7 Charge for the year recognized in profit or loss:

	2024	2023
Current service cost	18,566	12,362
Interest cost - net	429	(317)
Charge for the year	18,995	12,045

6.8 Remeasurements recognised in other comprehensive income:

	2024	2023
Remeasurement gain / (loss) on defined benefit obligation	16,270	(10,027)
Remeasurement gain on fair value of plan assets	25,317	10,365
	41,587	338

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

6.10 Amounts for the current and previous four years:

	2024	2023	2022	2021	2020
	(- - - - - Rupees in thousand - - - - -)				
Present value of defined benefit obligation	170,502	167,077	139,021	120,044	103,746
Fair value of plan assets	(190,324)	(164,307)	(134,447)	(117,777)	(109,146)
Deficit / (surplus)	(19,822)	2,770	4,574	2,267	(5,400)
Remeasurement (gain) / loss on defined benefit obligation	(16,270)	10,027	(4,100)	1,103	(3,370)
Remeasurement gain / (loss) on fair value of plan assets	25,317	10,365	2,831	(2,011)	2,873

6.11 Principal actuarial assumptions used:

	2024	2023
	(% per annum)	
Discount rate	12.25	15.50
Expected rate of increase in salary	10.00	17.00
Expected rate of return on plan assets	12.25	15.50

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

6.13 The expected charge to statement of profit or loss and other comprehensive income of the Company for defined benefit plan obligation for the next year is Rupees 10.202 million.

6.14 The Company's contribution to defined benefit plan in year 2025 is expected to be Rupees 10.867 million. There are no minimum funding requirements to the defined benefit plan. The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

6.15 The weighted average duration of the defined benefit plan is 3.02 years.

6.16 Sensitivity analysis for actuarial assumptions:

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

	Impact on de ned bene t obligation		
	Changes in assumption (%)	Increase in assumption	Decrease in assumption
		(Rupees in thousand)	
Discount rate	1	165,451	175,756
Future salary increases	1	176,522	164,638

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.

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

6.18 Expected maturity profile of undiscounted defined benefit obligation:

Less than a year	Between 1 - 2 years	Between 3 - 5 years	Between 6 - 10 years	Over 10 Years	Total
(- - - - - - - - - - - -	-	Rupees in thousand	- - - - - - - - - - - -)		
3,456	3,572	245,103	-	-	252,131

7. TRADE AND OTHER PAYABLES

	2024	2023
	(Rupees in thousand)	
Creditors	98,876	169,886
Accrued liabilities	48,990	83,544
Payable under Employee's Voluntary Severance Scheme (VSS)	74,573	-
Workers' profit participation fund payable (Note 7.1)	241,663	302,261
Workers' welfare fund payable (Note 7.2)	96,665	351,064
Income tax deducted at source	7,745	4,985
Payables to related parties (Note 7.3)	379	27
Others	3,343	2,772
	572,234	914,539

	2024	2023
	(Rupees in thousand)	

7.1 Workers' profit participation fund payable

Opening balance	302,261	156,812
Add: Allocation for the year (Note 25.2)	241,663	302,261
Less: Payments made during the year	(302,261)	(156,812)
Closing balance	241,663	302,261

7.2 Workers' welfare fund payable

Opening balance	351,064	230,159
Add: Allocation for the year (Note 25.3)	96,665	120,905
Less: Payments made during the year	(351,064)	-
Closing balance	96,665	351,064

7.3 Payables to related parties

These are in the ordinary course of business and interest free:

Hyundai Nishat Motor (Private) Limited	141	-
D.G. Khan Cement Company Limted	-	1
Security General Insurance Company Limited	154	9
Nishat Hotels and Properties Limited	26	17
Adamjee Insurance Company Limited	58	-
	379	27

8 ACCRUED MARK-UP / PROFIT

Short term borrowings	10,502	11,327

9 SHORT TERM BORROWINGS

From banking companies - secured:		
Running finances (Note 9.1)	-	1,949,914
Running musharakah and murabaha (Note 9.2)	-	1,799,997
	-	3,749,911

9.1 The Company has total working capital finance facilities of Rupees 3,190 million (2023: Rupees 5,437 million) available from banking companies out of which Rupees 3,190 million (2023: Rupees 3,487 million) remained unutilized at year end. These facilities carry mark-up at average offer rate for 1 week to 3 months KIBOR plus 0.02% to plus 2.00% (2023: 1 week to 3 months KIBOR minus 0.10% to plus 2.00%) per annum payable weekly / monthly / quarterly. The effective interest rate charged during the year ranged from 16.18% to 24.64% (2023: 16.28% to 25.09%) per annum. These facilities are secured by way of charge to the extent of Rupees 3,988 million (2023: Rupees 6,796 million) on the present and future current assets of the Company.

9.2 These murabaha and musharakah facilities are obtained from Islamic banks aggregating to Rupees 2,450 million (2023: Rupees 4,350 million) to meet short term working capital requirements out of which Rupees 2,450 million (2023: Rupees 2,550 million) remained unutilized at year end. These facilities carry profit at average offer rate for 1 week to 3 months KIBOR plus 0.1% to plus 0.25% (2023:1 week to 3 months KIBOR plus 0.10% to plus 0.25%) per annum payable weekely / quarterly. The effective profit rate charged during the year ranged from 16.19% to 22.62% (2023: 16.49% to 22.86%) per annum. These facilities are secured by way of charge to the extent of Rupees 3,062 million (2023: Rupees 5,438 million) on the present and future current assets of the Company.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

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

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

The management, based on legal advice, is confident that there is no likelihood to assert that the scheme shall be applicable to the Company during the aforementioned period and the Company shall not be required to make any payments under the provisions of the Act. Consequently, no provision has been recognized in these financial statements.

ii) Deputy Commissioner Inland Revenue (DCIR) issued orders dated 27 April 2013, 20 May 2013, 21 May 2013 and 29 August 2013 to the Company in which sales tax refund claims amounting to Rupees 1,486.302 million for the tax periods November 2008 to July 2009, January 2010 to December 2010 and January 2011 to July 2012 were rejected by apportioning input sales tax between capacity invoices and energy invoices and allowed input sales tax allocated to energy invoices only. Against aforesaid orders, the Company filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 10 May 2013, 12 June 2013 and 16 September 2013 which were decided in favour of the Company. On 03 September 2013 and 05 December 2013, against the orders of CIR(A), tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favour of tax department on 04 May 2015 and vacated the order passed by CIR(A). Against the decision of ATIR, the Company filed reference application in the Honorable Lahore High Court (the Court) on 25 May 2015 which has been decided in favour of the Company by the Court. However, department has filed petition for leave to appeal before Supreme Court of Pakistan. Further, DCIR issued show cause notice dated 11 August 2014 to the Company for the tax periods from July 2009 to December 2012 declaring refund claims being inadmissible amounting to Rupees 2,374.766 million on aforesaid grounds. The Company challenged the notice before the Court on 10 October 2014 along with reply of the show cause notice to DCIR. The Court has decided the case in favour of the Company. However, on 04 February 2017, tax department has filed petition for leave to appeal before Supreme Court of Pakistan, as well as review application before the Court.

