

A RESILIENT COMPANY

ANNUAL REPORT 2020



KOT ADDU POWER COMPANY LIMITED

CONTENTS

02	Key Figures	04	Company Information	06	Vision	07	Mission
08	Notice of 24 th Annual General Meeting	12	Profile of the Board of Directors	14	Code of Conduct	20	Operational Highlights
22	Whistle Blowing Policy	24	Board Committees	27	Chairman's Review	29	Directors' Report
37	Directors' Report (Urdu)	39	Key Operating and Financial Data	40	Pattern of shareholding	43	Categories of shareholders
44	Pattern of shareholding Additional Information	46	Corporates Holding 10,000 and More Shares	50	Highlights	51	Organizational Structure
52	Executive & Management Committees	54	Statement of Compliance with Listed companies	56	Independent Auditor's Review Report to the Members of Kot Addu Power Company Limited Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance)Regulations, 2019		
58	Independent Auditor's Report to the members of Kot Addu Power Company Limited Report on the Audit of the Financial Statements						

FINANCIALS

64	Statement of Financial Position	66	Statement of Profit or Loss Account	67	Statement of Comprehensive Income	68	Statement of Cash Flows
69	Statement of Changes in Equity	70	Notes to and Forming Part of the Financial Statements	115	Consent for Video Conference Facility	117	Proxy Form (English)
119	Proxy Form (Urdu)						

KEY FIGURES



Turnover

RS. **71,543** MILLION



Gross Profit

RS. **21,478** MILLION



Profit after Tax

RS. **23,613** MILLION



Earning per Share

RS. **26.83**

COMPANY INFORMATION

Board of Directors

Lt. General (Retd) Muzammil Hussain
(Chairman)

Mr. Aftab Mahmood Butt
(Chief Executive)

Mr. Aqeel Ahmed Nasir

Mr. Hafiz Muhammad Yousaf

Mr. Saad Iqbal

Ms. Zunaira Azhar

Mr. Javed Akhtar

Mr. Naveed Asghar Chaudhry

Audit Committee

Mr. Hafiz Muhammad Yousaf

Mr. Saad Iqbal

Mr. Javed Akhtar

Mr. Naveed Asghar Chaudhry

HR Committee

Mr. Aqeel Ahmed Nasir
(Chairman)

Mr. Aftab Mahmood Butt

Mr. Naveed Asghar Chaudhry

LDS Committee

Mr. Aqeel Ahmed Nasir
(Chairman)

Mr. Aftab Mahmood Butt

Mr. Saad Iqbal

Chief Financial Officer

Mr. Muhammad Rabnawaz Anjum

Company Secretary

Mr. A. Anthony Rath

Head of Internal Audit

Mr. Sikandar Usmani

Auditors

Deloitte Yousuf Adil

Chartered Accountants

Internal Auditors

EY Ford Rhodes

Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti

Banks

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Citibank, N.A.
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Islamic

AlBaraka Bank (Pakistan) Limited
Askari Bank Limited-IBD
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited
National Bank of Pakistan-IBD
Standard Chartered Bank (Pakistan) Limited-IBD
The Bank of Punjab - IBD

Shares Registrar

THK Associates (Private) Limited
First Floor, 40-C, Block-6
PE.C.H.S. Karachi 75400, Pakistan
Tel: +92 (0)21 111 000 322
Fax: +92 (0)21 34168271

Registered Office

Office No. 309, 3rd Floor, Evacuee Trust Complex
Agha Khan Road, F-5/1, Islamabad, Pakistan

Corporate Office

5 B/3, Gulberg III
Lahore 54660, Pakistan
Tel: +92 (0)42 3577 2912-6
Fax: +92 (0)42 3577 2922

Power Project

Kot Addu Power Complex, Kot Addu
District Muzaffargarh, Punjab, Pakistan
Tel: +92 (0)66 230 1047-9
Fax: +92 (0)66 230 1025

 info@kapco.com.pk

 www.kapco.com.pk

VISION

To be a leading power generation company, driven to exceed our shareholders' expectations and meet our customer's requirements



MISSION

- To be a responsible corporate citizen
- To maximise shareholders' return
- To provide reliable and economical power for our customer
- To excel in all aspects relating to safety, quality and environment
- To create a work environment which fosters pride, job satisfaction and equal opportunity for career growth for the employees



NOTICE OF 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of Kot Addu Power Company Limited will be held at the Islamabad Serena Hotel, Khayban-e-Suhrawardy, Islamabad on Wednesday, October 28, 2020 at 10.30 a.m. to transact the following business:



Ordinary Business

1. To confirm the Minutes of the Twenty Third Annual General Meeting of the Company held on October 28, 2019.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2020 together with Directors' and Auditor's Reports thereon.
3. To approve the interim cash dividend of Rs. 1.50 per share, that is, 15% already paid during the year.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2021. The Board of Directors recommends the appointment of A. F. Ferguson & Co., Chartered Accountants as Auditors of the Company for the year ending June 30, 2021 as suggested by the Audit Committee.
5. To transact any other business with the permission of the Chairman.

Lahore
September 17, 2020

By Order of the Board



A. Anthony Rath
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). Transfers received in order at the office of the Company's Shares Registrar, THK Associates (Private) Limited at the close of business on October 21, 2020 will be treated in time for the purpose to attend and vote at the Meeting.
2. A Member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on his/her behalf, provided such proxy is also a Member.
3. An instrument of proxy and the Power of Attorney or other authority (if any) under which it is signed, or a Notary Public certified copy of such Power of Attorney, in order to be valid, must be deposited with the Company's Registrar, THK Associates (Private) Limited not later than (48) forty-eight hours before the time of holding the Meeting.
4. CDC account holders will also have to follow the following guidelines as laid down in Circular No.1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the Meeting:
 - (i) In case of individuals: The account holder or sub-account holder and / or the person whose securities are registered on CDS; and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting. The Members are also required to bring their Participants' I.D. Number and Account Numbers in the CDS.
 - (ii) In case of a corporate entity: The Board of Directors 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.

Important Notes to the Shareholders

CNIC Copy

Members are requested to submit a copy of their valid CNIC (only physical shareholders), if not already provided to the Shares Registrar of the Company. Corporate account holders should submit National Tax Number, if not yet submitted. In case of non-submission of CNIC/NTN Certificate (copy),

all future dividends will be withheld till provision of these documents.

E-Dividend (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and E Dividend Regulations of the Securities and Exchange Commission of Pakistan through S.R.O. 1145(I)/2017 dated November 6, 2017, it is mandatory to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholder.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Request Form available at Company's website www.kapco.com.pk and send the same duly signed alongwith copy of CNIC to the Shares Registrar of the Company, in case of physical shares. In case the shares are held on the CDS, then the Form must be submitted directly to the shareholder's broker/participant/CDC Account Services.

In case of non-receipt of the above information, the Company will be constrained to withhold payment of dividend to such shareholders.

Centralized Cash Dividend Register (CCDR)

Central Depository Company (CDC) has developed Centralized Cash Dividend Register (CCDR), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholders by listed companies and access of all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving details of cash dividends from the centralized register and using the same for their record purposes.

You may access CCDR via <https://eservices.cdaccess.com.pk>. In addition, the Dividend/Zakat & Tax Deduction Report can also be obtained directly from your Participant (stock broker) which has been provided to them on their CDS terminals.

Deduction of Income Tax from Dividend under Section 150

The Government of Pakistan through Finance Act, 2019 made certain amendments to Section 150 of the Income Tax Ordinance, 2001 whereby different rates were prescribed for deduction of withholding tax on the amount of dividend paid by the companies in the following manner:

For Active tax payers	15%
For non-active taxpayers	30%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of @30%, shareholders whose names are not entered in the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers are advised to make sure that their names are entered into ATL before the date of payment of any future dividend otherwise tax on their cash dividend (if declared by the Company) will be deducted @30% instead @15%.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Active/Non-Active' status of Principal shareholders as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them, if not provided yet, to our Shares Registrar at the earliest, in writing as follows, otherwise it will be assumed that share are equally held:

Company Name	Folio/ CDS Accounts	Total Shares	Principal Shareholder		Joint Shareholders	
			Name & CNIC	Shareholding proportions (No of Shares)	Name & CNIC	Shareholding proportions (No of Shares)

In another clarification by FBR, valid tax exemption certificate for claim of exemption U/S 150, 151 and 233 of the Income Tax Ordinance, 2001 is required where statutory exemption under Clause 47B of Part-IV of the Second Schedule is available. Such certificate U/S 159(1) of the Income Tax Ordinance, 2001 issued by concerned Commissioner of Inland Revenue is to be produced to avail tax exemption.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Shares Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective Folio numbers.

Circulation of Annual Audited Financial Statements via CD/USB/DVD

Annual Financial Statements of the Company for the financial year ended June 30, 2020 have been placed on the Company's website www.kapco.com.pk.

Securities and Exchange Commission of Pakistan (SECP) vide its SRO No.470(1)/2016 dated May 31, 2016 has allowed companies to circulate their Annual Audited Financial

Statements along with notice of general meeting to its members through CD/DVD/USB at their registered addresses.

However, shareholders who wish to receive the hard copy of Annual Audited Financial Statements along with notice of general meeting shall have to fill the request form which is available at the Company's website www.kapco.com.pk and send the same to our Shares Registrar or Company Secretary at their respective mailing addresses given at the end of this notice.

Address

The correspondence address of the Company's Registrars, THK Associates (Private) Limited and the Company is as follows:

Shares Registrar	Company Contact:
THK Associates (Private) Limited First Floor, 40-C, Block-6 PE.C.H.S. Karachi 75400, Pakistan E-mail: sfc@thk.com.pk ops_dept4@thk.com.pk	Mr. A. Anthony Rath Company Secretary Kot Addu Power Company Limited 5-B/3, Gulberg-III Lahore, 54660, Pakistan anthony.rath@kapco.com.pk m.asif@kapco.com.pk

Consent for Video Conference Facility

Members can also avail video conference facility in [name of cities where facility can be provided keeping in view geographical dispersal of member]. In this regard please fill the following and submit to the Company's Corporate Office at 5-B/3, Gulberg III, Lahore 54660 at least 10 days before the date of AGM.

If the Company receives consent from Members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the AGM, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the AGM along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Kot Addu Power Company Limited, holder of _____ ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.

Signature of Member

BOARD OF DIRECTORS



Lt General (Retd) Muzammil Hussain

Chairman

General Hussain joined the Pakistan Army in 1976 and graduated with distinction from PMA. He underwent his grooming in an Infantry Battalion. Having been employed on exalted positions including his employment in Interior Sindh on anti-dacoit operations in 1992; and the Gulf War 1 in Saudi Arabia. He has attended courses in France and Indonesia. General Hussain has been privileged to command his parent Unit. His youth witnessed his distinctive representation of Army in sports like Athletics, basket ball, squash and tennis. His employment as Defense Attache' in Jakarta exposed him to diplomacy for over three years. He had the privilege of being instructor in Army Command and Staff College, Quetta and later on also as a Chief Instructor.

Commanded an Infantry brigade and then as a Maj General went on to command most prestigious division in Gilgit Baltistan. His passion for adventurism lead him to phenomenal support of Gilgit Political Govt. and supported them in exploring energy resources. His popularity with the people of Gilgit gives him a unique distinction. He commanded 30 Corps Gujranwala and supported the successful conduct of 2013 election in Gujranwala Division.

His other Directorships are on the Board of Directors of Neelum Jhelum Hydroelectric Company Limited, Diamer Basha Dam Company, Pakistan Cricket Board and Private Power Infrastructure Board. He is a regular speaker in seminars on Pakistan's successful transition to democracy and economic positive trajectory in Universities in UK.



Mr. Aftab Mahmood Butt

Chief Executive

Mr. Aftab Mahmood Butt has been the Company Chief Executive since August 1, 2008. Prior to being appointed Chief Executive, he was a Director of the Company (appointment: July 2007). From January 2007 to July 2008, Mr. Butt held the position of General Manager Finance, Corporate Planning & Performance Monitoring in Pakistan Electric Power (Private) Limited (PEPCO). His other professional experience includes the position of Member Finance & Secretary Board in the Corporate and Industrial Restructuring Corporation, Ministry of Finance, Government of Pakistan.

Mr. Butt is a Fellow Member of the Institute of Chartered Accountants of Pakistan. He has around 20 years experience in the corporate and finance sector in senior management positions. Mr. Butt previously served on the Board of Directors of Central Power Purchasing (Guarantee) Limited, the Lahore Stock Exchange (Guarantee) Limited, and the Lahore Electric Supply Company Limited.



Mr. Aqeel Ahmed Nasir

Director

Mr. Aqeel Ahmed Nasir has been a Director since March 2015. Mr. Nasir is the Company Secretary & Chief Legal Counsel of United Bank Limited (UBL). Mr. Nasir has to his credit more than 20 years experience in the legal and financial sector of both the public and private sector.

Mr. Nasir is a Master of Laws (LL.M.) from the University of London, England. He is a Director on the Board of Directors of United Executor and Trustee Limited (a wholly owned subsidiary of UBL). He is also a director of the Pakistan Institute of Corporate Governance and Central Depository Company of Pakistan Limited (CDC). His previous employments include Sui Southern Gas Company Limited, Pakistan PTA Limited and ICI worldwide Group Company.



Mr. Hafiz Muhammad Yousaf

Director

Mr. Hafiz Muhammad Yousaf has been appointed Director of the Company with effect from June 21, 2019. Mr. Yousaf is a Fellow Member of the Institute of Chartered Accountants of Pakistan. Over three decades of post qualification experience as chartered accountant, having vast experience in corporate finance and restructuring, corporate compliance and regulations, governance and oversight, assurance and audits, consulting and financial advisory services, including two decades at a Big 4 (KPMG Taseer Hadi (1983-1989), (Ilyas Saleem and Co, CAs (1989-1995) and Deloitte Yousuf Adil (1996-2014)) professional accounting firm as Partner/Country Leader Consulting.

The key areas of his focus were the high end policy formulation and implementation, strategic directions, governance initiatives and organizational reforms at State Bank of Pakistan and SBP Banking Services Corporation and as Board Member of Policy Board of Securities and Exchange Commission of Pakistan where he was also the Chairman of its Oversight Committee having overall responsibility to review and monitor the regulations and policy matters.



Mr. Saad Iqbal

Director

Mr. Saad Iqbal was appointed Director on November 4, 2016. Mr. Saad Iqbal is a graduate of Curry College, USA in Business Communication. He is also holds a Postgraduate Diploma in International Business Management (2009) from Kingston University, United Kingdom.

Mr. Saad Iqbal is the Chief Executive of Gul Ahmed Bio Films Limited, Swift Textile Mills (Private) Limited and Metro Solar Power Limited. His other Directorships are on the Board of Directors of Millat Tractors Limited, Metro Power Company Limited, Metro Wind Power Limited, Metro Estate (Private) Limited, Tariq Glass Industries Limited and HUB Power Company Limited.



Ms. Zunaira Azhar

Director

Ms. Zunaira Azhar has been appointed director of Company on December 31, 2018. Ms. Azhar has Masters Degree in Public Policy and Governance. She also qualified CSS (competitive examination) and holds M.Sc. in Child Development.

Ms. Azhar has civil services exposure, eight years of active broadcast journalism in the mainstream media outlets of Pakistan, and concurrently is a PhD fellow in UK. She has a multifaceted and dynamic exposure to the public sector, socio-political and security arena of Pakistan. A strong research and development has been her forte throughout her academic and professional stream. She was selected by the State Department (US) in 2012, to represent Pakistan in the South Asian Group under the Edward. R Murrow Exchange Program. Under this initiative, young emerging leader and journalists from throughout the globe were invited to observe and report the mechanism and transparency of the electoral system in USA.



Mr. Javed Akhtar

Director

Mr. Javed Akhtar has appointed Director on February 19, 2020. He is the Member (Power) of the Pakistan Water and Power Development Authority WAPDA. Mr. Akhtar has more than 32 years' experience in Operation, maintenance, Rehabilitation, Construction and Management of Hydro Power Plant, Procurement and Inventory Management, Human Resource Management, Rehabilitation of old Hydro Power Plants, negotiation with International Donor Agencies like USAID, World Bank & AFD for Project Funding, Coordination with various Ministries for Rehabilitation and Development Projects, Capacity Development of Organization, Strategic and Financial Planning.