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

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

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

Based on the advice of legal counsel, the management is of the view that there are meritorious grounds available to defend these cases. Further, the Company has signed Negotiated Settlement Agreement as more fully explained in note 1.2 to these financial statements, wherein it has been agreed that in case the appeals regarding apportionment of input sales tax imposed on the capacity purchase price, pending before the Apex courts are decided finally in favor of Federal Board of Revenue (FBR), and the Company is required to make payment to the FBR after exhausting all legal remedies, the Power

Purchaser shall be obliged to reimburse the payment to the Company within 30 days of the invoice, after making the payment by the Company; Consequently, no provision for these cases has been made in these financial statements.

iii) The tax authorities have carried out assessment proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2012 to 2014 by creating (among others) a demand of Rupees 708.184 million on account of interest on delayed payments by CPPA-G not been offered for tax. As per tax authorities, interest on delayed payments falls under the head income from other sources and is not exempt from tax as the same is not covered under Clause 132, Part I of the Second Schedule to the Income Tax Ordinance, 2001. On 11 April 2013, 15 December 2014 and 28 April 2015, the Company filed appeals against foregoing assessment proceedings before CIR(A), which were decided in favour of the Company. Against the decisions of CIR(A), tax authorities filed appeals before ATIR on 28 August 2013, 25 March 2015 and 29 June 2015. The ATIR through its order dated 01 October 2019 dismissed tax authorities' appeal and upheld the order passed by CIR(A) in case of tax year 2012. The tax authorities have preferred appeal before Honorable Lahore High Court, Lahore against the order of ATIR on 29 January 2020 which is pending adjudication. In case of tax year 2013 and 2014, ATIR through its orders dated 23 April 2022 and 05 July 2022 has dismissed tax authorities' appeals. Based on tax advisor's opinion, the management is confident that the matter will be decided in favour of the Company and accordingly no provision has been made in these financial statements.

iv) DCIR, through an assessment order dated 11 August 2015 rejected the deferred sales tax refund claims of different tax periods amounting to Rupees 44.816 million on the grounds that the Company has failed to prove admissibility of refund claims in the light of objection raised by Sales Tax Automated Refund Repository (STARR). The Company filed an appeal before CIR(A) on 18 October 2017 whereby CIR(A) granted relief to the Company and directed the department to allow Company's refund claim after proper verification of underlying documents and refund should be curtailed if the Company failed to provide the proof. The management is of the view that there are meritorious grounds available to prove the genuineness of the refund claims. Consequently, no provision has been made in these financial statements.

v) On 26 August 2019, DCIR passed an order under section 11 of the Sales Tax Act, 1990 raising a demand on account of sales tax aggregating to Rupees 159.815 million against the Company. On 28 August 2019, the Company filed an appeal before CIR(A) against the order of DCIR. On 12 September 2019, CIR(A) disposed-off the appeal whereby all the matters were decided in favor of the Company except the disallowance of input sales tax on certain purchases aggregating to Rupees 51.707 million. Further, CIR(A) connected the decision regarding the adjustment of input sales tax in respect of building materials amounting to Rupees 2.801 million with the outcome of appeal filed with Honorable Lahore High Court, Lahore as disclosed in note 10.1(vi) to these financial statements. Being aggrieved by the order, the Company filed an appeal before the ATIR on 08 October 2019 challenging the disallowance of input sales tax. On 22 April 2021, ATIR remanded back the case to assessing officer for fresh consideration and to decide the case related to adjustment of input sales tax in respect of building materials in light of judgment passed by Honorable Lahore High Court after providing reasonable opportunity of being heard to the Company. The tax department has filed two sales tax references in Lahore High Court against the order of ATIR on 06 September 2021 which are in process of hearing. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.

vi) On 28 September 2018, the Company challenged, before Honorable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials has been disallowed. The Honorable Lahore High Court, Lahore on 24 October 2019 passed an order against the Company and the Company being aggrieved with the order preferred Intra Court Appeal before the Honorable Lahore High Court, Lahore on 26 November 2019. The Company has claimed input sales tax amounting to Rupees 2.801 million paid on such goods in its respective monthly sales tax returns. On 29 January 2020, the Honorable Lahore High Court, Lahore modified its earlier order dated 24 October 2019 and remanded back the case to assessing / adjudicating officer to interpret clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 on case to case basis. The management has strong grounds to believe that the matter will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

vii) On 23 February 2021, DCIR passed an order under section 11 of Sales Tax Act, 1990 whereby a demand on account of inadmissible input sales tax amounting to Rupees 281.609 million along with default surcharge and penalty has been raised. The Company filed an appeal before CIR(A) on 18 March 2021. On 04 October 2021, CIR(A) disposed off the appeal whereby all the matters were decided in favor of the Company except the disallowance of input sales tax on certain services aggregating to Rupees 8.178 million. Being aggrieved with the order of CIR(A), both the Company and department preferred appeals before ATIR on 14 October 2021 and 31 December 2021 respectively. On 12 August 2023, ATIR granted relief to the Company in the matter of disallowance of input sales tax on certain services. No further appeal in this matter has been filed by the department. However, the appeal filed by the department before ATIR is pending adjudication. Based on the advice of the tax advisor, the management is of the view that there are meritorious grounds available to defend the case. Consequently, no provision has been made in these financial statements.

viii) Amended assessment orders dated 30 April 2018 were issued by the Additional Commissioner Inland Revenue (ACIR) under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2015, 2016 and 2017 whereby taxable income for the tax years under reference was re-computed to Rupees 444.491 million on account of interest income, income from property, minimum tax on capacity sales, scrap sales, gain on sale of fixed assets, confrontation of tax credit under repealed section 65B of the Income Tax Ordinance, 2001 and workers' welfare fund. Against the aforesaid orders, the Company preferred appeal before CIR(A) on 25 May 2018. On 01 June 2021, CIR(A) passed the orders whereby the orders of ACIR were upheld in respect of all the matters except for the taxation of gain on sale of fixed assets and workers' welfare fund which were remanded back to ACIR, for consideration in view of the judgments of ATIR / Honorable Superior Courts. Being aggrieved with the order of CIR(A), the Company preferred an appeal before ATIR on 10 August 2021 which is pending adjudication. On 08 September 2021, ACIR initiated remand back proceedings which were duly replied by the Company. However, on 30 May 2022, ACIR passed an order on remand back proceedings against the Company. Being aggrieved by the order of ACIR, the Company filed appeal before CIR(A) on 24 June 2022. On 13 April 2023, CIR(A) decided the case on taxation of gain on sale of fixed assets against the Company and deleted the demand raised on account of workers' welfare fund. Being aggrieved with the order of CIR(A), tax department and the Company have filed appeals before ATIR on 03 June 2023 and 05 June 2023 respectively which are pending adjudication. Based on the advice of tax advisor, the management has strong grounds to believe that these cases will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

ix) On 03 November 2017, the Company challenged before the Honorable Lahore High Court (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department has filed an appeal before a division bench of Honorable Lahore High Court, Lahore on 13 January 2021, which is pending adjudication. The management, based on the advice of its legal counsel, has strong grounds to believe that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.