Mr. Akhtar is a B.Sc. Engineering (Mechanical) and also holds Master Degree in Mechanical Engineering from Glasgow University Scotland, United Kingdom. He also attended various trainings/short courses in Pakistan and abroad. He also a Member on the Board of Directors of Neelum Jhelum Hydropower Company Limited and Diamer Basha Dam Company.



Mr. Naveed Asghar Chaudhary

Director

Mr. Naveed Asghar Chaudhry has appointed Director on February 19, 2020. He is Fulbright Scholar and has done his MS in Finance and MA in Economics from Georgia State University, USA and an MBA from Australian National University. In addition, he has a BS in Electrical Engineering from University of Engineering & Technology Lahore. He belongs to the Pakistan Audit & Accounts Service and possesses more than 18 years of professional working experience. During his career he has served at senior positions including Director of a Department of the Auditor General of Pakistan, Economic Specialist at US Consulate General Karachi and Directing Staff at Civil Services Academy, Lahore.

He is a Member Finance/General Manager Finance of the Pakistan Water and Power Development Authority (WAPDA). Mr. Asghar is also a Director on the Board of Directors of Neelum Jhelum Hydropower Company Limited, Diamer Basha Dam Company and First Credit and Investment Bank Limited. He is Member of American Economic Association, member of American Finance Association and Member of Pakistan Engineering Council.

CODE OF CONDUCT

Introduction

This Code of Conduct (this “Code”) establishes a standard of conduct for Directors and employees of the Company; deters wrongdoing and promotes honest and ethical conduct of Directors and employees. It also promotes compliance with applicable laws, rules and regulations which apply to the Company, its Directors and employees.

This Code is not meant to cover all possible situations that may occur. It is designed to provide a frame of reference against which to measure activities. You should seek guidance when in doubt about the proper course of action in a given situation, as it is ultimately your responsibility to “do the right thing”.

You should always be guided by the following basic principles:

- Avoid any conduct that could damage or risk the Company or its reputation.
- Act legally and honestly.
- Put the Company’s interests ahead of personal or other interests.

This Code is a living document, which may change over time.

This Code is not an employment contract between you and the Company. Violations of this Code may lead to disciplinary action and also culminate in termination of employment.

This Code does not supersede, change or alter any Company policies and procedures already in place or which may be put in place, from time to time.

This Code is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

Scope

This Code applies to the Company’s Directors to the extent of carrying out their director-related activities.

For the purposes of this Code, references to “employee(s)” include officers, staff, trainees, temporary employees, and contract employees (including those employed by third party contractors).

Section I

Compliance with Laws, Rules and Regulations

The Company, its Directors and employees are bound by the law. Compliance with all applicable laws and regulations must not be compromised. No one will be subject to retaliation because of a good faith report of a suspected violation. If an employee fails to comply with an applicable law, rule or regulation, he/she may be subject to disciplinary measures, upto and including termination of employment.

To avoid inadvertent violations, you are encouraged to ask questions when there is uncertainty. To encourage open communication, you may discuss the matter with the Company Secretary.

Section II

Conflicts of Interest

A conflict of interest occurs when your personal interests (financial or other) interfere, or even appear to interfere, in any way, with the interests of the Company. Conflicts of interest can also arise when you take actions or have interests, or a member of your family has interests, that may make it difficult for you to perform your duties to the Company objectively and effectively. When a potential conflict of interest arises, it is important that you act with great care to avoid even the appearance that your actions were not in the best interest of the Company.

Some examples for avoiding conflicts of interest are as follow:

- You will deal with all suppliers, customers, and all other persons doing business with the Company in a completely fair and objective manner without favour or preference based upon personal financial or relationship considerations.
- You will not accept from or give to any supplier or customer any gift or entertainment except as allowed under Section III (Gifts, Meals and Entertainment) below.
- You will not do business on behalf of the Company with a member of your family or a close relative, unless the transaction is disclosed in writing, to the Chief Executive, who determines that the transaction is on arms-length terms and is consistent with the purposes

of this Principle. A close relative would include a spouse, parent, parent-in-law, sibling, sibling-in-law, child or son/daughter-in-law.

- You will not, directly or indirectly, have a financial interest with any individual, firm or company which does or seeks to do business with the Company whether as a customer, supplier, contractor, sub-contractor or service provider.
- You will not use your position in the Company to gain an unfair advantage over a customer, supplier, contractor or service provider including to the extent of obtaining any goods or services on credit, rebate or discount which is not available generally.

Conflicts of interest may not always be clear-cut. If in doubt you should consult with the Company Secretary. If an actual or potential conflict of interest arises, you are required to intimate the same in writing to the Company Secretary (or with respect to the Company Secretary, the Chief Executive) forthwith; and the Company Secretary is to report the same to the Chief Executive. The Company Secretary shall maintain a record of such reporting.

Section III

Gifts, Meals and Entertainment

You will not seek, accept, offer, promise, or give (directly or indirectly) anything of value including payments, fees, loans, services, entertainment, favours or gifts from or to any person or firm as a condition or result of doing business with the Company.

You may accept gifts, services or other items of value under the following circumstances:

- You may accept meals, travel, lodging, refreshment, or other normal business courtesies of reasonable value either in the course of a business meeting or to satisfy a reasonable business purpose of the Company.
- You may accept meals and entertainment, such as the occasional sporting event, provided that you do not do so frequently or under circumstances where your judgment could be influenced, or where the cumulative value of the entertainment is excessive. Any meals and entertainment involving substantial travel or an extended number of days cannot be accepted without the permission of the Chief Executive.
- You may accept discounts or rebates on merchandise or services that do not exceed those available to members of the general public.

- You may accept gifts of reasonable value including for commonly-recognised events or occasions, such as a promotion, new job, wedding, retirement, birthday or holiday.
- You may receive awards from civic, charitable, educational or religious organisations of reasonable value in recognition of services and accomplishments.
- You may receive gifts, gratuities, amenities or favours received because of family or personal relationships when the circumstances make it clear that it is those relationships rather than business of the Company that are the motivating factor.

If you receive gifts, services or other items of value under the above, you are required to intimate the same in writing to the Company Secretary (or with respect to the Company Secretary, the Chief Executive) forthwith. The Company Secretary shall maintain a record of such receivings.

If you are offered gifts, services or other items of value not in conformity with the exceptions noted above, or if either arrives at your office or home, you must report it to your superior in writing with a copy to the Company Secretary (or with respect to the Company Secretary, the Chief Executive).

Section IV

Outside Directorships and other Outside Activities

Outside of the Company, no activities shall be pursued if such activities will interfere with the employee's responsibilities for the Company, or if they create risks for the Company's reputation or if they in any other way are likely to conflict with the interests of the Company.

Unless requested by the Company to take up a particular position or activity, an employee shall pursue outside activities and positions at his own risk and within his spare time only subject to the condition that such position or activity do not in any manner whatsoever adversely impact the employee in the performance of his official duties and responsibilities and provided further that it is permissible to so do in terms of the employees employment contract with the Company.

An employee will not seek directorship in any company (public or private) without the prior written consent of the Chief Executive (and in case of the Chief Executive, the Board of Directors); and the directorships in other companies shall be capped at 4.

You will not participate, directly or indirectly, in a joint venture, partnership or other business arrangement with the Company.



Section V

Corporate Opportunities

When presented with opportunities related to the Company's business interests, you must first offer those opportunities to the Company. You will not take for yourself personally, or for members of your family and friends opportunities that are discovered through the use of Company property, information or position; nor use Company property, information, or position for personal gain. You may participate in such opportunities only with the prior written approval of the Chief Executive (or, with respect to the Directors, written approval of the Board of Directors).

Section VI

Fair Dealing

You will deal honestly and ethically with the Company and with the Company's customers, suppliers, employees and other stakeholders.

You will treat people fairly. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or otherwise undisclosed information, misrepresentation of material facts or any other unfair-dealing practices.

You are prohibited from taking any action (or inaction) to improperly influence, coerce, manipulate or mislead the Company's internal or external auditors; or to prevent such persons from performing a diligent audit of the Company in accordance with their respective mandates.

Section VII

Accuracy and Integrity of Books, Records and Accounts

All Company books, records and accounts must accurately reflect the nature of the transactions recorded. Books and records include but are not limited to ledgers, vouchers, bills, invoices, time sheets, expense reports, payroll and benefits records and other essential Company data. All assets and liabilities of the Company must be properly recorded in the regular books of account. No undisclosed or unrecorded fund or asset shall be established in any amount for any purpose. No transaction or arrangement shall be structured to circumvent the Company's internal control systems. No false or artificial entries shall be made for any purpose. No payment shall be made, nor purchase price agreed to with the intention or understanding that any part of such payment is to be used for any purpose other than that described in the document supporting the payment.

Section VIII

Protection and Proper use of Company Assets

You are expected to protect the Company's assets and ensure their efficient use, and are prohibited from engaging in theft, carelessness, or waste. All Company assets should be used for legitimate business purposes, but incidental personal use may be permitted if ancillary to a business purpose. You are prohibited from making any improper use of Company property such as Company funds, software, e-mail systems, voice mail systems, computer networks, Company vehicles,



rental cars rented on behalf of the Company, and facilities for personal benefit or profit.

Section IX

Insider Trading

You, your spouse or minor children shall not trade in or recommend to any third party the purchase or sale of the Company's shares (or any other equity or debt securities of the Company) while you are in possession of material non-public information regarding the financial, operational or other prospects of the Company that have not been publicly disclosed and disseminated.

You, your spouse or minor children shall also similarly abstain from trading in, or recommending the purchase or sale of the securities of any other company that issues publicly-traded shares/securities of which you may have obtained material non-public information as a result of your employment by or affiliation with the Company.

You shall not pass-on, tip or disclose any material non-public information to third parties except when done so for valid business purposes (and covered by an appropriate confidential disclosure agreement) under proper authorisation.

As per the securities laws, the communication by an "insider" of purchase or sale of a security while in possession of "material non-public information" is illegal and a crime and is subject to substantial fines, damages, imprisonment and other proceedings. "Insiders" include employee's relatives and other who have access to a Director or an employee. Any use by the "insider" of this information for trading securities

or by disclosure by way of "tips" to third parties is dubbed as "insider trading".

The Company shall impose a 'closed period', from time to time, during which the Directors and certain identified employees shall be prohibited directly or indirectly, from engaging in transactions involving the Company's shares (or any other equity or debt securities of the Company).

In the absence of the above conditions, you may make investments in listed securities (including those of the Company).

Section X

Workplace Harassment

The Company is an equal opportunity employer and is committed to cultivating a diverse work environment where individual differences are appreciated and respected. It is the Company's policy, through responsible management, to recruit, hire, train, and promote persons regardless of their cast, colour, sex or religion.

You will maintain an environment that is free from harassment in which all employees are equally respected. Workplace harassment would include but not be limited to sexual harassment, disparaging comments and insinuations based on gender, religion, race and ethnicity.

Section XI

Families and Relatives

Family members may be hired as employees or consultants only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct reporting relationship between the employee and his or her relative. These principles of fair employment will apply to all aspects of employment, including compensation, promotions and transfers, as well as in case that the relationship develops after the respective employee has joined the Company.

If your spouse, your children, parents, or in-laws, or someone else with whom you have a family relationship is a customer or supplier of the Company or is employed by one, you must disclose the situation to the Company Secretary (or, with respect to the Company Secretary, to the Chief Executive) so that the Company may assess the nature and extent of any concern and how it can be resolved. If you have any doubt as to whether or not conduct or a relationship would be considered an actual or apparent conflict of interest or could be expected to give rise to such a conflict, you should consult with the Company Secretary.

Section XII

Weapons, Workplace Violence, Drugs, Alcohol and Gambling

You will not display and/or carry weapons or explosives on Company premises (including the residential colony), unless as a security personnel you have a licensed weapon. Similarly, the Company will not tolerate any level of violence in the workplace or in any work-related setting or the residential colony.

Without prejudice to the contents of the preceding paragraph, in case of a licensed weapon, you shall be required to give written notice to the Security Manager and provide him with a true copy of the license (and renewal thereof). Further, it shall be your obligation to ensure that such licensed weapon is duly and properly secured in a safe and secure place.

The use of alcohol and illegal drugs is strictly prohibited in the workplace; and all forms of gambling on Company premises is forbidden.

Section XIII

Confidential Information

For the purposes of this Code, Confidential Information of the Company includes all non-public information, correspondence, documents, papers, records, drawings and data (collectively, the "Confidential Information").

You must maintain the confidentiality of Confidential Information entrusted to you by the Company or which comes to your knowledge on account of the position you hold. You may disclose Confidential Information if you are duly authorised by the Company or legally mandated to do so. Prior to making a disclosure of any Confidential Information which is legally mandated, you are required to consult with the Company Secretary.

You shall not keep or make or keep for personal use copies of any Confidential Information. All Confidential Information should be surrendered to the Company when you cease (for whatever reason) to be a Director or employee (as the case may be) of the Company.

The Company respects that third parties have a similar interest in protecting their confidential information. In case that third parties including suppliers or customers share with the Company confidential information, such information shall be treated with the same care as if it was the Company's confidential information.

Section XIV

Responding to Inquiries from the Press and Others

Those of you who are not official spokespersons of the Company shall not speak with any third party as Company representatives. Officer(s) authorised by the Chief Executive shall respond to requests for financial or other information about the Company from the media (print or electronic), financial analysts, or the public. Requests for information from regulators or the government should be referred to the Company Secretary. In each of these instances the Officer(s) authorised or the Company Secretary (as the case may be) shall in a timely manner seek instructions from the Chief Executive and intimate him the details of the responses made.

Section XV

Accountability for Adherence to the Code

Each of us is responsible for our decision-making and for adherence to the Principles set forth in this Code.

Internal Investigations

The Company will promptly investigate all alleged violations and potential violations of this Code, or of any related Company standard, policy or procedure. Any allegations will be treated confidentially, to the extent consistent with the Company's interests and its legal obligations.

No person covered by this Code may conduct his/her own investigation. Each of us is expected to cooperate in the investigation of an alleged violation of this Code.

If the Company determines that corrective action is necessary to fix a problem and avoid the likelihood of its recurrence, the Company will promptly decide what steps to take, including legal proceedings when appropriate.

Disciplinary Action

Appropriate disciplinary action will be taken for violation of this Code, or any related Company standard, policy or procedure, including for:

- Authorisation of or participation in violations.
- Failure to report a violation or potential violation.
- Refusal to cooperate in the investigation of an alleged violation.
- Failure by a violator's supervisor(s) to detect and report a violation, if such failure reflects inadequate supervision or lack of oversight.

Section XVI

Waivers and Amendments

The Board of Directors may waive or amend a provision of this Code subject to any applicable regulation/law.



OPERATIONAL HIGHLIGHTS



Electricity Sold

3,477 GW



Cumulative Load Factor

29.5%



Commercial Availability

96.8%



Thermal Efficiency

44.4%

WHISTLEBLOWING POLICY & PROCEDURE

1. Policy Statement

1.1 The Company is committed to achieving and maintaining high standards of behaviour at work from its employees. Employees are expected to conduct themselves with integrity, impartiality and honesty. The Company seeks to develop a culture where inappropriate behaviour at all levels is challenged. To achieve this, the Company encourages reporting of genuine concerns of malpractices, illegal acts or failures to comply with recognised standards of work without fear of reprisal or victimisation.

This Policy is accompanied by a Procedure that should be followed when “blowing the whistle”.

1.2 The Company will not tolerate harassment or victimisation of a genuine whistle blower (including informal pressures) and will treat such conduct as gross misconduct, which if proven, may result in dismissal.

1.3 The Board of Directors reserves the right to amend this Policy and Procedure as necessary to meet any change in requirements.