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

x) The Company identified certain sales tax Invoices relating to tax periods from September 2010 to September 2017 where the Company duly discharged the liabilities by making payments to suppliers whereas input sales tax aggregating to Rupees 187.056 million was not adjusted against the output sales tax for the respective tax periods. The Company filed application to Federal Board of Revenue (the Board) to condone the time limits regarding the above explained matter. In response to the Company's application, the Board called for a report on factual merits of the Company's application. The Deputy Commissioner Inland Revenue (DC1R), in accordance with the directions of the Board, issued letters to the Company to submit relevant documentary evidence in order to prepare the report for the Board. On 22 April 2019, the Company duly complied with those letters by submitting all the necessary / relevant data. On 30 June 2024, Commissioner Inland Revenue (CIR) submitted report on factual merits of the Company's application and recommended that condonation in respect of input sales tax amounting to Rupees 145.890 million be allowed to the Company. On 22 July 2024, the Board has condoned the time limit to adjust the aforementioned input sales tax amounting to Rupees 145.890 million. However, provision for doubtful sales tax recoverable amounting to Rupees 10.253 million has been duly incorporated in these financial statements. The Company is continuously following up with the Board and is in the process of submitting evidences relating to remaining amount to authorities for expeditious disposal of the case. Based on the advise of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision against the remaining amount has been made in these financial statements.

xi) On 28 April 2022, DCIR passed an order under section 11 of Sales Tax Act, 1990 for tax periods from July 2021 to November 2021 raising a demand of Rupees 129.110 million on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, the Company has filed an appeal before the CIR(A) on 25 May 2022. On 24 November 2022, CIR(A) passed an order whereby partial relief was granted to the Company. The Company preferred an appeal before ATIR on 24 October 2022 which is pending adjudication. On 02 February 2023, tax department has also preferred appeal before ATIR which is pending adjudication. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.

xii) On 27 January 2022, ACIR issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax period September 2013 raising a demand on account of inadmissible input sales tax on various goods and services aggregating to Rupees 17.243 million along with default surcharge and penalty against the Company. The Company duly replied to the said show cause notice. ACIR after considering the Company's reply passed an order on 29 April 2022, whereby input sales tax of Rupees 6.606 million already deferred was rejected and demand of Rupees 10.637 million along with default surcharge and penalty was confirmed. Against the order of ACIR, the Company has filed an appeal before CIR(A) on 25 May 2022. On 24 November 2022, CIR(A) upheld the order passed by ACIR. Against the order of CIR(A), the Company preferred an appeal before ATIR on 24 October 2022 which is pending adjudication. Based on the advice of tax advisor, the management expects favorable outcome of the matter. Consequently, no provision for such disallowance has been made in these financial statements.

xiii) On 18 July 2023, DCIR passed an order under section 11(2) of the Sales Tax Act, 1990 for tax periods from December 2021 to October 2022 raising a demand of Rupees 23.960 million on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, the Company has filed an appeal before CIR(A) on 15 August 2023. On 24 October 2023, CIR(A) partially accepted the Company's stance. Being aggrieved with the order of CIR(A), the Company has preferred an appeal before ATIR on 15 November 2023 which is pending adjudication. The management is of the view that there are meritorious grounds available to defend the case. Consequently, no provision has been made in these financial statements.

xiv) On 20 May 2022, National Electric Power Regulatory Authority (“NEPRA”) issued a show cause notice to the Company, claiming Company’s failure to start the plant during the nation-wide power system break down on 09 January 2021, under various provisions of the Grid Code issued by National Transmission and Despatch Company Limited (“NTDC”) and National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000. The Company submitted its reply to show cause notice on 06 June 2022 based on the grounds that the plant was not available due to technical reasons and the Company has a right to declare forced outage and that there is credible information available to establish the cause of non-availability of plant as per Power Purchase Agreement (PPA). On 13 February 2023, NEPRA rejected the Company’s reply to the show cause notice and imposed a penalty amounting to Rupees 25 million. Being aggrieved with the order of NEPRA, the Company filed an appeal before the Appellate Tribunal (NEPRA) to set aside the aforementioned order. On 27 March 2023, Appellate Tribunal (NEPRA) passed an interim order to deposit post dated cheque of Rupees 25 million to the Registrar of NEPRA and directed the NEPRA to refrain from taking any coercive measure against the Company. Based on the advice of legal counsel, the management is confident of favourable outcome of the matter, hence, no provision against this penalty amount has been made in these financial statements.

xv) On 17 April 2024, DCIR passed an order for tax periods from January 2018 to December 2018 whereby sales tax demand of Rupees 16.999 million along with default surcharge and penalty were raised on various issues under relevant provisions of the Sales Tax Act, 1990. The Company paid the impugned sales tax demand of Rupees 16.999 million. However, being aggrieved, the Company filed an appeal before the learned CIR(A) against the order passed by DCIR on 14 May 2024. On 21 August 2024, ATIR disposed off the appeal whereby all the matters were decided in favor of the Company except for disallowance of input sales tax on certain goods aggregating to Rupees 3.166 million. After the amendments introduced through Finance Act, 2024 the appeal was transferred to the ATIR. On 21 August 2024, ATIR has decided the case in favour of the Company and deleted the original sales tax demand along with default surcharge and penalty. The department has not filled any appeal yet.

xvi) On 22 January 2024, DCIR passed various orders for tax periods from July 2016 to June 2018, July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023 on various issues under relevant provisions of the Sales Tax Act, 1990 aggregating to Rupees 12.811 million including default surcharge and penalty. Being aggrieved by the orders passed by DCIR, Company preferred appeals before CIR(A) on 19 February 2024. On 29 November 2024, in the matter of appeal filed for tax period from July 2016 to June 2018, CIR(A) partially accepted the Company's instance. Being aggrieved with the order of CIR(A), the Company filled an appeal before ATIR which has not been taken up for hearing. However, on 31 October 2024, CIR(A) passed various orders in relation to appeals filed for tax period July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023 whereby matter relating to default surcharge has been remanded back to assessing officer for fresh consideration. Based on tax advisor's opinion, there exists reasonable grounds to defend the Company's stance. Hence, no provision has been made in these financial statements.

xvii) On 16 August 2024, DCIR passed an order for tax periods from November 2022 to June 2023 under section 11 of Sales Tax Act, 1990 whereby sales tax demand of Rupees 2.094 million has been raised on account of inadmissible input sales tax on various goods and services claimed along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, on 23 September 2024, the Company filed an appeal before CIR(A) which has not yet been taken up for adjudication. Based on tax advisor's opinion, there exists reasonable grounds to defend the Company's stance. Hence, no provision has been made in these financial statements.

xviii) On 25 November 2024, Additional Commissioner Inland Revenue (ACIR) passed an order under sections 122(1) and 122(5) of the Income Tax Ordinance, 2001 for tax year 2022 and raised a demand of Rupees 9.039 million on account of tax on profit on debt, scrap sales and gain on disposal of fixed assets. Being aggrieved with the order of ACIR, the Company filled an appeal before CIR(A) on 18 December 2024 which have not yet been taken up for adjudication. Based on tax advisor's opinion, the management is confident that the matter will be decided in favour of the Company and accordingly no provision against the demand has been made in these financial statements.

xix) The bank of the Company have issued letters of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees Nil (2023: Rupees 500 million) against purchase of fuel.

xx) Guarantees of Rupees 19 million (2023: Rupees 19 million) are given by the banks of the Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

10.2 Commitments

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

	2024	2023
	(Rupees in thousand)	
10.2.2 Commitments in respect of other than capital expenditure	34,133	132,994

11 FIXED ASSETS

	2024	2023
Operating fixed assets (Note 11.1)	2,998,120	3,863,831
Capital work-in-progress (Note 11.2)	-	6,096
	2,998,120	3,869,927

11.1 FIXED ASSETS

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

Description	Freehold land	Buildings on freehold land	Air strip	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Electric equipment and appliances	Total
	- - - - -- - - - - - - - - - - -- - - - - - Rupees in thousand - - - - - - - - - - - - - - - - - - -- - - - -								
At 31 December 2022									
Cost	251,772	961,544	23,807	14,728,084	8,132	29,062	35,887	13,042	16,051,330
Accumulated depreciation	-	(695,125)	(23,807)	(10,913,459)	(5,916)	(10,036)	(31,789)	(8,935)	(11,689,067)
Net book value	251,772	266,419	-	3,814,625	2,216	19,026	4,098	4,107	4,362,263
Year ended 31 December 2023									
Opening net book value	251,772	266,419	-	3,814,625	2,216	19,026	4,098	4,107	4,362,263
Additions	-	-	-	444,379	2,001	3,457	5,837	698	456,372
Disposals:									
Cost	-	-	-	(118,200)	-	(166)	(316)	-	(118,682)
Accumulated depreciation	-	-	-	118,200	-	151	316	-	118,667
	-	-	-	-	-	(15)	-	-	(15)
Depreciation charge	-	(51,365)	-	(893,962)	(616)	(5,044)	(2,799)	(1,003)	(954,789)
Closing net book value	251,772	215,054	-	3,365,042	3,601	17,424	7,136	3,802	3,863,831
At 31 December 2023									
Cost	251,772	961,544	23,807	15,054,263	10,133	32,353	41,408	13,740	16,389,020
Accumulated depreciation	-	(746,490)	(23,807)	11,689,221)	(6,532)	(14,929)	(34,272)	(9,938)	(12,525,189)
Net book value	251,772	215,054	-	3,365,042	3,601	17,424	7,136	3,802	3,863,831
Year ended 31 December 2024									
Opening net book value	251,772	215,054	-	3,365,042	3,601	17,424	7,136	3,802	3,863,831
Additions	-	10,825	-	23,033	741	11,800	7,701	737	54,837
Disposals / derecognitions:									
Cost	-	-	-	-	-	-	(751)	-	(751)
Accumulated depreciation	-	-	-	-	-	-	751	-	751
	-	-	-	-	-	-	-	-	-
Written off:									
Cost	-	-	-	-	-	(5,339)	-	(2,051)	(7,390)
Accumulated depreciation	-	-	-	-	-	5,339	-	2,051	7,390
	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(51,803)	-	(857,082)	(872)	(5,083)	(4,569)	(1,139)	(920,548)
Closing net book value	251,772	174,076	-	2,530,993	3,470	24,141	10,268	3,400	2,998,120
At 31 December 2024									
Cost	251,772	972,369	23,807	15,077,296	10,874	44,153	48,358	14,477	16,443,106
Accumulated depreciation	-	(798,293)	(23,807)	(12,546,303)	(7,404)	(20,012)	(38,090)	(11,077)	(13,444,986)
Net book value	251,772	174,076	-	2,530,993	3,470	24,141	10,268	3,400	2,998,120
Annual rate of depreciation (%)		2.95 - 25.40	5	3.19 - 33.33	10 - 25.40	20 - 25.40	10 - 33.33	8.19 - 33.33	

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

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

	2024	2023
	(Rupees in thousand)	
Cost of sales (Note 23)	908,885	945,327
Administrative expenses (Note 24)	11,663	9,462
	920,548	954,789

11.1.3 Operating fixed assets include fixed assets costing Rupees 1,129.928 million (2023: Rupees 907.278 million) which are fully depreciated but still in the use of the Company.

11.1.4 Particulars of immovable properties are as follows:

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

	2024	2023
	(Rupees in thousand)	
11.2 Capital work-in-progress		
Plant and machinery	-	177
Buildings on freehold land	-	5,919
	-	6,096

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

	Categories					
	Platn and machinery	Platn and machinery	Furniture and fittings	Office equipment	Electric equipment and appliances	Total
	(- - - - - - - - - - - - Rupees in thousand - - - - - - - - - - - -)					
As at 31 December 2022	-	136,486	-	-	-	136,486
Add: Additions during the year	5,919	308,070	2,001	3,981	639	320,610
Less: Transferred to operating fixed assets during the year	-	(444,379)	(2,001)	(3,981)	(639)	(451,000)
As at 31 December 2023	5,919	177	-	-	-	6,096
Add: Additions during the year	4,906	21,817	741	2,839	573	30,877
Less: Transferred to operating fixed assets during the year	(10,825)	(21,994)	(741)	(2,839)	(573)	(36,973)
As at 31 December 2024	-	-	-	-	-	-

	2024	2023
	(Rupees in thousand)	

12 LONG TERM INVESTMENT

Associated company - under equity method

	2024	2023
Nishat Energy Limited - unquoted		
250,000 (2023: 250,000) fully paid ordinary shares of Rupees 10 each		
Equity held 25% (2023: 25%) at cost	2,500	2,500
Share of reserve		
Opening balance	(1,658)	(1,658)
Less: Share of loss	-	-
Closing balance	(1,658)	(1,658)
Less: Impairment loss	(842)	(842)
Carrying amount under equity method	-	-

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

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

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

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

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

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

	2024	2023
	(Rupees in thousand)	

13 LONG TERM LOANS TO EMPLOYEES

	2024	2023
Considered good:		
Executives (Note 13.1)	45,812	32,899
Other employees	1,993	3,004
	47,805	35,903
Current portion shown under current assets (Note 17)		
Executives	(28,343)	(8,947)
Other employees	(480)	(836)
	(28,823)	(9,783)
	18,982	26,120

13.1 Reconciliation of carrying amount of loans to executives:

	2024	2023
Opening balance	32,899	27,052
Add: Transfer of loan from 'other employees'	1,803	-
Add: Disbursements	65,193	23,237
	99,895	50,289
Less: Repayments	(54,083)	(17,390)
Closing balance	45,812	32,899

13.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 58.896 million (2023: Rupees 32.899 million).

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

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

	2024	2023
	(Rupees in thousand)	

14 STORES, SPARE PARTS AND OTHER CONSUMABLES

	2024	2023
Stores, spare parts and other consumables (Note 14.1)	850,258	680,844
Less: Write down of stores, spare parts and other consumables to net realizable value (NRV) (Note 25)	203,190	-
	647,068	680,844

14.1 These include stores in transit of Rupees 9.408 million (2023: Rupees 5.063 million). Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

15 FUEL STOCK

	2024	2023
	(Rupees in thousand)	
Furnace oil	2,451,873	1,765,585
Diesel	34,233	32,833
	2,486,106	1,798,418

15.1 Fuel stock of Rupees 2,713.812 million (2023: Rupees Nil) is being carried at net realizable value.

16 TRADE DEBTS - secured

	2024	2023
	(Rupees in thousand)	
Other than related parties - considered good	11,514,884	10,868,052

16.1 The Company has entered into 'Negotiated Settlement Agreement' (the Agreement) as more fully explained in note 1.2 to these financial statements whereby it has been agreed that following the early termination of the existing PPA, the Power Purchaser shall pay all outstanding receivables upto effective date of the Agreement as full and final settlement by 30 April 2025. Further, the Company has also agreed to waive off all of its rights or claims relating to delayed payment markup. Accordingly, delayed payment markup amounting to Rupees 456.462 million has been written off (note 25) in these financial statements.

	2024	2023
	(Rupees in thousand)	

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

	2024	2023
Neither past due nor impaired	1,455,034	3,555,658
Past due but not impaired:		
- 26 to 90 days	1,455,033	3,308,637
- 91 to 180 days	2,268,664	4,003,757
- 181 to 365 days	6,336,153	-
	10,059,850	7,312,394
	11,514,884	10,868,052

17 LOANS, ADVANCES AND SHORT TERM PREPAYMENTS

	2024	2023
Current portion of long term loans to employees (Note 13)	28,823	9,783
Advances - considered good:		
- to employees for expenses	1,531	161
- to employees against salary	913	1,404
- to suppliers - unsecured	1,129	16,146
- against letters of credit	269	2,638
Short term prepayments	772,311	17,440
	804,976	47,572

18 OTHER RECEIVABLES

	2024	2023
Recoverable from CPPA-G as pass through item:		
Workers' profit participation fund (Note 18.1)	543,926	459,074
Workers' welfare fund (Note 18.2)	447,729	351,064
Sales tax recoverable (Note 18.3)	1,136,909	2,367,938
	2,128,564	3,178,076