1.4 If there is anything which you think the Company should know about, kindly use the Procedure. By knowing of a malpractice at an early stage, the Company can take necessary steps to safeguard the interests of others and protect the organisation. Please do not hesitate to “blow the whistle” on wrongdoing.

2. What is Whistleblowing?

2.1 This Policy is designed to deal with concerns raised in relation to specific issues which are detailed in paragraph 2.2 below.

The Company’s other policies and procedures deal with matters not covered by paragraph 2.2 below. The relevant policy should be followed where appropriate.

2.2 Whistleblowing is specific and means a disclosure of information made by an employee where he/she reasonably believes that one or more of the following matters is happening now, took place in the past or is likely to happen in the future:

- incorrect financial reporting;
- unlawful activity;
- danger to health and safety of any individual;
- activity not in line with Company policy, including the Code of Conduct;
- activity, which otherwise amounts to serious improper conduct; or
- deliberate concealment of information tending to show any of the above.

2.3 This Policy does not extend to mismanagement which may arise from error of judgment or incompetence.

2.4 This Policy does extend to matters arising out of a personal grievance which should continue to be pursued through your line managers in accordance with your local grievance procedure.

2.5 Only genuine concerns should be reported. Disclosures must be made in good faith with a reasonable belief that any information and/or allegation is substantially true, and that the disclosure is not made for personal gain.

Malicious or false allegations will be treated as a serious disciplinary offence.

3. Who Does the Policy Apply to?

- 3.1 This Policy applies to all officers, staff, trainees, temporary employees, and contract employees (including those employed by third party contractors).

4. The Company's Whistleblowing Procedure

- 4.1 If you wish to disclose information as contemplated in this Policy you may send a written communication to the Disciplinary Committee at the address and e-mail notified by the Company.

All incidences of whistleblowing to the Disciplinary Committee are to be reported by the Disciplinary Committee to the Members of the HR Committee of the Board of Directors at the immediately next Board Meeting.

- 4.2 The Disciplinary Committee shall consist on three (3) members; and one of its members will act as Coordinator. The Chief Executive will appoint the members of the Disciplinary Committee. To avoid a conflict of interest, if a whistleblowing instance involves a member of the Disciplinary Committee, the Chief Executive will reconstitute the Disciplinary Committee.
- 4.3 Anonymous allegations are not automatically disregarded but given the safeguards which are in place for those making allegations under this Policy, anonymous allegations are less powerful than those from named individuals.
- 4.4 The Disciplinary Committee will decide how the investigation should proceed.
- 4.5 If you are unhappy with the response that you receive you may report the matter to the Chairman of the Audit Committee. This option will not apply where an allegation has been dismissed following an investigation.
- 4.6 If in doubt, you should speak to the Company Secretary. Your conversation will be treated in absolute confidence.

The Investigation

- 4.7 The Disciplinary Committee will decide how to respond in a responsible and appropriate manner under this Policy. An investigation will be conducted as speedily and sensitively as possible. An official written record will be kept at each stage of the procedure.

A decision as to whether a preliminary investigation should be carried out will be made within two (2) weeks of the complaint having been received. Where this is not possible, the employee making the complaint will receive an explanation of the delay.

- 4.8 You are entitled to be accompanied by a work colleague throughout the proceedings when reporting your concerns.

Outcome of the Investigation

- 4.9 If there is a case to answer, and if appropriate, the disciplinary proceedings will be initiated against the person(s) who are the subject of the allegation(s).
- 4.10 You will be informed of the outcome of the investigation within 5 working days of completion of the investigation (including any disciplinary investigation). However, the exact nature of any disciplinary action taken against any person will remain confidential.
- 4.11 Whether there was a case to answer or not, and provided that your disclosure was made in good faith because you reasonably believed it to be true, the Company will ensure that you are protected from reprisal or victimisation as a result of your complaint.
- 4.12 Only where it is established that your allegations were false and made maliciously will disciplinary action be taken against you. Such disclosures will be treated as gross misconduct and may result in your dismissal without notice or payment in lieu of notice.
- 4.13 If, as a result of investigations you are implicated in some way in any wrong doings disciplinary action may be taken against you. The fact that you have blown the whistle will be taken into account if an action is considered.

BOARD COMMITTEES

Audit Committee

During the year, five meetings of the Audit Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Muhammad Yousaf	5
Mr. Saad Iqbal	3
Mr. Javed Akhtar ¹	2
Mr. Naveed Asghar Chaudhry ²	1
Mr. Muhammad Arshad Chaudhry ³	3
Mr. Muhammad Ikram Khan ⁴	3

The Audit Committee among other things is responsible for recommending to the Board of Directors' the appointment of External Auditors and for considering any questions of resignation or removal of the External Auditors and their audit fees.

The Audit Committee's responsibilities also include the following:

- a. determination of appropriate measures to safeguard the Company's assets;
- b. review of preliminary announcements of results prior to publication;
- c. review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- d. Facilitating the external audit and discussion with the External Auditors on major observations arising from interim and final audits and any matter that the External Auditors may wish to highlight (in the absence of management, where necessary);
- e. Review of the Management Letter issued by the External Auditors and Management's response thereto;
- f. Ensuring coordination between the Internal Auditors and External Auditors of the Company;
- g. Review of the scope and extent of Internal Audit ensuring that the Internal Audit function has adequate resources and is appropriately placed within the Company;
- h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i. Ascertaining that the internal control systems including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;
- j. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k. Determination of compliance with relevant statutory requirements;
- l. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- m. Consideration of any other issue or matter on its own or as may be assigned by the Board of Directors.

¹ Appointed Member Audit Committee on February 19, 2020

² Appointed Member Audit Committee on February 19, 2020

³ Resigned from the Board of Directors on February 10, 2020

⁴ Resigned from the Board of Directors on February 10, 2020

HR Committee

During the year, four meetings of the HR Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Aqeel Ahmed Nasir	4
Mr. Aftab Mahmood Butt	4
Mr. Naveed Asghar Chaudhry ¹	3
Mr. Muhammad Ikram Khan ²	1

The HR Committee will review and make recommendations, where appropriate, to the Board of Directors to ensure that the Company's Human Resources policies are aligned with its overall business objectives; Departmental/Divisional team performances are in line with business results for each year; and the remuneration philosophy, strategy and framework is in place.

The HR Committee's responsibilities shall also include the following:

- a. provide general guidelines for HR policies including terms of employment and HR Head Count and to make recommendations for Board of Directors' approval;
- b. determine a comprehensive compensation philosophy, strategy and framework and to make recommendation for Board of Directors' approval;
- c. review a graphical presentation on the overall Departmental/Divisional team performances vis-à-vis overall commercial results of the Company after the close of a financial year of the Company and to appraise the Board of Directors' on the overall performances with regards to the Human Resource Key Performance Indicators;
- d. review periodically the monitoring and enforcement of and compliance with the Company's Code of Conduct;
- e. periodically review appointments, exits, retirements and promotions in the Company;
- f. review the Company's overall remuneration competitiveness with the market and to make recommends to the Board of Directors for appropriate actions, if required;
- g. review collective bargaining mandates and tentative settlements and to make recommendations to the Board of Directors;
- h. recommend to the Board of Directors the selection, evaluation, compensation and succession planning of the Chief Executive;
- i. review with the Chief Executive and recommend to the Board of Directors the selection, evaluation and compensation of a General Manager(s) or to recommend his removal;
- j. review with the Chief Executive and recommend to the Board of Directors the selection, evaluation, and compensation of the Company Secretary or to recommend his removal;
- k. review with the Chief Executive and recommend to the Board of Directors the selection, evaluation, and compensation of the Head of Internal Audit or to recommend his removal; and
- l. consideration of any other issue or matter as may be assigned by the Board of Directors.

¹Appointed Member HR Committee on February 21, 2020

²Resigned from the Board of Directors on February 10, 2020



CHAIRMAN'S REVIEW

I am pleased to present the Annual Report of the Company for the financial year ended on June 30, 2020.

The Company's profit before tax for the year is Rs. 32,954 Million; and profit after tax is Rs. 23,613 Million bringing its earnings per share (EPS) for the year to Rs. 26.83 per share of Rs. 10 each. The total cash dividend for the year being Rs. 1.50 per share.

Policies and procedures have been adopted/implemented by the Company to ensure compliance with applicable laws, regulations and best practices including under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017.

The Board of Directors has adopted a formal mechanism for its annual evaluation and the evaluation of the Board of Directors' Committees. A self-assessment questionnaire covers the attributes/skill sets of professional experience, Company knowledge, industry knowledge, governance issues, specific competency, business judgment, strategic vision, attendance, meeting preparation, team player, active participation and overall contribution.

In keeping with the requirements of regulations and its business needs, the Board of Directors has constituted Board Committees, which work under specified terms of reference and, as appropriate, these Board Committees made recommendations to the Board of Directors.

The Board of Directors has requisite skills sets which include engineering, financial, banking, legal experience and the media.

The matters of overdue receivables from the Pakistan Water and Power Development Authority (Rs. 99,362 Million); and the arbitration proceedings commenced by the Company in respect of the liquidated damages claims are being actively pursued by the Company.

The Company's Power Purchase Agreement (PPA) is for a term of twenty-five years, which is due to expire on June 26, 2021. In terms of the provisions of the PPA, the Company has taken-up the matter of the renewal/extension of the PPA with WAPDA and other relevant entities of the Government of Pakistan. You may refer to Note 2.2 of the financial statements and the attention drawn by the Auditors to this matter in the Auditor's Report in this respect.

The Company and the Committee for Negotiations with Independent Private Power Producers notified by Government of Pakistan have entered into a Memorandum of Understanding (MoU). You may refer to the Directors' Report for review.

In view of the coronavirus pandemic, appropriate safeguards have been put in place by the Company at its power plant and adjoining colony for ensuring the safety of Company employees and their families. Measures have been put in place for ensuring the continuous and reliable availability of the Company's power plant for power generation.

Following the successful completion of external surveillance IMS audit with zero non-conformances recorded, the Company continues to be compliant with the following accreditations under the Integrated Management System:

ISO 9001: 2015

Quality Management System

ISO 14001: 2015

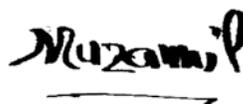
Environmental Management System

OHSAS 18001: 2007

Occupational Health and Safety Assessment Series (Occupational Health and Safety Management System)

The Company has also begun efforts for transitioning to ISO 45001:2018 (Occupational Health & Safety) which has replaced OHSAS 18001:2007.

The Company continues to reach out to the local community of Kot Addu through its Social Action Programme.



Lt. General (Retd) Muzammil Hussain

Chairman, Board of Directors

September 17, 2020

Lahore



DIRECTORS' REPORT

We are pleased to present the Directors' Report together with the Financial Statements (audited) for the year ended June 30, 2020.

Principles Activities of the Company

The principal activities of the Company are the ownership, operation and maintenance of the 1600 MW nameplate capacity multi fuel (gas, furnace oil and high speed diesel) fired power plant at Kot Addu, Punjab. The Company continues to sell the electrical energy produced from its power plant to its sole customer, the Pakistan Water and Power Development Authority (WAPDA).

The Company is listed on the Pakistan Stock Exchange; and is a KSE 100 index company.

Financial Highlights

Turnover for the year is Rs. 71,543 Million (2019: Rs. 84,831 Million); and the cost of sales are Rs. 50,065 Million (2019: Rs. 70,625 Million). The gross profit earned is Rs. 21,478 Million (2019: Rs. 14,205 Million); and profit before tax stood at Rs. 32,954 Million (2019: Rs. 18,963 Million). Tax provision is Rs. 9,341 Million; and profit after tax is Rs. 23,613 Million (2019: Rs.13,112 Million) which gives earnings per share (EPS) of Rs. 26.83 per share of Rs. 10 each (2019: Rs. 14.90 per share) for the year.

As in previous years, WAPDA's payment default continues. On June 30, 2020, the overdue receivables from WAPDA were Rs. 99,362 Million (for details refer to Note 19 to the Financial Statements). The payables of the Company, as on June 30, 2020, to Pakistan State Oil Company Limited (PSO) for fuel oil supplies were Rs. 473 Million and to Sui Northern Gas Pipelines Limited (SNGPL) for gas (RLNG) supplies amounts to Rs. 200 Million. The Company continues to pursue WAPDA and the concerned Ministries of the Government of Pakistan (GoP) for resolution of the matter.

As on June 30, 2020, the Company does not have any long term debt obligations other than those of operational nature.

Operational Highlights

The Company sold 3,477 GWh of electricity to its customer, representing a cumulative load factor of 29.5 %; overall commercial availability of 96.8%; and thermal efficiency of 44.4%. Proportion of generation on gas increased due to availability of RLNG from SNGPL. Fuel generation during the year mix was 72.6% on gas (RLNG), 27.2% on low sulphur furnace oil and 0.2% on high speed diesel.

The Company's power complex is being maintained at the highest international standards in accordance with the Original Equipment Manufacturers recommendations to ensure technical availability of the power complex in accordance with the provisions of the Power Purchase Agreement (PPA). During the year, thirteen combustion inspections were duly carried out as per approved outage plan; and major overhaul of two gas turbines were completed.

Liquidated Damages – Arbitration Proceedings

The arbitration proceedings filed by the Company against WAPDA for nullifying the liquidated damages of Rs. 27,727,118,565 wrongly imposed by it and to enforce the Company's right to claim Rs. 2,446,520,553 comprising of the Company's net losses not otherwise covered by late payment interest and other claims of the Company is pending before the ICC Tribunal in Singapore. The Company filed its memorial and other documents before the ICC Tribunal in November 2019 and WAPDA filed its memorial and other documents before the Tribunal in February 2020. This was followed by production of documents from both parties in July 2020 and filing by the Company of its reply memorial.

Due to the conflict of interest of WAPDA, the LDs Committee of the Board of Directors is working closely with Management on the LDs arbitration proceedings.

Expiry of Power Purchase Agreement & Execution of Memorandum of Understanding

The Company's PPA is for a term of twenty-five years, which is due to expire on June 26, 2021. In terms of the provisions of the PPA, the Company has taken-up the matter of the renewal/extension of the PPA. You may refer to Note 2.2 of the financial statements in this respect.

The Company and the Committee for Negotiations with Independent Private Power Producers notified by GoP have entered into a Memorandum of Understanding (MoU).

The terms of the MoU are, *inter alia*, that the existing capacity payments and variable O&M shall be reduced by 11%; USD exchange rate and US CPI indexations shall be discontinued on 50% of the reduced capacity payment (which shall be fixed at National Bank of Pakistan's TT/OD selling PKR/USD exchange rate prevailing as on August 12, 2020 without any local or international currency indexation or inflation adjustment for the future); USD exchange rate and US CPI indexations on reduced variable O&M and 50% of the reduced capacity payment shall continue as per existing arrangement; without prejudice to the terms of its generation license the Company will support and participate in the Competitive Trading Arrangement when it is implemented and becomes fully operational.

Further, under the MoU, the parties/GoP shall look into the possibility of extension/renewal of the Company's Power Purchase Agreement beyond June 26, 2021 on terms and conditions to be mutually agreed keeping in view the commercial and technical viability of the Company's Power Plant; the MoU recognizes that payment of receivables of the Company is an integral part of the MoU as key consideration, and the power purchaser and GoP shall devise a mechanism for payment of the outstanding receivables within agreed time period which shall be reflected in the final agreement to be signed; the power purchaser shall ensure adherence to its contractual obligations, and GoP and power purchaser shall work towards resolution of the arbitration dispute. However, nothing in the MoU prejudices the positions and claims in the on-going arbitration proceedings between the Company and the power purchaser.

The terms of the MoU are subject to the approval of Federal Cabinet and the Company's Board of Directors where after

the Negotiation Committee and the Company shall agree and document details and procedures of the understandings, along with the Company's specific issues within an agreed timeframe, after which the same shall be submitted to relevant counterparties, to be followed by legal documentation to amend the tariffs and relevant agreements. Further, the terms of the MoU are subject to necessary corporate approvals.