18.1 Workers' profit participation fund

	2024	2023
Opening balance	459,074	209,280
Add: Allocation for the year (Note 25.2)	241,663	302,261
Less: Amount received during the year	(156,812)	(52,467)
Closing balance	543,926	459,074

	2024	2023
	(Rupees in thousand)	
18.2 Workers' welfare fund		
Considered good (Note 18.2.1)	447,729	351,064
Considered doubtful	5,135	5,135
Provision for doubtful receivable	(5,135)	(5,135)
	-	-
	447,729	351,064
18.2.1 Considered good		
Opening balance	351,064	230,159
Add: Allocation for the year (Note 25.3)	96,665	120,905
Less: Amount received during the year	-	-
Closing balance	447,729	351,064
18.3 Sales tax recoverable		
Considered good	1,136,909	2,367,938
Considered doubtful	188,438	-
Provision against doubtful sales tax recoverable	(188,438)	-
	-	-
	1,136,909	2,367,938

19 ADVANCE INCOME TAX AND LEVY - NET

	2024	2023
Advance income tax - net		
Advance income tax	270,937	300,265
Less: Provision for taxation	(278,366)	(138,993)
	(7,429)	161,272
Levy - net		
Prepaid levy	50,791	25,761
Less: Levy payable	(84,444)	(42,935)
	(33,653)	(17,174)
	(41,082)	144,098

	2024	2023
	(Rupees in thousand)	

20 SHORT TERM INVESTMENTS

20.1 Debt Instrument:

	2024	2023
At fair value through profit or loss (FVTPL):		
Pakistan Investment Bonds (Note 20.1.1)	-	6,723,553

20.2 Equity instruments:

	2024	2023
At fair value through profit or loss (FVTPL):		
Quoted - related party:		
MCB Cash Management Optimizer 6,509,669.5534 (2023: Nil) units	687,086	-
Pakistan Income Enhancement Fund 72,531,861.2089 (2023: Nil) units	4,229,441	-
MCB Government Securities Plan-I 14,457,251.3756 (2023: Nil) units	1,471,069	-
	6,387,596	-
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	238,729	-
	6,626,325	6,723,553

20.1.1 Investment in Pakistan Investment Bonds carried effective interest rate of 22.53% per annum and having maturity date of 14 December 2028.

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

21 CASH AND BANK BALANCES

	2024	2023
	(Rupees in thousand)	
Cash in hand	255	291
Cash with banks on:		
Saving accounts (Note 21.1)	99,617	2,134,346
Current accounts	132	52
	99,749	2,134,398
	100,004	2,134,689

21.1 Saving accounts carry profit at the rates ranging from 4.80% to 20.50% (2023: 14.50% to 20.5%) per annum.

21.2 Included in cash with banks are Rupees 99.697 million (2023: Rupees 2,134.363 million) with MCB Bank Limited - related party.

	2024	2023
	(Rupees in thousand)	
22 REVENUE FROM CONTRACT WITH CUSTOMER		
Energy purchase price	2,983,445	12,614,770
Less: Sales tax	(455,102)	(1,911,774)
	2,528,343	10,702,996
Capacity purchase price	8,788,037	7,994,347
Delayed payment mark-up	-	2,139,169
	11,316,380	20,836,512
23 COST OF SALES		
Fuel cost (Note 23.1)	2,719,502	11,261,706
Operation and maintenance costs (Note 23.2)	811,359	1,616,123
Insurance	1,523,172	1,326,282
Depreciation (Note11.1.2)	908,885	945,327
Liquidated damages to CPPA-G	1,644	-
	5,964,562	15,149,438
23.1 Fuel cost		
Opening stock	1,798,418	2,855,639
Purchased during the year	3,882,667	10,204,485
Provision for net realizable value (NRV) against furnace oil (Note 25)	(475,477)	-
	5,205,608	13,060,124
Closing stock	(2,486,106)	(1,798,418)
	2,719,502	11,261,706
23.2 Operation and maintenance costs		
Salaries, wages and other benefits (Note 23.2.1)	290,422	289,335
Repair and maintenance	161,038	539,091
Stores and spare parts consumed	93,795	552,068
Fee and subscription	13,770	10,240
Electricity consumed in-house	252,334	225,389
	811,359	1,616,123

23.2.1 Salaries, wages and other benefits include provident fund contribution and provision for gratuity of Rupees 16.680 million (2023: Rupees 14.986 million) and Rupees 17.463 million (2023: Rupees 11.194 million) respectively.

24 ADMINISTRATIVE EXPENSES

	2024	2023
	(Rupees in thousand)	
Salaries and other benefits (Note 24.1)	125,415	87,648
Travelling, conveyance and entertainment	191,812	182,848
Communication and utilities	1,791	1,238
Insurance	5,807	5,064
Legal and professional	61,941	18,767
Printing and stationery	4,139	2,407
Office rent (Note 24.2)	7,447	6,506
Depreciation (Note 11.1.2)	11,663	9,462
Community welfare	10,767	5,049
Miscelleneous	11,571	10,828
	432,353	329,817

24.1 Salaries and other benefits include provident fund contribution and provision for gratuity of Rupees 4.784 million (2023: Rupees 2.969 million) and Rupees 1.532 million (2023: Rupees 0.851 million) respectively.

24.2 This represents expense relating to lease of low value asset.

25 OTHER EXPENSES

	2024	2023
	(Rupees in thousand)	
Auditor's remuneration (Note 25.1)	3,872	3,520
Workers' profit participation fund (Note 25.2)	-	-
Workers' welfare fund (Note 25.3)	-	-
Employee's Voluntary Severance Scheme (VSS) (Note 25.4)	101,855	-
Sales tax written off	3,166	-
Trade debts written off	456,462	10,114
Provision for net realizable value (NRV) against furnace oil (Note 23.1)	475,477	-
Write down of stores, spare parts and other consumables to net realizable value (NRV) (Note 14.2)	203,190	-
Provision against doubtful sales tax recoverable (Note 18.3)	188,438	-
Donations (Note 25.5 and Note 25.6)	1,856	1,664
	1,434,316	15,298

	2024	2023
	(Rupees in thousand)	

25.1 Auditor's remuneration

	2024	2023
Statutory audit	2,902	2,638
Half yearly review	688	625
Other certifications	151	137
Out-of-pocket expenses	131	120
	3,872	3,520

25.2 Workers' profit participation fund

	2024	2023
Allocation for workers' profit participation fund (Note 7.1)	241,663	302,261
Allocation to workers' profit participation fund recoverable from CPPA-G (Note 18.1)	(241,663)	(302,261)
	-	-

25.3 Workers' welfare fund

	2024	2023
Allocation for workers' welfare fund (Note 7.2)	96,665	120,905
Allocation to workers' welfare fund recoverable from CPPA-G (Note 18.2.1)	(96,665)	(120,905)
	-	-

25.4 The Company has entered into 'Negotiated Settlement Agreement' (the Agreement) as more fully explained in note 1.2 to these financial statements. Therefore, to align manpower with expected future requirements, Employee's Voluntary Severance Scheme (VSS) has been announced and offered to all employees of the Company during the year ended 31 December 2024. 35 employees availed the VSS scheme, and accordingly related expense has been accounted for in these financial statements.