Impact of Covid-19 on the Company and its business

The Company has since March 2020 taken appropriate measures at its power plant and adjacent colony to combat any spread of COVID 19. The measures taken include restricting open access into the colony, screening facilities at the main gate and entry being restricted to essential persons, testing and quarantine period for employees leaving the premises before returning to work have been put in place. At the power complex proper measures have been taken to facilitate washing of hands and use of sanitizers. Further, wearing of face masks is mandatory along with other protocols for compliance at the work place. Social distancing measures are in place even to the point of coming to work, leaving and working at the work place. In order to formalise the protective controls, Management has been issuing instructions through office orders to govern leave approvals, testing, isolation, restriction at entry and exit etc. The Company's Crises Management Team is fully engaged. The Company is committed to taking necessary steps to protect the power plant operations / business and its employees and their families.

Social Action Programme

As part of the Company's Social Action Programme, the following activities were carried out during Covid-19 pandemic:

1. 1,000 ration bags were distributed to the needy people of Kot Addu and adjoining areas.
2. Donated PPE's i.e. face mask, surgical gloves and doctors' protective kits to Nishtar Hospital (Multan) and THQ Hospital (Kot Addu).
3. Deserving daily wagers staff were also supported in cash.

Other activities of the Social Action Programme included the following:

1. The Company sponsored Thal Jeep Rally Muzaffargarh arranged by the local administration in November, 2019.
2. The Company installed two water filtration plants for supply of clean water to the local community in January, 2020
3. The Company sponsored “Million Smiles Youth Conference” held in Islamabad in February, 2020.
4. The Company developed green areas near G.T. Road Kot Addu.

The Social Action Programme was carried out at a cost of Rs. 10.261 Million.

Directors’ Training

During the year, Mr. Javed Akhtar (Director) has participated in the assessments carried out by the Pakistan Institute of Corporate Governance under its Corporate Governance Leadership Skills – Directors Education Program.

Directors’ Remuneration

Non-executive Directors and the Independent Directors are entitled to a Directors’ fee for meetings attended.

Change on Board of Directors’

Two casual vacancies on the Board of Directors’ due to the resignation of Mr. Muhammad Arshad Chaudhry and Mr. Muhammad Ikram Khan were respectively filled-in by the appointment of Mr. Javed Akhtar and Mr. Naveed Asghar Chaudhry.

Board of Directors Composition

The Board of Directors as at June 30, 2020 consists of:

Total number of Directors:	
a) Male	07
b) Female	01

Composition

i) Independents Directors	04
ii) Non-executive Directors	03
iii) Executive Directors	01

The names of the Directors as at June 30, 2020 are as follows:

1. **Lt. General (Retd) Muzammil Hussain**
2. **Mr. Aftab Mahmood Butt**
3. **Mr. Aqeel Ahmed Nasir**
4. **Mr. Hafiz Muhammad Yousaf**
5. **Mr. Saad Iqbal**
6. **Ms. Zunaira Azhar**
7. **Mr. Javed Akhtar**
8. **Mr. Naveed Asghar Chaudhry**

Corporate and Financial Reporting Framework

As required by the Code of Corporate Governance, we are pleased to report the following:

- a) The financial statements, prepared by the Management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgement.
- d) International Financial Reporting Standards, as applicable in Pakistan, and subject to waivers from the competent authority, have been followed in preparation of financial statements and any departure therefrom have been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company’s ability to continue as a going concern except for the

expiry of PPA on June 26, 2021, as disclosed in note 2.2 of the financial statements. The Auditors have in their Report also drawn attention to this matter, however, the financial statements are prepared on going concern basis.

- g) Key operating and financial data for the last six years is annexed.
- h) The pattern of shareholding as at June 30, 2020 is annexed.
- i) Except as disclosed in the pattern of shareholding, the Directors, Chief Executive, the Chief Financial Officer, the Company Secretary, Head of Internal Audit, their spouses and minor children have not traded in the shares of the Company.
- j) The value of investments of Pension Fund and Provident Fund as at June 30, 2019 is as follows:

	Rs. in Million
Pension Fund	2,824
Provident Fund	923

- k) Information about outstanding taxes and levies is given in the Notes to the Financial Statements.
- l) During the year, six (6) meetings of the Board of Directors were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Lt. General (Retd) Muzammil Hussain	6
Mr. Aftab Mahmood Butt	6
Mr. Aqeel Ahmed Nasir	5
Mr. Hafiz Muhammad Yousaf	6
Mr. Saad Iqbal	6
Ms. Zunaira Azhar	4
Mr. Javed Akhtar ¹	4
Mr. Naveed Asghar Chaudhry ²	4
Mr. Muhammad Arshad Chaudhry ³	2
Mr. Muhammad Ikram Khan ⁴	2

¹ Appointed Director of the Company on February 19, 2020

² Appointed Director of the Company on February 19, 2020

³ Resigned from the Board of Directors on February 10, 2020

⁴ Resigned from the Board of Directors on February 10, 2020

⁵ Appointed Member Audit Committee on February 19, 2020

- m) During the year, five meetings of the Audit Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Muhammad Yousaf	5
Mr. Saad Iqbal	3
Mr. Javed Akhtar ⁵	2
Mr. Naveed Asghar Chaudhry ⁶	1
Mr. Muhammad Arshad Chaudhry ⁷	3
Mr. Muhammad Ikram Khan ⁸	3

- n) During the year, four meetings of the HR Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Aqeel Ahmed Nasir	4
Mr. Aftab Mahmood Butt	4
Mr. Naveed Asghar Chaudhry ⁹	3
Mr. Muhammad Ikram Khan ¹⁰	1

- o) During the year, five meetings of the LDs Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Aqeel Ahmed Nasir	4
Mr. Aftab Mahmood Butt	5
Mr. Saad Iqbal	5

Chairman's Review

The accompanied Chairman's Review is endorsed by the Board of Directors.

Appropriations

An Interim Dividend of Rs. 1.50 per share was approved by the Board of Directors on April 22, 2020 and credited to shareholders accounts in June 2020. The total dividend to be approved by the shareholders at the Annual General Meeting on October 28, 2020 will be Rs. 1.50 per share i.e. 15% for the year ended June 30, 2020.

⁶ Appointed Member Audit Committee on February 19, 2020

⁷ Resigned from the Board of Directors on February 10, 2020

⁸ Resigned from the Board of Directors on February 10, 2020

⁹ Appointed Member HR Committee on February 21, 2020

¹⁰ Resigned from the Board of Directors on February 10, 2020

The net profit for the year is appropriated as follows.

	Rs. '000'
Net Profit for the year	23,613,193
Other comprehensive income/(loss)	(462,689)
Un-appropriated profit brought forward	31,914,164
Profit available for appropriation	55,064,668

Appropriations

	Rs. '000'
Final dividend for the year ended June 30, 2019 Rs. 3.00 per share	(2,640,760)
Interim dividend for the year ended June 30, 2020 Rs. 1.50 per share	(1,320,380)
	3,961,140
Un-appropriated profit carried forward	51,103,528
Basic Earnings Per Share (Rupees)	26.83

The Directors draw your attention to the contingencies referred to in the Auditors' Report relating to Note 11.1(x) of the Financial Statements, which pertains to the LDs dispute between by the Company and WAPDA and the pending ICC arbitration proceedings pending in Singapore.

KAPCO Energy (Private) Limited

The Company initiated coal expansion project during year ended June 30, 2014 under the initiatives of Punjab Power Development Board (PPDB). For this purpose, a special purpose vehicle was incorporated by the name of KAPCO Energy (Private) Limited (KEPL) on April 30, 2014. The Company did not subscribe the share capital of KEPL. The outcome of the coal project became uncertain as GoP changed its policy with respect to construction of new power projects on imported fuel (including imported coal). Thus, the development cost incurred on the coal expansion project was charged off in financial year ended June 30, 2017. KEPL has no assets and liabilities and accordingly, been put in place for liquidation/winding-up/striking of name off the Register of Companies.

Auditors

The Board of Directors' recommends the appointment of A. F. Ferguson & Co., Chartered Accountants (a member firm of PriceWaterhouseCoopers which is a 'Big 4 Firm') as the Company's auditors for the next year, as suggested by the Audit Committee.

Deloitte Yousuf Adil, Chartered Accounts (DYA), the outgoing auditors, provided a professional service to the Company. The relationship of DYA with Deloitte Touche Tohmatsu Limited (a 'Big 4 Firm') is due to expire. In keeping with the spirit of the Company's Articles of Association, there is a requirement that the auditors of the Company shall be a 'Big 4 Firms' or an associate thereof in Pakistan. Hence the change in auditors is recommended.

Appreciation

We thank the employees of the Company for making this a successful year for the Company.

By Order of the Board



Aftab Mahmood Butt
Chief Executive



Hafiz Muhammad Yousaf
Director

September 17, 2020
Lahore

o- سال کے دوران نقصانات کے ازالے کی کمیٹی کے 5 اجلاس منعقد ہوئے، ان اجلاسوں میں حاضری اس طرح رہی:

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب عقیل احمد ناصر	4
جناب آفتاب محمود بٹ	5
جناب سعادت قبال	5

چیئرمین کا جائزہ

چیئرمین کے منسلک جائزے کی بورڈ آف ڈائریکٹرز نے تائید کی ہے۔

مالیاتی کارکردگی

22 اپریل 2020ء کو بورڈ آف ڈائریکٹرز کی جانب سے 1.50 روپے فی شیئر کا عبوری منافع منظور کیا گیا تھا اور شیئر ہولڈرز کے بینک اکاؤنٹس میں اس کی ترسیل جون 2020ء میں کی گئی تھی۔ 28 اکتوبر 2020ء کے سالانہ عمومی اجلاس میں حصص مالکان کی طرف سے 30 جون 2020ء کو ختم ہونے والے سال کے لیے کل ڈیویڈنڈ/منافع 1.50 روپے فی شیئر یعنی 15 فیصد کی منظوری لی جائے گی:

سال کے خالص منافع کی تقسیم کچھ یوں رہی ہے:

سال کے لیے خالص منافع	'000' روپے
دیگر جامع فوائد (نقصان)	23,613,193
غیر منقسم منافع	(462,689)
تقسیم کے لیے دستیاب منافع	31,914,164
رقم کی تقسیم	55,064,668
30 جون 2019 کو ختم ہونے والے سال کے لیے حتمی منافع بحساب 3 روپے فی شیئر	(2,640,760)
30 جون 2020 کو ختم ہونے والے سال کے لیے عبوری منافع بحساب 1.50 روپے فی شیئر	(1,320,380)
غیر منقسم منافع (اگلے سال کیلئے)	3,961,140
فی شیئر بنیادی آمدن (روپے)	51,103,528
	26.83

ڈائریکٹرز آپ کی توجہ مالیاتی گوشواروں کے نوٹ (x) 11.1 سے متعلق آڈیٹرز کی رپورٹ میں ظاہر کیے گئے خدشات کی طرف مبذول کرانا چاہتے ہیں، جو کہ کمیٹی اور واچڈاکے مابین نقصانات کے ازالے کے حوالے سے تنازع اور سنگاپور میں ICC کے سامنے زیر التوا اثباتی کی کارروائی کے حوالے سے ہیں۔

کیپیکو انرجی (پرائیویٹ) لمیٹڈ

کمپنی نے 30 جون 2014ء کو ختم ہونے والے سال کے دوران پنجاب پاور ڈویلپمنٹ بورڈ (PPDB) کے اقدامات کے تحت کونسلے کا توسیعی منصوبہ شروع کیا۔ اس مقصد کے لیے 30 اپریل 2014ء کو کیپیکو انرجی (پرائیویٹ) لمیٹڈ (KEPL) کے نام سے خصوصی مقصد کی حامل کمپنی کو شامل کیا گیا۔ کمپنی نے KEPL کے شیئر کیپیکو کو subscribe نہیں کیا۔ کونسلے کے اس منصوبے کا حتمی نتیجہ یقینی نہیں ہے کیونکہ حکومت نے درآمد شدہ ایندھن (شمول درآمد شدہ کونسلے) پر چلنے والے نئے پاور پراجیکٹس کی تعمیر کے لحاظ سے اپنی پالیسی بدل دی ہے۔ اس طرح کونسلے میں اضافے کے پراجیکٹ پر آنے والی ترقیاتی لاگت 30 جون 2017ء کو ختم ہونے والے سال کے دوران ناقابل واپسی ہو چکی ہے۔ KEPL کے کوئی اثاثے یا مالی ذمہ داریاں نہیں ہیں اور اس کے مطابق رجسٹر آف کمپنیز میں اسے تحلیل کے لیے ڈال دیا گیا ہے۔

آڈیٹرز

آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے اگلے سال کے لیے، A. F. Ferguson & Co. Chartered Accountants (Big 4 Firm'PriceWaterhouseCoopers) کو ممبر فرم (کو اگلے سال کے لیے کمپنی کا آڈیٹر مقرر کیا ہے۔

ریٹائرڈ ہونے والے آڈیٹرز ڈیلانٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس (DYA) نے کمپنی کے لیے انتہائی پیشہ ورانہ خدمات سرانجام دی ہیں۔ (DYA) کا Deloitte Touche Tohmatsu Limited (Big 4 Firm) کے ساتھ تعلق اختتام کے قریب ہے۔ کمپنی کے آڈیٹرز آف ایسوسی ایشن کے مطابق کمپنی کے آڈیٹرز ایک بگ 4 فرم یا پاکستان میں اس کے ایسوسی ایٹس ہونے چاہئیں۔ لہذا آڈیٹرز کی تبدیلی کی تجویز دی گئی ہے۔

اظہار تشکر

ہم اس موقع پر کمپنی کے تمام ملازمین کا شکریہ ادا کرتے ہیں جنہوں نے کامیابی کے ایک اور سال کے لیے کام کیا۔

بحکم بورڈ



حافظ محمد یوسف
ڈائریکٹر



آفتاب محمود بٹ
چیف ایگزیکٹو

17 ستمبر 2020

لاہور۔

4	جناب جاوید اختر ^۱
4	جناب نوید اصغر چودھری ^۲
2	جناب محمد ارشد چودھری ^۳
2	جناب محمد اکرام خان ^۴

(۱) 19 فروری 2020 کو کینی کا ڈائریکٹر مقرر کیا گیا۔

(۲) 19 فروری 2020 کو کینی کا ڈائریکٹر مقرر کیا گیا۔

(۳) 10 فروری 2020 کو کینی کے بورڈ آف ڈائریکٹرز سے استعفیٰ دیا

(۴) 10 فروری 2020 کو کینی کے بورڈ آف ڈائریکٹرز سے استعفیٰ دیا

(m) اس سال کے دوران آڈٹ کمیٹی کے 15 اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب حافظ محمد یوسف	5
جناب سعد اقبال	3
جناب جاوید اختر ^۵	2
جناب نوید اصغر چودھری ^۶	1
جناب محمد ارشد چودھری ^۷	3
جناب محمد اکرام خان ^۸	3

(۵) 19 فروری 2020 کو آڈٹ کمیٹی کا ممبر مقرر کیا گیا۔

(۶) 19 فروری 2020 کو آڈٹ کمیٹی کا ممبر مقرر کیا گیا۔

(۷) 10 فروری 2020 کو کینی کے بورڈ آف ڈائریکٹرز سے استعفیٰ دیا

(۸) 10 فروری 2020 کو کینی کے بورڈ آف ڈائریکٹرز سے استعفیٰ دیا

(n) اس سال کے دوران ایچ آر کمیٹی کے چار اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب عقیل احمد ناصر	4
جناب آفتاب محمود بٹ	4
جناب نوید اصغر چودھری ^۹	3
جناب محمد اکرام خان ^{۱۰}	1

(۹) 21 فروری 2020 کو ایچ آر کمیٹی کا ممبر مقرر کیا گیا۔

(۱۰) 10 فروری 2020 کو کینی کے بورڈ آف ڈائریکٹرز سے استعفیٰ دیا۔

(b) حسابات کے مناسب کھاتے رکھے گئے ہیں۔

(c) مالیاتی گوشواروں کی تیاری کے لیے ہمیشہ مناسب اور متعلقہ اکاؤنٹنگ پالیسیوں پر عمل کیا جاتا ہے اور پالیسیوں میں ہونے والی کسی تبدیلی کو مالیاتی گوشواروں میں ظاہر کیا جاتا ہے۔ حسابات کے گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

(d) پاکستان میں لاگو "انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز" کو مالیاتی گوشواروں کی تیاری کے لیے بروئے کار لایا جاتا ہے اور ان میں ہونے والی کسی بھی تبدیلی کو مناسب طور پر ظاہر کیا جاتا ہے اور اس کی وضاحت کی جاتی ہے۔

(e) اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے رو بہ عمل ہے جس کی مسلسل نگرانی کی جاتی ہے۔

(f) کمپنی کے قائم نہ رہنے کے حوالے سے کسی بھی قسم کا کوئی خدشہ نہیں پایا جاتا۔ آڈیٹرز نے اپنی رپورٹ میں کمپنی کے بجلی کی خریداری کے موجودہ معاہدے کی معیادہ 26 جون 2021 کو ختم ہونے کی طرف توجہ مبذول کروائی ہے، اس کی تفصیل مالیاتی گوشواروں کے نوٹ 2.2 میں بھی دی گئی ہے۔

(g) گزشتہ 6 برس کے مالی اور انتظامی امور سے متعلق اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔

(h) 30 جون 2020 تک حصص کی تفصیل منسلک ہے۔

(i) کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، سی ایف او، کمپنی سیکرٹری، ان کی بیویاں/شوہرا اور بچوں نے کمپنی کے شیئرز کا تجارتی لین دین نہیں کیا ہے۔ ماسوائے اس کے جو ظاہر کیا گیا ہے۔

(j) 30 جون 2019 تک پینشن فنڈ اور پراویڈنٹ فنڈ کی سرمایہ کاری کی تفصیل کچھ یوں ہے:

پینشن فنڈ	000 ملین روپے
پینشن فنڈ	2,824
پراویڈنٹ فنڈ	923

(k) واجب الادا انکیسز اور لیویز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔

(l) اس سال کے دوران بورڈ آف ڈائریکٹرز کے 16 اجلاس منعقد ہوئے تھے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی ہے:

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
لیفٹیننٹ جنرل (ر) منزل حسین	6
جناب آفتاب محمود بٹ	6
جناب عقیل احمد ناصر	5
جناب حافظ محمد یوسف	6
جناب سعد اقبال	6
محترمہ زونیرہ اظہر	4

مفاہمتی یادداشت کی شرائط کا طے پانا وفاقی کابینہ اور کمپنی کے بورڈ آف ڈائریکٹرز کی منظوری پر منحصر ہے جبکہ مذکورہ کمیٹی اور کمپنی مفاہمت کے طریقہ ہائے کار اور تفصیلات پر متفق ہونے کے بعد اسے دستاویزی شکل دیں گے، جن میں کمپنی کے مخصوص ایٹوز کو ایک طے شدہ ناٹم فریم کے اندر حل کرنے کا معاملہ بھی شامل ہوگا، جس کے بعد فریقین ان دستاویزات کا آپس میں تبادلہ کریں گے اور ٹریف و متعلقہ معاہدوں میں تبدیلیوں کے لیے ان دستاویزات کو قانونی شکل دی جائے گی۔ مزید برآں مفاہمتی یادداشت کی شرائط کی ضروری کارپوریٹ منظوری بھی لی جائے گی۔

کمپنی اور اس کے کاروبار پر کووڈ-19 کے اثرات

کمپنی نے مارچ 2020ء سے اپنے پاور پلانٹ اور اس سے ملحقہ کالونی میں کووڈ-19 کو پھیلنے سے روکنے کے لیے مناسب اقدامات کیے ہیں۔ ان میں کالونی میں آزادانہ داخلے کو محدود کرنا، مین گیٹ پر سکریننگ کی سہولیات کی فراہمی اور داخلہ صرف ضروری افراد تک محدود کرنا، کام کی جگہ سے ایک بار نکلنے کے بعد دوبارہ واپس آنے والے ملازمین کا ٹیسٹ اور انہیں قرنطینہ میں رکھنے جیسے اقدامات شامل ہیں۔ پاور کمپلیکس میں ہاتھ دھونے اور نسینی نائزر کے استعمال کے تسلی بخش انتظامات کیے گئے ہیں۔ مزید برآں کام کی جگہ پر یہ لازمی قرار دیا گیا ہے کہ فیس ماسک پہنیں اور دیگر ضوابط کو پورا کریں۔ کام کے لیے آنے، وہاں سے جانے اور کام کرنے کی جگہ تک تمام مراحل پر سماجی فاصلہ برقرار رکھنے کے لیے اقدامات کیے گئے ہیں۔ حفاظتی اقدامات کو باقاعدہ شکل دینے کے لیے انتظامیہ آفس آرڈرز کے ذریعے ہدایات جاری کر رہی ہے، جن کا اطلاق چھٹی کی درخواستوں کی منظوری، ٹیسٹنگ، قرنطینہ، داخلی اور خارجی راستوں پر پابندی وغیرہ کے حوالے سے ہوتا ہے۔ کمپنی کی کرائسز کے انتظام کی ٹیم فوری طرح فعال ہے۔ کمپنی اس بات کے لیے پرعزم ہے کہ پاور پلانٹ کے آپریشنز/کاروبار اور اس کے ملازمین اور ان کے خاندانوں کی حفاظت کے لیے تمام ضروری اقدامات کیے جائیں۔

سماجی اقدام کا پروگرام

کمپنی کے سماجی پروگرام کے حصے کے طور پر کووڈ-19 کے دوران مندرجہ ذیل سرگرمیاں انجام دی گئیں:

- 1- کوٹ اڈو اور اس کے قریب وجواریں میں 1000 راشن بیگ ضرورت مند افراد میں تقسیم کیے گئے۔
 - 2- ذاتی حفاظت کا سامان جیسا کہ فیس ماسک، سرجیکل دستاں اور ڈاکٹروں کی حفاظتی کٹن نشتز ہسپتال (ملتان) اور تحصیل ہیڈ کوارٹر ہسپتال (کوٹ اڈو) کو فراہم کی گئیں۔
 - 3- یومیہ اجرت پر کام کرنے والے مستحق ملازمین کو امدادی رقومات فراہم کی گئیں۔
- سماجی اقدام کے پروگرام میں مندرجہ ذیل دیگر سرگرمیاں شامل تھیں:
- 1- مظفر گڑھ کی مقامی انتظامیہ کے زیر انتظام نومبر 2019ء ہونے والی تھل جیب ریلی کی سپانسرشپ
 - 2- کمپنی نے مقامی آبادی کو صاف پانی کی فراہمی کے لیے جنوری 2020ء میں دفنیشن پلانٹ نصب کیے۔
 - 3- کمپنی نے فروری 2020ء میں اسلام آباد میں منعقد ہونے والی "Million Smiles Youth Conference" کے لیے بھی معاونت فراہم کی۔
 - 4- کمپنی نے جی ٹی روڈ کوٹ اڈو کے نزدیکی علاقوں میں گرین ایریا ڈویلپ کیے۔

سماجی اقدام کا پروجرام 10.261 ملین روپے کی لاگت سے مکمل کیا گیا۔

ڈائریکٹرز کی تربیت

اس سال کے دوران کمپنی کے ڈائریکٹر جناب جاوید اختر (ڈائریکٹر) نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کی جانب سے اس کے کارپوریٹ گورننس لیڈرشپ سکول۔ ڈائریکٹرز ایجوکیشن پروگرام کے تحت منعقدہ جائزوں میں شرکت کی۔

ڈائریکٹرز کے وظائف

غیر انتظامی ڈائریکٹرز اور غیر جانبدار ڈائریکٹرز اجلاسوں میں شرکت کے لیے ڈائریکٹرز فیس لینے کا استحقاق رکھتے ہیں۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

جناب محمد ارشد چودھری اور جناب محمد اکرام خان کے استعفوں کی وجہ سے بورڈ آف ڈائریکٹرز میں دو اسامیاں خالی ہوئیں جن پر بالترتیب جناب جاوید اختر اور جناب نوید اصغر چودھری کو تعینات کیا گیا۔

بورڈ آف ڈائریکٹرز کی کمپوزیشن

30 جون 2020ء کو بورڈ آف ڈائریکٹرز کی کمپوزیشن اس طرح سے ہے:

ڈائریکٹرز کی مجموعی تعداد	08
(a) مرد	7
(b) خواتین	1
کمپوزیشن	
(i) غیر جانبدار ڈائریکٹرز	4
(ii) غیر انتظامی ڈائریکٹرز	3
(iii) انتظامی ڈائریکٹرز	1

30 جون 2020ء کے مطابق بورڈ آف ڈائریکٹرز ان افراد پر مشتمل ہے:

1- لیفٹیننٹ جنرل (ر) مزمل حسین

2- جناب آفتاب محمود بٹ

3- جناب عقیل احمد ناصر

4- جناب حافظ محمد یوسف

5- جناب سعد اقبال

6- محترمہ زونیرہ الظہر

7- جناب جاوید اختر

8- جناب نوید اصغر چودھری

ضابطہ برائے تجارتی انتظام و انصرام (کوڈ آف کارپوریٹ گورننس) کی تعمیل ضابطہ برائے تجارتی انتظام و انصرام کے تحت ہمیں درج ذیل امور پیش کرتے ہوئے مسرت ہو رہی ہے:

(a) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے کہ سرگرمیوں کے نتائج، رقم کی آمد و رفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔

ڈائریکٹرز رپورٹ

ہمیں ڈائریکٹرز رپورٹ کے ساتھ 30 جون 2020 کو ختم ہونے والے سال کے مالیاتی گوشوارے (آڈٹ شدہ) پیش کرنے میں خوشی محسوس ہو رہی ہے۔

کمپنی کی بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمیوں میں کوٹ اوڈو پنجاب میں اپنے مختلف اقسام کے فیول (گیس، فرنس آئل اور ہائی سپیڈ ڈیزل) سے چلنے والے 1600 میگا واٹ کی استعداد کے حامل بجلی گھر/پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال و مرمت شامل ہے۔ کمپنی اپنے واحد کسٹمر/صارف پاکستان وائرٹرائیڈ پاور ڈیولپمنٹ اتھارٹی (واپڈا) کو اپنے بجلی گھر/پاور پلانٹ سے پیدا کردہ بجلی فروخت کر رہی ہے۔

کمپنی پاکستان اسٹاک ایکسچینج میں رجسٹرڈ ہے اور یہ کے ایس ای 100 کمپنی ہے۔

مالیاتی کارکردگی

اس سال کمپنی کا کاروباری حجم 71,543 ملین روپے (2019: 84,831 ملین روپے) رہا ہے جس میں فروخت کی لاگت 50,065 ملین روپے ہے (2019: 70,625 ملین روپے)۔ منافع کی مجموعی رقم 21,478 ملین روپے (2019: 205,14 ملین روپے) ہے اور ٹیکس کی ادائیگی سے قبل منافع کی رقم 32,954 ملین روپے ہے (2019: 18,963 ملین روپے)۔ ٹیکس کی رقم 9,341 ملین روپے ہے؛ ٹیکس کی ادائیگی کے بعد منافع کی رقم 23,613 ملین روپے (2019: 13,112 ملین روپے) ہے۔ اس طرح اس سال 10 روپے کے ہر حصص پر آمدن 26.83 روپے فی حصص (2019: 14.90 روپے فی حصص) رہی۔

پچھلے سالوں کی طرح اس سال بھی واپڈا واجب الادا رقم کی ادائیگی میں ناکام رہا۔ 30 جون 2020 کو واپڈا کے ذمہ واجب الادا رقم 9,936 ملین روپے تھی (مزید تفصیلات کے لیے مالیاتی گوشوارے کا نوٹ 19 دیکھیں)۔ 30 جون 2020 تک تیل کی فراہمی کی مد میں کمپنی کے ذمہ پاکستان سٹیٹ آئل کمپنی لمیٹڈ (PSO) کی قابل ادائیگی رقم 473 ملین روپے تھی جبکہ گیس (RLNG) سپلائی کی مد میں کمپنی کے ذمہ سوئی نادرن گیس پائپ لائن کمپنی (SNGPL) کی قابل ادائیگی رقم 200 ملین روپے تھی۔ کمپنی اس ضمن میں واپڈا اور حکومت پاکستان کی متعلقہ وزارتوں سے مل کر اس معاملے کے حل کے لیے مسلسل کوشش کر رہی ہے۔

30 جون 2020 تک کمپنی کے ذمہ آپریشنل نوعمیت کے قرضوں کے علاوہ عرصہ طویل کا کوئی قرضہ واجب الادا نہیں ہے۔

آپریٹیشنل کاموں پر ایک نظر

اس سال کے دوران کمپنی نے اپنے صارف کو 3477 GWh بجلی فروخت کی ہے۔ یہ پیداوار مجموعی پیداواری صلاحیت کے 29.5 فیصد کے برابر ہے؛ مجموعی تجارتی دستیابی 96.8 فیصد اور تھرمل ذرائع سے بجلی پیدا کرنے کی استعداد کا 44.4 فیصد ہے۔ سوئی نادرن گیس پائپ لائن سے گیس (RLNG) فراہمی کی دستیابی کی وجہ سے گیس پر پیداوار میں اضافہ ہوا۔ بجلی کی مجموعی پیداوار کے لیے تینوں ایندھوں کا تناسب (گیس (RLNG)، 72.2 فیصد، کم سلفر فرنس آئل 27.2 فیصد اور ہائی سپیڈ ڈیزل 0.2 فیصد) رہا ہے۔

کمپنی کے پاور کمپلیکس کی دیکھ بھال و مرمت اس کے اصل تیار کنندہ کی سفارشات کے مطابق اعلیٰ ترین عالمی معیارات کے مطابق کی جاتی ہے، اس طرح سے بجلی کی خریداری کے معاہدے کے قواعد کے مطابق پاور کمپلیکس کی فنی دستیابی یقینی ہو جاتی ہے۔ اس سال کے دوران منصوبے کے مطابق 13 بار حرارت پذیری کا معائنہ کیا گیا؛ اور دو گیس ٹرانسز کی وسیع اور ہائٹنگ کا کام مکمل کیا گیا۔

نقصانات کا ازالہ۔۔۔ ثالثی کا عمل

واپڈا کی جانب سے غلط طور پر عائد کردہ 27,727,118,565 روپے کے نقصانات کے دعویٰ کو کالعدم قرار دینے اور کمپنی کے نقصانات کے ازالہ پر مشتمل رقم 2,446,520,553 روپے کے دعوے کو درست ثابت کرنے کے لیے واپڈا کے خلاف ثالثی کی کارروائی کا آغاز کیا گیا، یہ نقصانات واجبات کی تاخیر سے ادائیگی کے سود کے علاوہ ہیں۔ ثالثی کی یہ کارروائی سنگاپور میں انٹرنیشنل چیمبر آف کامرس (ICC) کے ٹریبونل کے زیر سماعت ہے۔ کمپنی نے اپنا میموریل اور دیگر دستاویزات ICC کے ٹریبونل کے سامنے نومبر 2019ء میں پیش کیے جس کے جواب میں واپڈا نے اپنا میموریل اور دیگر دستاویزات ٹریبونل کے سامنے فروری 2020ء میں پیش کیے۔ اس کے بعد دونوں فریقین کی طرف سے دستاویزات جولائی 2020ء میں پیش کیے گئے اور کمپنی نے اپنا جوابی میموریل بھی جمع کروایا۔

واپڈا کے ساتھ مفادات کے گھراؤ کے حوالے سے بورڈ آف ڈائریکٹرز کی LDs کمپنی نقصانات کے ازالے کے لیے جاری ثالثی کی کارروائی کے بارے میں انتظامیہ کے ساتھ مل کر کام کر رہی ہے۔

بجلی کی خریداری کے معاہدے کی معیاد کا اختتام اور مفاہمت کی یادداشت (MoU)