25.5 These include Rupees 1.2 million (2023: Rupees 1.2 million) paid to Care Foundation.

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

	2024	2023
	(Rupees in thousand)	

26 OTHER INCOME

Income from financial assets:		
Profit on:		
Saving bank accounts	134,002	105,888
Term deposit receipts	700	760
Gain on disposal of investment in mutual funds	422,935	-
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	238,729	-
Gain on disposal of Government Treasury Bills	22,618	153,234
Gain on disposal of Pakistan Investment Bonds	170,276	288,809
Dividend income	336,525	171,740
Income from non-financial assets:		
Scrap sales	62,716	13,807
Other:		
Rental income	-	380
	1,388,501	734,618

27 FINANCE COST

Mark-up / profit on short term borrowings	37,982	22,746
Bank charges and commission	2,400	8,604
	40,382	31,350

28 LEVY

Final tax	84,444	42,935

29 TAXATION

Current tax	278,366	138,993

29.1 Relationship between tax expense and accounting profit is as follows:

Profit before taxation and levy	4,833,268	6,045,227
Tax at the applicable rate of 29% (2023: 29%)	1,401,648	1,753,116
Effect of final tax regime and capital gain taxed at lower rate	150,041	91,184
Effect of expenses and income that are not considered in determining taxable liability	(1,317,659)	(1,731,280)
Effect of super tax	128,780	68,908
	362,810	181,928

	2024	2023

30 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

	2024	2023
Profit attributable to ordinary shareholders (Rupees in thousand)	4,470,458	5,863,299
Weighted average number of shares (Number)	372,081,591	372,081,591
Earnings per share - basic and diluted (Rupees)	12.01	15.76

31 CASH GENERATED FROM OPERATIONS

	2024	2023
	(Rupees in thousand)	
Profit before taxation and levy	4,833,268	6,045,227
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets (Note 11.1)	908,885	954,789
Provision for gratuity (Note 6.7)	18,995	12,045
Profit on saving bank accounts (Note 26)	(134,002)	(105,888)
Profit on term deposit receipts (Note 26)	(700)	(760)
Gain on disposal of investment in mutual funds (Note 26)	(422,935)	-
Unrealized gain on remeasurement of investments at fair value through profit or loss - net (Note 26)	(238,729)	-
Employee's Voluntary Severance Scheme (Note 25)	101,855	-
Finance cost (Note 27)	40,382	31,350
Sales tax written off (Note 25)	3,166	-
Write down of stores, spare parts and other consumables to net realizable value (NRV) (Note 25)	203,190	-
Provision for net realizable value (NRV) against furnace oil (Note 25)	475,477	-
Provision against doubtful sales tax recoverable (Note 18.3)	188,438	-
Trade debts written off (Note 25)	456,462	10,114
Gain on disposal of Pakistan Investment Bonds (Note 26)	(170,276)	(288,809)
Gain on disposal of Government Treasury Bills (Note 26)	(22,618)	(153,234)
Dividend income (Note 26)	(336,525)	(171,740)
Cash flows from operating activities before working capital changes	5,904,333	6,333,094
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(169,414)	80,945
Fuel stock	(1,163,165)	1,057,221
Trade debts	(1,103,294)	3,839,311
Loans, advances and short term prepayments	(757,404)	736,914
Other receivables	857,908	(605,917)
	(2,335,369)	5,108,474
(Decrease) / increase in trade and other payables	(444,160)	301,418
	3,124,804	11,742,986

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

	Liabilities from financing activities Unclaimed dividend (Rupees in thousands)
Balance as at 01 January 2023	7,852
Dividends declared	6,325,387
Dividends paid	(6,226,297)
Balance as at 31 December 2023	106,942
Dividend declared	2,604,571
Dividend paid	(2,580,898)
Balance as at 31 December 2024	130,615

32 PROVIDENT FUND

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

33 NUMBER OF EMPLOYEES

	2024	2023
Number of employees as on 31 December	84	78
Average number of employees during the year	89	80

34 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, other related parties, key management personnel and staff retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Detail of significant transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements, except for remuneration to key management personnel as disclosed in note 35, are as follows:

Associated companies	Nature of transaction	2024	2023
		(Rupees in thousand)	
Nishat Mills Limited	Dividend	787,838	1,902,387
Adamjee Insurance Company Limited	Dividend	179,418	435,730
	Insurance premium paid	4,848	4,524
	Insurance claim received	738	335
Security General Insurance Company Limited	Dividend	52,597	127,736
	Insurance premium paid	2,520,509	1,570,943
	Insurance claim received	127	-
Pakistan Aviators and Aviation (Private) Limited	Flying services	139,681	140,493
Nishat (Aziz Avenue) Hotels and Properties Limited	Dividend	595	1,445
Nishat Real Estate Development Company (Private) Limited	Dividend	322	782
Hyundai Nishat Motor (Private) Limited	Repair and maintenance	141	-
	Purchase of vehicles	7,300	-
Nishat Hotels and Properties Limited	Boarding and lodging services	815	870
MCB Bank Limited	Profit on bank deposits received	131,273	95,442
D.G. Khan Cement Company Limited	Purchase of goods	-	480
Adamjee Life Assurance Company Limited	Insurance premium paid	1,723	1,374
Mr. Hassan Mansha	Dividend	102,419	248,733
Mrs. Sadia Younas Mansha	Dividend	4	9
Mr. Muhammad Ali Zeb	Dividend	4	8
Mr. Omer Zubair Khan	Dividend	4	8
Mr. Farrukh Ifzal	Dividend	4	9
Mr. Samir Mustapha Chinoy	Dividend	4	9
Mr. Ghazanfar Hussain Mirza	Dividend	7	17
Dr. Arif Bashir*	Dividend	7	17
Staff retirement benefit plans			
Provident fund trust	Contributions	21,465	17,955
Gratuity fund trust	Benefits paid on behalf of fund	10,456	13,511

*Ceased to be the director of the Company with effect from 31 December 2024.

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

Name of the related party	Basis of relationship	Transaction entered or agreement and / or arrangement in place during the financial year	Percentage of share-holding held by the Company
Nishat Mills Limited	Common Directorship	Yes	None
Security General Insurance Company Limited	Common Directorship	Yes	None
Lalpir Power Limited	Common Directorship	No	None
Nishat Hospitality (Private) Limited	Group Company	No	None
Pakistan Aviators and Aviation (Private) Limited	Common Directorship	Yes	None
Nishat Hotels and Properties Limited	Common Directorship	Yes	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common Directorship	Yes	None
Nishat Power Limited	Common Directorship	No	None
Nishat Packaging Limited (formerly Nishat Paper Products Company Limited)	Common Directorship	No	None
Nishat Developers (Private) Limited	Common Directorship	No	None
Nishat Dairy (Private) Limited	Common Directorship	No	None
Nishat Agriculture Farming (Private) Limited	Common Directorship	No	None
Nishat Real Estate Development Company (Private) Limited	Common Directorship	Yes	None
Nishat Energy Limited	Shareholding	No	25%
Adamjee Life Assurance Company Limited	Group Company	Yes	None
Hyundai Nishat Motor (Private) Limited	Common Directorship	Yes	None
Adamjee Insurance Company Limited	Common Directorship	Yes	None
D.G. Khan Cement Company Limited	Group Company	Yes	None
Nishat Agrotech Farms (Private) Limited	Common Company Secretary	No	None
Nishat Sutas Dairy Limited	Common Directorship	No	None
Golf View Land (Private) Limited	Group Company	No	None
Nishat Linen (Private) Limited	Group Company	No	None
MCB Bank Limited	Common Directorship	Yes	None
Emporium Properties (Private) Limited	Group Company	No	None
Nishat (Raiwind) Hotels and Properties Limited	Common Directorship	No	None
Nishat Commodities (Private) Limited	Group Company	No	None
MCB Islamic Bank Limited	Group Company	No	None
Mirpur Khas Sugar Mills Limited	Common Directorship	No	None
International Steel Limited	Common Directorship	No	None
NexGen Auto (Private) Limited	Common Directorship	No	None
Nishat Chunian Power Limited	Common Directorship	No	None
Quaid-e-Azam Thermal Power (Private) Limited	Common Directorship	No	None
Intermark (Private) Limited	Common Directorship	No	None
Haball (Private) Limited	Common Directorship	No	None
IIL Australia PTY Limited	Common Directorship	No	None
Provident fund trust	Post-employment benefit plan	Yes	None
Gratuity fund trust	Post-employment benefit plan	Yes	None
Mr. Hassan Mansha	Director	Yes	None
Mrs. Sadia Younas Mansha	Director	Yes	None
Mr. Muhammad Ali Zeb	Director	Yes	None
Mr. Omer Zubair Khan	Director	Yes	None
Mr. Farrukh Ifzal	Director	Yes	None
Mr. Samir Mustapha Chinoy	Director	Yes	None
Mr. Ghazanfar Hussain Mirza	Director	Yes	None
Mr. Sheikh Muhammad Shakeel	Director	No	None
Dr. Arif Bashir*	Director	Yes	None

*Ceased to be the director of the Company with effect from 31 December 2024.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2024		2023	
	Chief Executive	Executives	Chief Executive	Executives
	-------- (Rupees In Thousand)--------			
Managerial remuneration	26,680	23,822	210,161	168,446
Medical expenses	2,668	2,382	21,016	16,845
Bonus	-	6,066	15,656	45,110
Retirement benefits	-	-	33,435	29,592
Employee's Voluntary Severance Scheme (VSS)	-	-	89,912	-
	29,348	32,270	370,180	259,993
Number of persons	1	58	1	50

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

35.2 Meeting fee of Rupees 1,295,000 (2023: Rupees 1,165,000) was paid to non-executive directors of the Company during the year.

35.3 No remuneration was paid to directors of the Company.

36 FINANCIAL RISK MANAGEMENT

36.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2024	2023
Trade and other payables		
- USD	(44,919)	-
- GBP	-	(588)
- JPY	-	(228,235)
Net exposure - USD	(44,919)	-
Net exposure - GBP	-	(588)
Net exposure - JPY	-	(228,235)

The following significant exchange rates were applied during the year:

	2024	2023
Rupees per US Dollar		
Average rate	278.53	283.53
Reporting date rate	278.55	282.40
Rupees per GBP		
Average rate	356.08	353.89
Reporting date rate	349.71	359.77
Rupees per JPY		
Average rate	1.78	2.01
Reporting date rate	1.78	2.00

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD (2023: GBP and JPY) with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.626 million (2023: Rupees 0.033 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

(iii) Interest rate risk

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

The Company's interest rate risk arises from short term investment and bank balances in saving accounts. Financial instruments obtained at variable rates expose the Company to cash flow interest rate risk. Financial instruments obtained, if any, at fixed rate expose the Company to fair value interest rate risk.

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

	2024	2023
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Short term investments	-	6,723,553
Financial liabilities	-	-
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	99,617	2,134,346
Trade debts - past due	-	6,705,242
	99,617	8,839,588
Financial liabilities		
Short term borrowings	-	(3,749,911)
Net exposure	99,617	5,089,677

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 as on 31 December 2024. 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 0.996 million (2023: Rupees 50.897 million) higher / lower, mainly as a result of higher / lower interest income on floating rate instruments. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2024	2023
	(Rupees in thousand)	
Loans to employees	48,718	37,307
Long term security deposits	1,774	1,774
Trade debts	11,514,884	10,868,052
Short term investments	6,626,325	6,723,553
Accrued interest	2,961	45
Other receivables	991,655	810,138
Bank balances	99,749	2,134,398
	19,286,066	20,575,267

Age analysis of trade debts as at the reporting date is given in note 16.2.

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

	Rating			2024	2023
	Short Term	Long Term	Agency	(Rupees in thousand)	
CPPA-G		Not available		-	711,592
Short term investments					
State Bank of Pakistan		Not available		-	6,723,553
MCB Cash Management Optimizer	-	AA+(f)	PACRA	687,086	-
Pakistan Income Enhancement Fund	-	A+(f)	PACRA	4,229,441	-
MCB Government Securities Plan-I		Not available		1,471,069	-
Banks					
National Bank of Pakistan	A-1+	AAA	PACRA	5	2
Habib Bank Limited	A-1+	AAA	VIS	19	7
MCB Bank Limited	A-1+	AAA	PACRA	99,697	-
2,134,363					
United Bank Limited	A-1+	AAA	VIS	3	-
4					
The Bank of Punjab	A-1+	AA+	PACRA	7	7
Allied Bank Limited	A-1+	AAA	PACRA	8	3
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	4	5
Faysal Bank Limited	A-1+	AA	PACRA	6	7
				99,749	2,134,398
				6,487,345	9,569,543

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 2024, the Company had Rupees 5,640 million (2023: Rupees 6,036.789 million) available borrowing limits from financial institutions, Rupees 6,626.325 million (2023: Rupees 6,723.553 million) short term investments and Rupees 100.004 million (2023: Rupees 2,134.689 million) cash and bank balances to meet the short term funding requirements due to delay in payments by CPPA-G. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 31 December 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	.... (Rupees in thousand)					
Non-derivative financial liabilities:						
Trade and other payables	151,588	151,588	151,588	-	-	-
Unclaimed dividend	130,615	130,615	130,615	-	-	-
Accrued mark-up / profit	10,502	10,502	10,502	-	-	-
	292,705	292,705	292,705	-	-	-

Contractual maturities of financial liabilities as at 31 December 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	.... (Rupees in thousand)					
Non-derivative financial liabilities:						
Trade and other payables	256,229	256,229	256,229	-	-	-
Unclaimed dividend	106,942	106,942	106,942	-	-	-
Accrued mark-up / profit	11,327	11,327	11,327	-	-	-
Short term borrowings	3,749,911	3,860,928	3,860,928	-	-	-
	4,124,409	4,235,426	4,235,426	-	-	-

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

36.2 Offsetting financial assets and financial liabilities

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

36.3 Financial instruments by categories

		2024	
	At amortized cost	At fair value through profit or loss	Total
	.... (Rupees in thousand)		
Assets as per statement of financial position			
Loans to employees	48,718	-	48,718
Long term security deposits	1,774	-	1,774
Trade debts	11,514,884	-	11,514,884
Short term investments	-	6,626,325	6,626,325
Accrued interest	2,961	-	2,961
Other receivables	991,655	-	991,655
Cash and bank balances	100,004	-	100,004
	12,659,996	6,626,325	19,286,321

	2023		
	At amortized cost	At fair value through profit or loss	Total
	.... (Rupees in thousand)		
Loans to employees	37,307	-	37,307
Long term security deposits	1,774	-	1,774
Trade debts	10,868,052	-	10,868,052
Short term investments	-	6,723,553	6,723,553
Accrued interest	45	-	45
Other receivables	810,138	-	810,138
Cash and bank balances	2,134,689	-	2,134,689
	13,852,005	6,723,553	20,575,558

Liabilities as per statement of financial position	Financial liabilities at amortized cost	
	2024	2023
	(Rupees in thousand)	
Trade and other payables	151,588	256,229
Unclaimed dividend	130,615	106,942
Accrued mark-up / profit	10,502	11,327
Short term borrowings	-	3,749,911
	292,705	4,124,409

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

	2024		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	------------(Rupees in thousand)------------		
Assets			
Long term loans to employees	18,982	-	18,982
Long term security deposits	1,774	-	1,774
Loans, advances and short term prepayments	29,736	775,240	804,976
Trade debts	11,514,884	-	11,514,884
Short term investments	6,626,325	-	6,626,325
Other receivables	991,655	-	2,128,564
Accrued Interest	2,961	-	2,961
Cash and bank balances	100,004	-	100,004
	19,286,321	775,240	21,198,470