کمپنی کا بجلی کی خریداری کا معاہدہ (PPA) 25 سال کی مدت کے لیے ہے، جو 26 جون 2021ء کو ختم ہو جائے گا۔ بجلی کی خریداری کے معاہدے کی دفعات کے تحت کمپنی نے PPA کی تجدید/توسیع کا معاملہ اٹھایا ہے۔ آپ اس حوالے سے مالیاتی گوشواروں کا نوٹ 2.2 دیکھ سکتے ہیں۔

کمپنی اور قائمہ انداز کرنسی کمپنی نے حکومت پاکستان کی طرف سے انڈیپنڈنٹ پرائیویٹ پاور پروڈیوسرز کے ساتھ مفاہمت کی ایک یادداشت (MoU) پر اتفاق کیا ہے۔

مفاہمت کی یادداشت کی شرائط میں شامل ہے کہ موجودہ مقررہ آمدن اور متغیر O&M 11 کو 1 فیصد کم کیا جائے گا؛ امریکی ڈالر کے ساتھ مبادلہ کی شرح اور امریکی کنزیومر پرائس انڈیکس کو 50 فیصد مقررہ ادائیگیوں پر ختم کر دیا جائے گا (اسے نیشنل پیگ آف پاکستان کے OD/TT کے مطابق 12 اگست 2020ء کی امریکی ڈالر اور پاکستانی روپے کی شرح مبادلہ کے مطابق فکس کیا جائے گا اور مستقبل میں مقامی یا عالمی کرنسی میں کسی اتار چڑھاؤ یا افراط زر کے مطابق تبدیل نہیں کیا جائے گا)؛ امریکی ڈالر کی شرح مبادلہ اور امریکی کنزیومر پرائس انڈیکس کا اطلاق کم کردہ متغیر O&M اور کم کردہ مقررہ آمدن کے 50 فیصد پر موجودہ انتظامات کے مطابق ہوتا رہے گا؛ کمپنی کے جزییشن لائسنس پر اثر انداز ہونے بغیر جب مسابقتی تجارتی انتظام مکمل طور پر فعال ہو جائے گا تو کمپنی اس میں معاونت کرے گی اور شرکت کرے گی۔

مزید برآں مفاہمتی یادداشت کے تحت فریقین/حکومت پاکستان اس امکان پر غور کریں گے کہ 26 جون 2021ء کے بعد بھی کمپنی کے بجلی کی خریداری کے معاہدے میں توسیع کی جائے/تجدید کی جائے، جو کہ کمپنی پاور پلانٹ کی کاروباری اور تکنیکی صلاحیت دیکھنے کے بعد باہمی طور پر متفقہ شرائط و ضوابط کے تحت ہوگی؛ مفاہمتی یادداشت میں اس بات کو بھی مد نظر رکھا گیا ہے کہ کمپنی جو رقومات وصول کرنا ہیں وہ ایم او بیس لازمی حصے کے طور پر شامل ہوں، اور بجلی کا خریدار ادارہ اور حکومت پاکستان ایک ایسا طریقہ کار تشکیل دیں گے جس کے تحت طے شدہ ٹائم فریم کے اندر یہ واجب الادا رقم ادا کی جائے جو کہ دیکھنے کے لیے تیار ہونے والے حتمی معاہدے کا حصہ ہوگا؛ بجلی کا خریدار ادارہ معاہدے کی شرائط پر عمل پیرا رہنے کی یقین دہانی کروائے گا اور حکومت پاکستان و بجلی کا خریدار ادارہ ثالثی کے تنازعے کے حل کے لیے کام کریں گے۔ تاہم مفاہمتی یادداشت میں ایسی کوئی بات شامل نہیں ہے جو کمپنی اور بجلی کے خریدار ادارے کے درمیان چلنے والی ثالثی کے موجودہ عمل پر کوئی منفی اثر ڈالتی ہو۔

KOT ADDU POWER COMPANY LIMITED

Key Operating and Financial
Data of the Last Six Years

Financial Year Ending June 30		2020	2019	2018	2017	2016	2015
Turnover	PKR in Million	71,543	84,831	91,916	81,847	64,178	101,481
Net profit	PKR in Million	23,613	13,112	10,617	9,447	9,071	9,799
Assets	PKR in Million	134,523	139,267	138,446	116,001	92,213	96,262
Dividends	PKR in Million	3,961	5,546	8,010	7,966	7,922	6,822
EPS	PKR per share	26.83	14.90	12.06	10.73	10.31	11.13
Net Output	GWh	3,477	4,961	7,437	7,335	6,583	6,934
Thermal Efficiency	%	44.4	44.0	44.0	43.7	44.0	44.2
Load Factor	%	29.5	42.2	63.3	62.4	55.8	59.0
Availability	%	88.9	91.8	86.0	84.3	81.9	85.5

PATTERN OF SHAREHOLDING

As on June 30, 2020

No of Share Holders	Having Share		Share Held	Percentage
	From	To		
632	1	100	29865	0.0034
48109	101	500	23923412	2.7178
3247	501	1000	3183983	0.3617
5040	1001	5000	14141016	1.6065
1657	5001	10000	13176958	1.4970
759	10001	15000	9724274	1.1047
433	15001	20000	7971938	0.9056
300	20001	25000	7004510	0.7957
186	25001	30000	5314938	0.6038
128	30001	35000	4219759	0.4794
134	35001	40000	5181797	0.5887
94	40001	45000	4048288	0.4599
124	45001	50000	6088427	0.6917
67	50001	55000	3574570	0.4061
60	55001	60000	3525634	0.4005
36	60001	65000	2277600	0.2587
40	65001	70000	2734712	0.3107
34	70001	75000	2507500	0.2849
42	75001	80000	3292900	0.3741
19	80001	85000	1578500	0.1793
25	85001	90000	2210000	0.2511
8	90001	95000	743977	0.0845
62	95001	100000	6176000	0.7016
11	100001	105000	1137149	0.1292
15	105001	110000	1626900	0.1848
10	110001	115000	1138279	0.1293
12	115001	120000	1423900	0.1618
12	120001	125000	1487000	0.1689
7	125001	130000	896000	0.1018
3	130001	135000	405000	0.0460
14	135001	140000	1932400	0.2195
8	140001	145000	1142470	0.1298
14	145001	150000	2093000	0.2378
5	150001	155000	760500	0.0864
7	155001	160000	1107000	0.1258
7	160001	165000	1142000	0.1297
4	165001	170000	673007	0.0765
4	170001	175000	691000	0.0785
5	175001	180000	895100	0.1017
5	180001	185000	912500	0.1037
5	185001	190000	939332	0.1067
8	190001	195000	1551677	0.1763
13	195001	200000	2599761	0.2953
8	200001	205000	1624162	0.1845
5	205001	210000	1043500	0.1185
2	210001	215000	427500	0.0486
2	215001	220000	438000	0.0498
3	220001	225000	670300	0.0761
1	225001	230000	228500	0.0260
2	230001	235000	466000	0.0529
3	235001	240000	717500	0.0815
2	240001	245000	484000	0.0550

No of Share Holders	Having Share		Share Held	Percentage
	From	To		
7	245001	250000	1742000	0.1979
3	250001	255000	760000	0.0863
2	255001	260000	520000	0.0591
3	260001	265000	792000	0.0900
1	265001	270000	270000	0.0307
2	270001	275000	550000	0.0625
1	275001	280000	279500	0.0318
1	285001	290000	287000	0.0326
5	295001	300000	1496500	0.1700
4	300001	305000	1213250	0.1378
1	320001	325000	325000	0.0369
2	325001	330000	657245	0.0747
1	335001	340000	335500	0.0381
4	345001	350000	1396000	0.1586
3	350001	355000	1054500	0.1198
1	355001	360000	358333	0.0407
3	360001	365000	1089678	0.1238
1	365001	370000	367000	0.0417
2	370001	375000	744000	0.0845
1	385001	390000	390000	0.0443
1	390001	395000	395000	0.0449
5	395001	400000	2000000	0.2272
2	400001	405000	804500	0.0914
2	410001	415000	822934	0.0935
1	415001	420000	416000	0.0473
1	425001	430000	430000	0.0488
2	445001	450000	900000	0.1022
3	455001	460000	1375500	0.1563
2	460001	465000	925500	0.1051
1	465001	470000	469000	0.0533
1	470001	475000	475000	0.0540
1	480001	485000	480500	0.0546
3	490001	495000	1483000	0.1685
9	495001	500000	4500000	0.5112
2	500001	505000	1005175	0.1142
2	505001	510000	1017500	0.1156
1	525001	530000	526284	0.0598
1	545001	550000	550000	0.0625
1	595001	600000	600000	0.0682
1	605001	610000	610000	0.0693
1	620001	625000	621000	0.0705
1	660001	665000	665000	0.0755
1	670001	675000	675000	0.0767
1	680001	685000	685000	0.0778
3	695001	700000	2100000	0.2386
1	705001	710000	710000	0.0807
1	725001	730000	730000	0.0829
1	750001	755000	755000	0.0858
1	820001	825000	821000	0.0933
1	835001	840000	840000	0.0954
1	840001	845000	844000	0.0959
1	875001	880000	876000	0.0995

PATTERN OF SHAREHOLDING

As on June 30, 2020

No of Share Holders	Having Share		Share Held	Percentage
	From	To		
1	885001	890000	888500	0.1009
1	955001	960000	957500	0.1088
1	965001	970000	968500	0.1100
3	995001	1000000	3000000	0.3408
1	1010001	1015000	1012000	0.1150
1	1065001	1070000	1066500	0.1212
1	1115001	1120000	1117000	0.1269
1	1145001	1150000	1146530	0.1302
1	1150001	1155000	1151400	0.1308
1	1170001	1175000	1175000	0.1335
1	1180001	1185000	1181944	0.1343
1	1260001	1265000	1265000	0.1437
1	1325001	1330000	1326000	0.1506
1	1330001	1335000	1330700	0.1512
1	1370001	1375000	1373608	0.1560
1	1495001	1500000	1500000	0.1704
1	1510001	1515000	1510500	0.1716
1	1995001	2000000	2000000	0.2272
1	2100001	2105000	2101000	0.2387
1	2145001	2150000	2150000	0.2442
1	2225001	2230000	2228218	0.2531
1	2255001	2260000	2259500	0.2567
1	2335001	2340000	2339248	0.2657
1	2530001	2535000	2530500	0.2875
1	2540001	2545000	2545000	0.2891
1	2645001	2650000	2650000	0.3010
1	2760001	2765000	2762000	0.3138
1	3355001	3360000	3356000	0.3813
1	3780001	3785000	3784500	0.4299
1	4245001	4250000	4246500	0.4824
1	4940001	4945000	4941500	0.5614
1	5585001	5590000	5589000	0.6349
1	5730001	5735000	5731000	0.6511
1	5800001	5805000	5804000	0.6594
1	5925001	5930000	5925894	0.6732
1	6200001	6205000	6202000	0.7046
2	7045001	7050000	14093009	1.6010
1	7465001	7470000	7469500	0.8486
1	7740001	7745000	7744721	0.8798
1	11840001	11845000	11840500	1.3451
1	15660001	15665000	15662000	1.7793
1	20925001	20930000	20927500	2.3774
1	31335001	31340000	31340000	3.5603
1	48250001	48255000	48252429	5.4817
1	69475001	69480000	69476500	7.8928
1	354310001	354315000	354311133	40.2510
61586	Company Total		880253228	100.0000

CATEGORIES OF SHAREHOLDERS

As on June 30, 2020

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, SPOUSE & CHILDREN	8	3786005	0.4301
ASSOCIATED COMPANIES	2	402563562	45.7327
BANKS, DFI & NBF	21	169431547	19.2480
INSURANCE COMPANIES	15	18309586	2.0800
MUTUAL FUNDS	25	5604395	0.6367
GENERAL PUBLIC (LOCAL)	58301	194722296	22.1212
GENERAL PUBLIC (FOREIGN)	2941	28887547	3.2817
OTHERS	203	19395406	2.2034
FOREIGN COMPANIES	17	22670750	2.5755
APPROVED FUND	53	14882134	1.6907
Company Total	61586	880253228	100.0000

PATTERN OF SHAREHOLDING ADDITIONAL INFORMATION

As on June 30, 2020

Shareholders Category	No. of Shares Held
Associated Companies	
Pakistan Water and Power Development Authority	354,311,133
KAPCO Employees Empowerment Trust	48,252,429
Mutual Funds	
UNICOL LIMITED EMPLOYEES PROVIDENT FUND	1,000
TRUSTEE CHERAT CEMENT CO.LTD.EMPPRO.FND	15,000
FIRST ALNOOR MODARABA	1,000
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	187,500
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	80,000
CDC - TRUSTEE ALFALAH GHP VALUE FUND	4,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	113,779
CDC - TRUSTEE NBP STOCK FUND	2,101,000
CDC - TRUSTEE MCB DCF INCOME FUND	60,500
CDC - TRUSTEE APF-EQUITY SUB FUND	250,000
MC FSL - TRUSTEE JS GROWTH FUND	287,000
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	270,000
CDC - TRUSTEE ALFALAH GHP STOCK FUND	20,500
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	12,500
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	526,284
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	225,000
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	15,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	187,832
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	43,000
CDC-TRUSTEE NITPF EQUITY SUB-FUND	8,000
CDC - TRUSTEE NBP SAVINGS FUND - MT	15,500
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	50,000
CDC - TRUSTEE FAYSAL MTS FUND - MT	550,000
CDC - TRUSTEE AL-AMEEN ISLAMIC ENERGY FUND	130,000
CDC - TRUSTEE ALLIED FINERGY FUND	450,000
Directors, CEO, their spouses and minor children	
Lt. General (Retd) Muzammil Hussain	1
Mr. Aftab Mahmood Butt	1,000
Mr. Hafiz Muhammad Yousaf	1
Mr. Aqeel Ahmed Nasir	500
Mr. Saad Iqbal	3,784,500
Ms. Zunaira Azhar	1
Mr. Javed Akhtar	1
Mr. Naveed Asghar Ch.	1
Executives	270,275

Shareholders Category	No. of Shares Held
Public Sector Companies and Corporations	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Approved Funds (Pension Funds, Provident Funds, Gratuity Funds etc.)	244,689,423
General Public (Local)	194,722,296
General Public (Foreign)	28,887,547
Shareholders holding 5% or more voting interest	
Pakistan Water and Power Development Authority	354,311,133
United Bank Limited - Trading Portfolio	69,476,500
KAPCO Employees Empowerment Trust	48,252,429

None of the CEO, Directors, CFO, Company Secretary, Head of Internal Auditors and their spouses and minor children have traded in the shares of the Company during the year ended June 30, 2020