	2024		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	------------(Rupees in thousand)------------		
Liabilities			
Trade and other payables	151,588	420,646	572,234
Unclaimed dividend	130,615	-	130,615
Accrued mark-up / profit	10,502	-	10,502
	292,705	420,646	713,351

	2023		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	------------(Rupees in thousand)------------		
Assets			
Long term loans to employees	26,120	-	26,120
Long term security deposits	1,774	-	1,774
Loans, advances and short term prepayments	11,187	36,385	47,572
Trade debts	10,868,052	-	10,868,052
Short term investments	6,723,553	-	6,723,553
Other receivables	810,138	-	810,138
Accrued Interest	45	-	45
Cash and bank balances	2,134,689	-	2,134,689
	20,575,558	36,385	20,611,943

	2023		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	------------(Rupees in thousand)------------		
Liabilities			
Trade and other payables	256,229	658,310	914,539
Unclaimed dividend	106,942	-	106,942
Accrued mark-up / profit	11,327	-	11,327
Short term borrowings	3,749,911	-	3,749,911
	4,124,409	658,310	4,782,719

37 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 31 December 2024	Level 1	Level 2	Level 3	Total
	---------- (Rupees in thousand) ----------			
Financial assets				
Financial assets at fair value through profit or loss	6,626,325	-	-	6,626,325

Recurring fair value measurements at 31 December 2023	Level 1	Level 2	Level 3	Total
	---------- (Rupees in thousand) ----------			
Financial assets				
Financial assets at fair value through profit or loss	-	6,723,553	-	6,723,553

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments is the use of net assets value (NAV) of Asset Management Company.

	2024 MWH	2023 MWH
38 CAPACITY AND ACTUAL PRODUCTION		
Installed capacity based on 8,784 (2023: 8,760) hours	3,206,160	3,197,400
Actual energy delivered	59,991	294,045

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

39 UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2024	2023	2024	2023
Total facilities	1,110,000	2,110,000	5,640,000	9,786,700
Utilized at the end of the year	53,133	651,994	-	3,749,911
Unutilized at the end of the year	1,056,867	1,458,006	5,640,000	6,036,789

40 SEGMENT INFORMATION

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

41 DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITITIES AS ITS CORE BUSINESS ACTIVITIES

	2024	2023
	(Rupees in thousand)	
Description		
Short term borrowings	8,627,313	4,787,924
Interest or mark-up accrued on any conventional loan or advance	19,989	10,217
Long-term and short-term Shariah compliant Investments		
Short term investment	-	-
Shariah-compliant bank deposits, bank balances, and TDRs	7	12
Revenue earned from a Shariah-compliant business segment (Note 22)	11,316,380	-
Break-up of late payments or liquidated damages	-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		
Dividend received	335,003	-
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		
Profit on deposits with banks	-	-
Exchange gain earned from actual currency	-	-
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	19,181	29,523
Total Interest earned on any conventional loan or advance		
Interest on saving accounts (Note 26)	134,002	105,888
Interest paid on loans	19,627	15,974
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income		
Shariah-compliant		
Gain on disposal of investment in mutual funds	126,981	-
Interest on Term Deposit Receipt (Note 26)	700	760
Dividend income	335,003	-
Non-compliant		
Dividend income	1,522	171,740
Unrealized gain on remeasurement of investments at fair value through profit or loss - net (Note 26)	238,729	-
Gain on disposal of investment in mutual funds (Note 26)	422,935	-
Gain on disposal of Pakistan Investment Bonds (Note 26)	170,276	288,809
Gain on disposal of Government Treasury Bills (Note 26)	22,618	153,234
Interest on saving accounts (Note 26)	134,002	105,888
Scrap sales (Note 26)	62,716	13,807
Rental income (Note 26)	-	380
Gain on disposal of investment in mutual funds	295,954	-

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

MCB Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance and short term borrowings
Faysal Bank Limited	Bank balance and short term borrowings
Al-Baraka Bank (Pakistan) Limited	Bank balance
National Bank of Pakistan	Short term borrowings

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 March 2025 by the Board of Directors of the Company.

42 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, except for reclassification of 'sales tax recoverable' from the face of statement of financial position to 'other receivables' (note 18) and reclassifications as disclosed in note 2.16 to these financial statements, no other significant rearrangements / reclassifications have been made.

43 GENERAL

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

Statement under section 232 of the Companies Act, 2017

These financial statements have been signed by two directors and chief financial officer instead of chief executive officer, one director and chief financial officer as the chief executive officer is not available for the time being in Pakistan.

DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER

FORM OF PROXY

I/We, ____

of ____________________ CDC A/C NO. / FOLIO NO. ____________________

being a shareholder of the PAKGEN POWER LIMITED (The Company) do hereby appoint.

Mr./Miss/Ms. ____

of ____________________ CDC A/C NO. / FOLIO NO. ____________________

and or failing him/her ____________________ of ____________________

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on April 28, 2025 (Monday) at 11:30 a.m. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore, 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 ____________ 2025.

Signature ____________________

Address ____________________

____

CNIC No. ____________________

Revenue Stamp of Rs. 50/-

No. of shares held ____________________

Witness:-

Name ____________________ Name ____________________

Address ____________________ Address ____________________

____________________ ____________________

CNIC No. ____________________ CNIC No. ____________________

IMPORTANT:

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

AFFIX
CORRECT
POSTAGE

The Company Secretary

PAKGEN POWER LIMITED

53 - A, Lawrence Road, Lahore.

UAN: 111 113 333 Fax: 042 - 36367414

نمائندگی کا فارم (پراکسی فارم)

میں / ہم ______________________________

ساکن ______________________________ سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر ______________

بحیثیت رکن پاک جن پاور لمیٹڈ (کمپنی) اور حامل عام حصص بذریعہ ہذا محترم / محترمہ ______________________________

ساکن ______________________________ سی ڈی سی اکاؤنٹ نمبر / فولیو

نمبر ______ اور یا اسکی غیر موجودگی کی صورت میں ______________________________

ساکن ______________________________

جو مذکورہ کمپنی کا حصص دار بھی ہے کو اپنے / ہمارے ایماء پر 28 اپریل 2025ء (سوموار) کو صبح 11:30 بجے نشاط ہوٹل (ایمپوریم مال)، ٹریڈ اینڈ فنانس سنٹر، نزد ایکسپو سنٹر، عبدالحق روڈ، جوہر ٹاؤن لاہور پر منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں میری / ہماری غیر موجودگی میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرتا / کرتے ہیں۔

آج بروز ______ بتاریخ ______ 2025ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

دستخط: ______________________________

پتہ: ______________________________

تعداد ملکیتی حصص: ______________________________

50/- روپے کا رسیدی ٹکٹ یہاں چسپاں کریں

گواہان:

نام: ______________________________ نام: ______________________________

پتہ: ______________________________ پتہ: ______________________________

اہم نوٹ:

a۔ پراکسی تقرری کے یہ آلات، با قاعدہ مکمل سالانہ اجلاس عام کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر نشاط ہاؤس، 53-A، لارنس روڈ، لاہور میں لازماً وصول ہو جانے چاہئیں۔

پراکسی کے تقرر کے لئے

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

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

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

AFFIX
CORRECT
POSTAGE

The Company Secretary
PAKGEN POWER LIMITED
53 - A, Lawrence Road, Lahore.
UAN: 111 113 333 Fax: 042 - 36367414

NISHAT

PAKGEN POWER LIMITED

CONTACT US

PAKGEN POWER LIMITED

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