CORPORATE HOLDING 10,000 AND MORE SHARES

As on June 30, 2020

NAME	NO. OF SHARES
THE PAKISTAN WATER & POWER DEVELOPMENT AUTHORITY	354,311,133
UNITED BANK LIMITED - TRADING PORTFOLIO	69,476,500
KAPCO EMPLOYEES EMPOWERMENT TRUST	48,252,429
ALLIED BANK LIMITED	31,340,000
HABIB BANK LIMITED-TREASURY DIVISION	20,927,500
MCB BANK LIMITED - TREASURY	15,662,000
VANGUARD EMERGING MARKETS STOCK INDEX FUND	7,744,721
BANK AL HABIB LIMITED	7,469,500
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	7,047,009
TRUSTEE - MCB PROVIDENT FUND PAK STAFF	7,046,000
STATE LIFE INSURANCE CORP. OF PAKISTAN	5,925,894
TRUSTEE-MCB EMPLOYEES PENSION FUND	5,804,000
ADAMJEE INSURANCE COMPANY LIMITED	5,731,000
NATIONAL BANK OF PAKISTAN	5,589,000
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LTD.	4,941,500
FAYSAL BANK LIMITED	4,246,500
PAK BRUNEI INVESTMENT COMPANY LIMITED	2,762,000
THE SAUDI PAK INDUSTRIAL & AGRICUL. INVESTMENT CO. LTD. - PMD	2,545,000
ASKARI BANK LIMITED	2,530,500
GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	2,339,248
JUBILEE GENERAL INSURANCE COMPANY LIMITED	2,150,000
CDC - TRUSTEE NBP STOCK FUND	2,101,000
VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	1,373,608
TCM INVESTMENT FUNDS LUX - TCM GLOB FRONTR HI DIVDEND EQUITY	1,326,000
NATIONAL INSURANCE COMPANY LIMITED	1,181,944
THE BANK OF PUNJAB, TREASURY DIVISION.	1,175,000
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1,151,400
THE AGA KHAN UNIVERSITY FOUNDATION	1,146,530
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	1,117,000
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	1,012,000
WESTBURY (PRIVATE) LTD	1,000,000
PAIR INVESTMENT COMPANY LIMITED	968,500
SAMBA BANK LIMITED - MT	876,000
BULK MANAGEMENT PAKISTAN (PVT) LTD.	840,000
ADAMJEE LIFE ASSURANCE COMPANY LIMITED-NUIL FUND	821,000
SAMBA BANK LIMITED	700,000
TAHAFFUZ (PRIVATE) LIMITED	610,000
CDC - TRUSTEE FAYSAL MTS FUND - MT	550,000
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	526,284
ADAM SECURITIES LIMITED	509,500
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	502,175
THE BANK OF KHYBER	500,000
LUCKY TEX PAKISTAN (PVT) LIMITED	500,000
SURAJ COTTON MILLS LTD.	475,000
ACADIAN FRONTIER MARKETS EQUITY FUND	469,000
FREEMEN CORPORATION (PRIVATE) LIMITED	456,500
EFU GENERAL INSURANCE LIMITED	450,000
CDC - TRUSTEE ALLIED FINERGY FUND	450,000
TRUSTEES WORLD MEMON FND.COMM.CEN.TRUST	430,000
TRUSTEE PAK TOBACCO CO LTD STAFF PENSION FUND [1390-2]	410,934
BANK AL-HABIB LIMITED-ISLAMIC BANKING DIVISION	403,500
SHERMAN SECURITIES (PRIVATE) LIMITED	372,000
ATLAS INSURANCE LIMITED	361,778
MRA SECURITIES LIMITED - MF	335,500
TRUSTEES MOHAMAD AMIN WAKF ESTATE	325,000
GLOBE MANagements (PRIVATE) LIMITED	305,000
VANGUARD TOTAL WORLD STOCK INDEX FUND	303,500
MC FSL - TRUSTEE JS GROWTH FUND	287,000
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	270,000
EDULJEE DINSHAW (PVT) LIMITED	264,000
TRUSTEE MOMIN ADAMJEE WELFARE TRUST	250,500
CDC - TRUSTEE APF-EQUITY SUB FUND	250,000
MARIAM ALI MUHAMMAD TABBA FOUNDATION	250,000

NAME	NO. OF SHARES
GLOBAL ADVANTAGE FUNDS-EMERGING MARKETS HIGH VALUE TEILFONDS	243,000
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	225,000
GOOD HOMES (PVT) LTD	218,000
CAPITAL ONE EQUITIES LIMITED.	206,500
SIDDIQ LEATHER WORKS (PVT.) LIMITED	205,000
LSE FINANCIAL SERVICES LIMITED - MT	203,500
VANGUARD FIDUCIARY TRST CO INST TOTAL INTL STCK MRKT IND TRU	203,162
DJM SECURITIES LIMITED	200,500
TRUSTEES ALOO&MINOCHER DINSHAW CHR.TRUST	200,000
MULTIPLE INVESTMENT MANAGEMENT LTD	200,000
TRUSTEE NATIONAL REFINERY LTD. MANAGEMENT STAFF PENSION FUND	199,761
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	187,832
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	187,500
UBL INSURERS LIMITED	185,000
PARAMETRIC TMEMC FUND LP	183,000
CUMBERLAND (PVT) LIMITED	180,000
EFG HERMES OMAN LLC	173,500
IQBAL ADAMJEE TRUST	170,000
TRUSTEES OF FRIENDS EDUCATIONAL AND MEDICAL TRUST	157,000
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	150,000
KAIZEN CONSTRUCTION (PVT) LIMITED	150,000
MULTILINE SECURITIES (PVT) LIMITED - MF	150,000
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	145,000
PREMIER INSURANCE LIMITED	140,470
TRUSTEES FAUJI FERTILIZER BIN QASIM LTD. EMP. GRATUITY FUND	140,000
BIPL SECURITIES LIMITED - MF	137,000
RIAZ AHMED SECURITIES (PVT) LTD.	135,500
CDC - TRUSTEE AL-AMEEN ISLAMIC ENERGY FUND	130,000
SOUTHERN AGENCIES (PRIVATE) LIMITED	126,000
RELIANCE INSURANCE COMPANY LTD.	125,000
MUHAMMAD TARIQ MOTI SECURITIES (PVT) LTD.	116,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	113,779
TRUSTEES OF HAJI MOHAMMED WELFARE TRUST	110,000
TRUSTEES OF SAMAD CHARITABLE TRUST	110,000
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	110,000
EFU LIFE ASSURANCE LTD	100,000
TRUSTEE-SULAIMANIYAH TRUST	100,000
PREMIER FASHIONS (PVT) LTD	100,000
TRUSTEES MCB EMPLOYEES FOUNDATION	100,000
KODVAWALA TRUST	100,000
ALFALAH INSURANCE COMPANY LIMITED	95,000
TRUSTEE OF PTC STAFF PENSION FUND	91,977
M. N. TEXTILES (PRIVATE) LIMITED	90,000
MERCHANT CONSTRUCTION CO.(PVT) LIMIETD	90,000
MRA SECURITIES LIMITED	88,000
TRUSTEES AL-BADER WELFARE TRUST	87,000
ASKARI SECURITIES LIMITED - MF	82,000
ANAM FABRICS (PVT) LTD.	80,500
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	80,000
ISMALIA YOUTH SERVICES	80,000
VANGUARD ESG INTERNATIONAL STOCK ETF	77,500
YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD	75,500
GPH SECURITIES (PVT.) LTD.	75,500
TRUSTEES OF NEW JUBILEE INS CO.LTD S.PF	75,000
TRUSTEE NEW JUBILEE INS CO.LTD EMP G.F	75,000
JS GLOBAL CAPITAL LIMITED - MF	73,500
INVEST CAPITAL INVESTMENT BANK LIMITED	72,000
FATIMA FERT LIMITED MANAGEMENT STAFF PROVIDENT FUND	70,000
PAKISTAN TELECOMMUNICATION EMPLOYEES TRUST	69,500
PEARL ENGINEERING (PVT) LTD	66,000
HABIB BANK AG ZURICH, ZURICH,SWITZERLAND	65,000
AHMED SPINNING MILLS LIMITED	61,500
CDC - TRUSTEE MCB DCF INCOME FUND	60,500

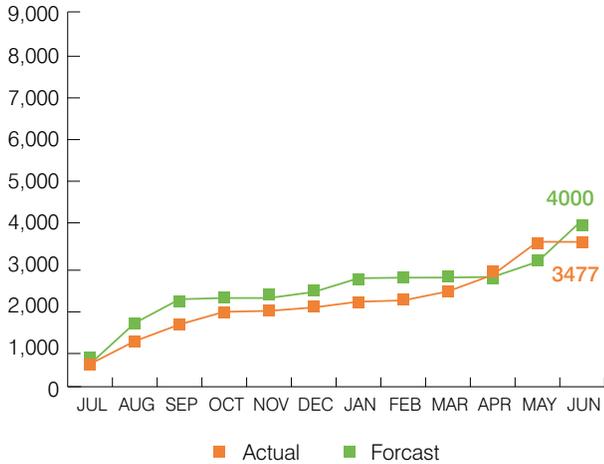
CORPORATE HOLDING 10,000 AND MORE SHARES

NAME	NO. OF SHARES
ARABIAN SEA ENTERPRISES LIMITED	60,000
ASAB PAKISTAN (PVT.) LIMITED	60,000
TRUSTEES OF GHORI TRUST	57,000
ALTAF ADAM SECURITIES (PVT) LTD.	54,000
ZAHID LATIF KHAN SECURITIES (PVT) LTD.	53,000
AHSAM SECURITIES (PVT) LIMITED	53,000
TRUSTEE OF PTC MANAGEMENT PROVIDENT FUND	52,909
ABBASI & COMPANY (PRIVATE) LIMITED	50,500
KIRAN FOUNDATION	50,500
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	50,000
TRUSTEES SAEEDA AMIN WAKF	50,000
TRUSTEE MOMIN ADAMJEE WELFARE TRUST	50,000
KAIZEN CONSTRUCTION (PVT) LIMITED	50,000
FIVE RIVERS TECHNOLOGIES (PVT.) LIMITED	50,000
128 SECURITIES (PVT) LTD.	50,000
SURAJ COTTON MILLS LIMITED	50,000
RAFI AGRI FARMS (PRIVATE) LIMITED	50,000
TRUSTEES OF MIRPURKHAS SUGAR MILLS LTD EMP PROVIDENT FUND	50,000
TRUSTEES OF THAL LIMITED EMPLOYEES PROVIDENT FUND	50,000
TRUSTEE PAK TOBACCO CO LTD EMPLOYEES GRATUITY FUND(1383-4)	49,921
MOHAMAD AMIN BROS (PVT) LIMITED	45,000
SHADAB INNOVATIONS (PRIVATE) LIMITED	45,000
FRIENDS EDUCATIONAL AND MEDICAL TRUST	45,000
TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	45,000
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	43,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	42,500
TRUSTEE PAK TOBACCO CO. LTD MANAGEMENT PROV FUND (1386-2)	42,418
TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	42,000
RAFI SECURITIES (PRIVATE) LIMITED	40,450
M/S RANG COMMODITIES (PVT) LTD	40,000
HAMID ADAMJEE TRUST	40,000
TRUSTEES OF ARL MANAGEMENT STAFF PENSION FUND	40,000
TRUSTEE PAK TOBACCO CO. LTD EMPLOYEES PROVIDENT FUND(1385-5)	39,280
Y.H. SECURITIES (PVT.) LTD.	37,500
QUADRIA WELFARE TRUST	37,000
TARIQ VOHRA SECURITIES (PVT) LIMITED	35,000
TRUST SECURITIES & BROKERAGE LIMITED - MF	35,000
SHAKOO (PVT) LTD.	34,500
TRUSTEES OF PAKISTAN HUMAN DEVELOPMENT FUND	33,500
ISPI CORPORATION (PRIVATE) LIMITED	33,500
TRUSTEES OF KHATIJA ADAMJEE FOUNDATION	33,000
ASSET CARE (PVT.) LIMITED	33,000
AKY SECURITIES (PVT) LTD.	32,000
TRUSTEE OF PTC EMPLOYEES PROVIDENT FUND	30,600
PAKISTAN REINSURANCE COMPANY LIMITED	30,000
TRUSTEES LEINER PAK GELATINE LTD EMPLOYEES PROVIDENT FUND	30,000
FLOAT SECURITIES (PVT) LIMITED	28,000
FIRST CREDIT & INVESTMENT BANK LIMITED	27,000
ZILLION CAPITAL SECURITIES (PVT) LTD.	26,500
ABRIS (PVT) LTD	25,000
AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	25,000
THE AL-MALIK CHARITABLE TRUST	25,000
TRUSTEES NRL OFFICERS PROVIDENT FUND	25,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	24,000
WELCOME PAKISTAN LIMITED PROVIDENT FUND	23,000
TRUSTEES S.M.SOHAIL TRUST	21,500
DARSON SECURITIES (PVT) LIMITED	21,100
TRUSTEE PAK TOBACCO CO LTD STAFF DEF CONTRI PEN FD (1384-1)	20,583
CDC - TRUSTEE ALFALAH GHP STOCK FUND	20,500
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOCIETY	20,000
NAEEM TEXTILE MILLS (PVT) LTD.	20,000
ORIENTAL SECURITIES (PVT) LTD.	20,000
MULTILINE SECURITIES (PVT) LIMITED	20,000
MUHAMMAD SALIM KASMANI SECURITIES (PVT.) LTD.	20,000
SEVEN STAR SECURITIES (PVT.) LTD.	20,000
TRUSTEES-TREET CORP.LTD. E.SUPERANNVAT FUND	20,000

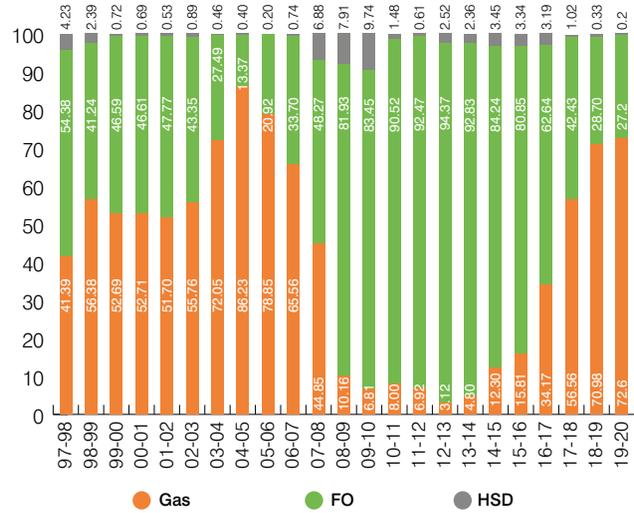
NAME	NO. OF SHARES
WAH NOBEL (PRIVATE) LIMITED MANAGEMENT STAFF PENSION FUND	20,000
TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	19,000
SHAFFI SECURITIES (PVT) LIMITED	18,038
DOSSA COTTON & GENERAL TRADING (PVT) LIMITED	17,500
TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	16,500
CDC - TRUSTEE NBP SAVINGS FUND - MT	15,500
TRUSTEE CHERAT CEMENT CO.LTD.EMP.FND	15,000
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	15,000
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOC	15,000
SECURITY INVESTMENT BANK LIMITED	15,000
AL HAYY TRADING (PRIVATE) LIMITED	15,000
TRUSTEE KARACHI PARSJ ANJUMAN TRUST FUND	15,000
TRUSTEES OF MIRPURKHAS SUGAR MILLS LIMITED EMP GRATUITY FUND	15,000
TRUSTEES OF ZENSOFIT (PVT) LTD EMPL. PROVIDENT FUND	15,000
PAKISTAN HERALD PUBLICATIONS (PVT) LTD. STAFF PENSION FUND	14,000
SUNRAYS TEXTILE MILLS LIMITED	13,000
HABIB EDUCATION TRUST STAFF PROVIDENT FUND	13,000
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	12,500
TRUSTEES MOOSA LAWAI FOUNDATION	12,500
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	12,500
AL-FARAN MULTIPURPOSE COOPERATIVE SOCIETY LIMITED	12,300
ABA ALI HABIB SECURITIES (PVT) LIMITED	11,500
HONDA SOUTH (PRIVATE) LIMITED	11,500
CENTRAL FACILITATION AGENCY (PVT) LIMITED	11,000
MONEYLINE SECURITIES (PRIVATE) LIMITED	11,000
MUHAMMAD BASHIR KASMANI (PRIVATE) LIMITED	11,000
INA SECURITIES (PVT) LTD	11,000
ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	10,100
SIKANDER (PVT) LIMITED	10,000
TRUSTEES OF FAROUKH&ROSHEN KARANI TRUST	10,000
BANDENAWAZ (PVT) LTD	10,000
MERIN (PRIVATE) LIMITED	10,000
TARIQ CAPITAL (PRIVATE) LIMITED	10,000
TRUSTEES OF AL-MUSTAFA TRUST	10,000
NOOR AUTOMOBILES (PVT.) LIMITED	10,000
TRUSTEE-TREET CORPORATION LTD.-GROUP EMPSUPERANNUATION FUND	10,000
PERIDOT PRODUCTS (PVT) LIMITED	10,000
BANDENAWAZ (PVT) LTD.	10,000
CMA SECURITIES (PVT) LIMITED	10,000
MERCHANT INVESTMENTS (PRIVATE) LIMITED	10,000
THE TRUSTEES, ZOROASTRIAN CO-OP. HOUSING SOCIETY	10,000
TRUSTEE- TREET COR. LTD EMP. PROVIDENT FUND	10,000
TRUSTEE- TREET CORPORATION LIMITED G.E. GRATUITY	10,000
TRUSTEES OF GREAVES PAKISTAN (PVT) LTD. EMP PROVIDENT FUND	10,000
TRUSTEE - GREAVES PAKISTAN (PVT) LTD. - STAFF GRATUITY FUND	10,000
FATIMA FERT LIMITED WORKERS GRATUITY FUND	10,000
TOTAL	652,597,267

HIGHLIGHTS

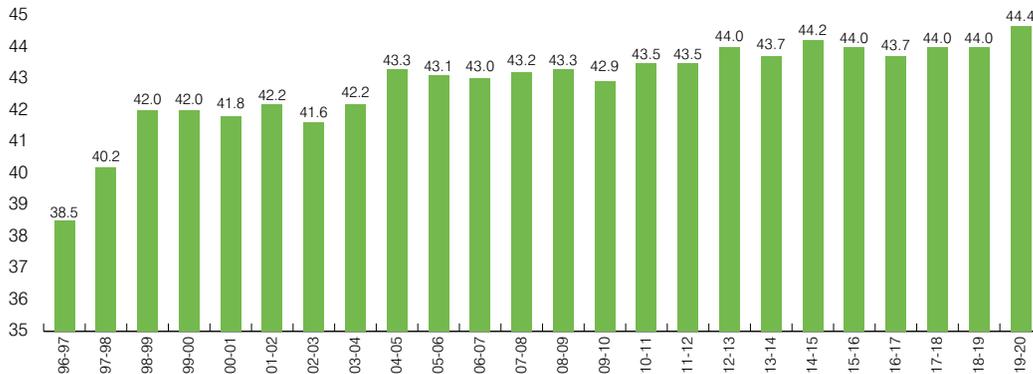
Complex Net Output-Actual v Forecast 2019/2020 GWh



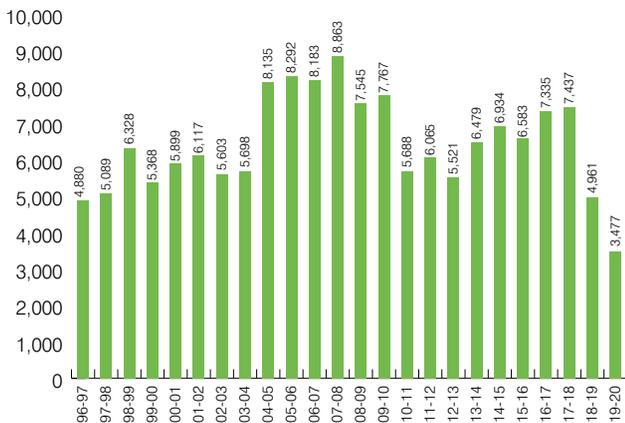
Generation By Fuel %



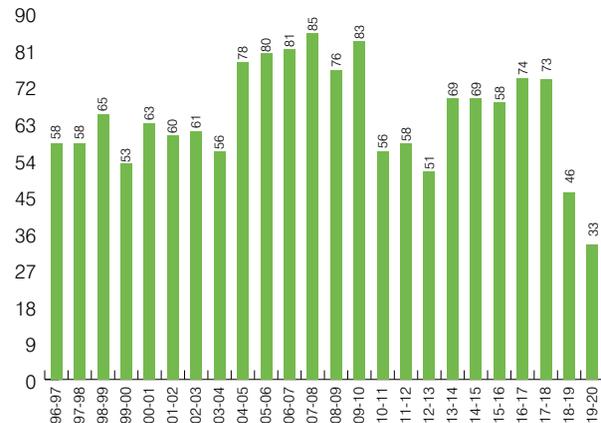
Thermal Efficiency %



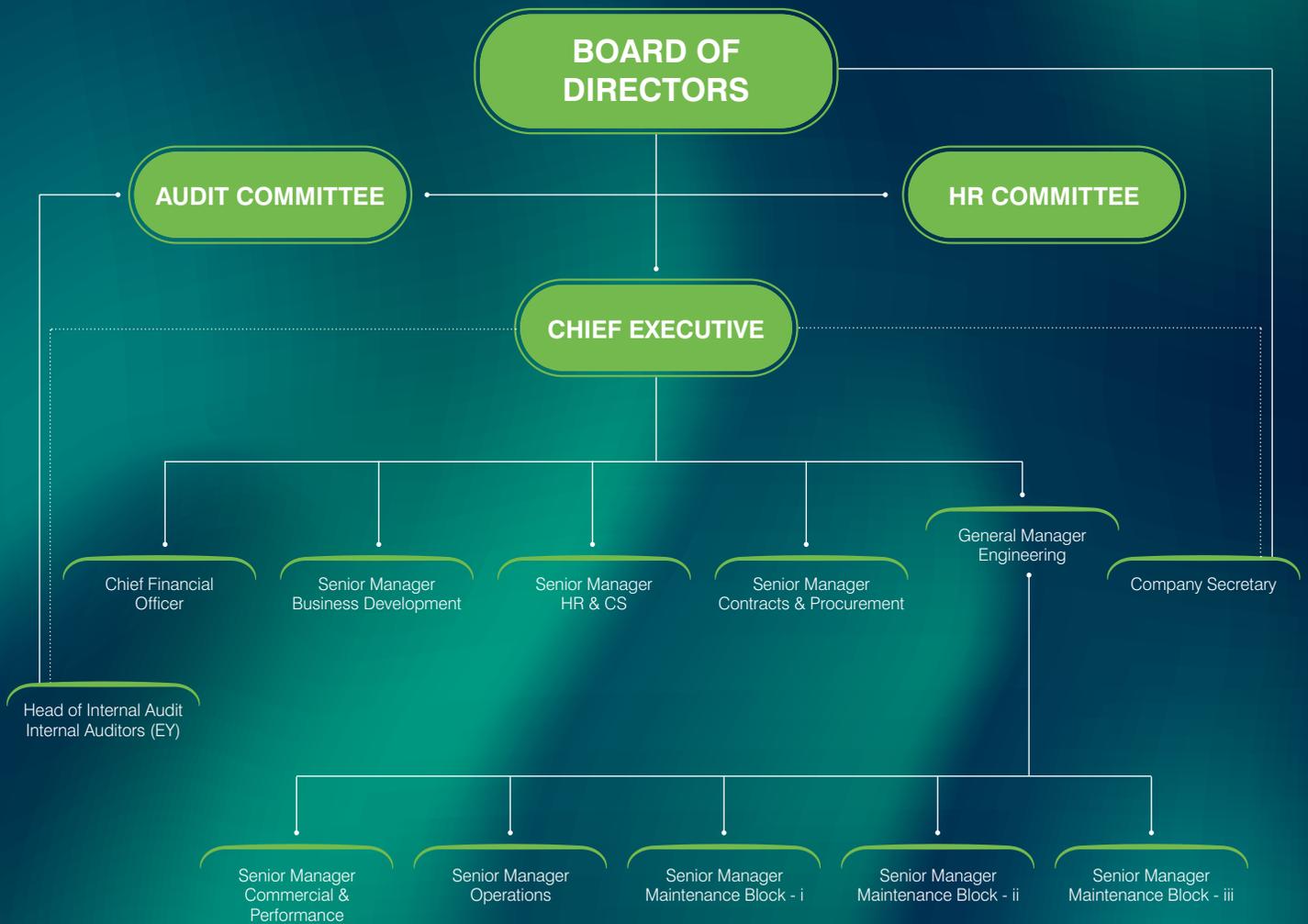
Net Output GWh



Plant Utilisation %



ORGANIZATIONAL STRUCTURE*



- Functional Reporting
- Administrative Reporting

* Board of Directors' and Senior Management of the Company.

EXECUTIVE & MANAGEMENT COMMITTEES

Executive Committee:

The Executive Committee consists of the Departmental Heads and is chaired by the Chief Executive. Its function include formulating, reviewing, communicating and managing the delivery of the Company's strategy; agreeing and recommending the Business Plan to the Board of Directors; and managing the delivery of the agreed Business Plan. The Executive Committee meets from time to time to coordinate activities and to take up any matters/issues.

Management Committee:

The Management Committee consists of the Departmental Heads and the Senior Managers and is chaired by the Chief Executive. Its function include in-depth Departmental reviews so as to create synergies within the Company. The Management Committee meets regularly.



Mr. Aftab Mahmood Butt

Chief Executive



Mr. Khalid Pervaiz Bajwa

GM Engineering



Mr. M. Rabnawaz Anjum

Chief Financial Officer

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

Name of Company

Kot Addu Power Company Limited

Year Ended

June 30, 2020

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") in the following manner:

1. The total number of directors are eight (8) as per the following:
 - a) Male: Seven (7)
 - b) Female: One (1)
2. The composition of the Board of Directors (the "Board") is as follows:

Category	Names
Independent Directors	<ul style="list-style-type: none"> • Mr. Aqeel Ahmed Nasir • Mr. Hafiz Muhammad Yousaf • Mr. Saad Iqbal • Ms. Zunaira Azhar
Executive Directors	<ul style="list-style-type: none"> • Mr. Aftab Mahmood Butt (Chief Executive)
Non-Executive Directors	<ul style="list-style-type: none"> • Lt. General (Retd) Muzammil Hussain • Mr. Javed Akhtar • Mr. Naveed Asghar Chaudhary
3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained 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"), the Company's Articles of Association 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedure for remuneration of Directors in accordance with the Act and the Regulations.
9. The Board has arranged directors' training programme for the following:

Mr. Javed Akhtar
(Non-Executive Director)
10. The Board has approved the appointment of the Chief Financial Officer and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Company Secretary was appointed prior to the listing of the Company.
11. Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Board Committees comprising of following members:



Audit Committee

Mr. Hafiz Muhammad Yousaf	Chairman
Mr. Saad Iqbal	Member
Mr. Javed Akhtar	Member
Mr. Naveed Asghar Chaudhary	Member

HR Committee

Mr. Aqeel Ahmed Nasir	Chairman
Mr. Aftab Mahmood Butt	Member/Chief Executive
Mr. Naveed Asghar Chaudhary	Member

LDS Committee

Mr. Aqeel Ahmed Nasir	Chairman
Mr. Aftab Mahmood Butt	Member/Chief Executive
Mr. Saad Iqbal	Member

13. The terms of reference of the Board Committees have been formed, documented and advised to Committee members for compliance.

14. The frequency of Board Committee (year ended June 30, 2020) meetings are as follows:

Audit Committee	Five (5)
HR Committee	Four (4)
LDS Committee	Five (5)

15. The Board has outsourced the internal audit function to EY Ford Rhodes, Chartered Accountants 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 programme 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 close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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, the Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

For and on behalf of the Board

Aftab Mahmood Butt
Chief Executive

Lt. General Muzammil Hussain (R)
Chairman, Board of Directors

September 17, 2020
Lahore

REVIEW REPORT

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

INDEPENDENT AUDITOR'S REVIEW REPORT

to the Members of Kot Addu Power Company Limited

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 Kot Addu Power Company Limited for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulation 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 June 30, 2020.

Deloitte Younis Adil

Chartered Accountants

Engagement Partner: Rana M. Usman Khan

September 17, 2020

Lahore

INDEPENDENT AUDITOR'S REPORT

To the members of Kot Addu Power Company Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Kot Addu Power Company Limited (the Company) which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of 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 (X IX 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 June 30, 2020 and of the profit, its comprehensive income, cash flows and changes in equity 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 the matter as disclosed in note 2.2 to the financial statements, which describes that the Company's existing Power Purchase Agreement (PPA) is expiring on June 26, 2021. The management has taken up the matter for a new or renewal/extension of PPA with WAPDA and other relevant quarters of the Pakistan (GoP/Government), which is still under discussion. This indicates the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Our opinion is not qualified 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 year. 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 Material Uncertainty Related to Going Concern section, following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
<p>Trade debts</p> <p>As described in Note 1 (Legal status and nature of business), the Company has a Power Purchase Agreement (PPA) to sell the electricity produced to a single customer, WAPDA.</p> <p>Continuous delays by WAPDA in settlement of invoices raised by the Company, under the PPA, have resulted in buildup of trade debts aggregating to Rs.119.90 billion (Note 19). The Company has financed these trade debts via short term financing arrangements of Rs. 44.06 billion (Note 9), trade and other payables of Rs. 20.78 billion (Note 10) and own sources.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> assessed if appropriate recognition policies are applied for trade debts through comparison with applicable accounting standards and industry practices. checked invoices raised by the Company during the year in accordance with relevant agreements. obtained direct confirmations of trade debts and major trade creditor balances, evaluating and rationalizing reconciling items.

Key audit matter	How the matter was addressed in our audit
Trade debts	
<p>In view of the significance and monetary value of the trade debts, the various financing arrangements there against and the consequential impact on the operations of the company, we have identified this area as a Key Audit Matter</p>	<ul style="list-style-type: none"> made inquiries with management of the Company and read minutes of Board and committees formed thereunder to ascertain actions taken and planned for remediation and management of trade debt. assessed adequacy of the related disclosures in the financial statements.
Contingencies	
<p>As described in Note 11.1 (x) (Contingencies and commitments), WAPDA had raised invoices for liquidated damages to the Company aggregating to Rs. 27.9 billion up to June 30, 2016. In order to safeguard its interest, the Company has pursued arbitration proceedings in the International Chamber of Commerce (ICC), as per section 15 of PPA. The ICC tribunal in its partial award has decided the jurisdictional matters and that the proceedings related to the liquidated damages will continue between the Company and WAPDA.</p> <p>Further, as described in Note 11 Contingencies and commitments, the Company has several ongoing litigations, claims and tax matters, attributable to its business activities, for which ultimate outcomes and consequential financial exposures, if any, cannot be reliably predicted.</p> <p>We note that management judgements and estimation are required in:</p> <ul style="list-style-type: none"> - predicting likely outcomes for these litigations, claims and tax matters, which, in certain cases may incorporate complex assumptions and inputs of external legal counsels / tax consultants; and - assessing adequacy of associated provisions and related disclosures in the financial statements. <p>In view of the significance of such litigations and the involvement of management's judgement and estimates, we have identified this area as a Key Audit Matter.</p>	<p>Our audit procedures for contingencies including arbitration proceedings in ICC included the following:</p> <ul style="list-style-type: none"> read minutes of Board and committees formed thereunder, made inquiries with management and reviewed relevant correspondence to identify and evaluate contingencies. reviewed the filings made by the Company with ICC and decision of proceedings by the ICC tribunal. met / corresponded with management, internal and external legal counsels (including counsels representing the Company in ICC) and tax advisor to understand status of ongoing and potential legal and tax matters impacting the Company. assessed and challenged management's conclusions on tax matters and related contingencies through understanding precedents, if any, set in similar cases. analyzed legal and professional expenses incurred during the year to support the completeness of contingencies identified. assessed adequacy of the related disclosures in the financial statements.

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 opinion 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 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 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 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017)
- b) the statement of financial position, the statement of profit or loss, statement of 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 Rana M. Usman Khan.

Deloitte Young & Adil

Chartered Accountants

September 17, 2020
Lahore

FINANCIAL STATEMENTS

For the year ended June 30, 2020

STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

	Note	2020 (Rupees in thousand)	2019
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
3,600,000,000 (2019: 3,600,000,000) ordinary shares of Rs 10 each		36,000,000	36,000,000
Issued, subscribed and paid up capital			
880,253,228 (2019: 880,253,228) ordinary shares of Rs 10 each	5	8,802,532	8,802,532
Capital reserve	6	444,451	444,451
Unappropriated profit		51,103,528	31,914,164
		60,350,511	41,161,147
NON-CURRENT LIABILITIES			
Lease liabilities	7	11,065	25,106
Deferred liabilities	8	8,505,835	1,762,224
		8,516,900	1,787,330
CURRENT LIABILITIES			
Current portion of lease liabilities	7	14,288	12,976
Finances under mark-up arrangements - secured	9	44,062,195	54,180,294
Provision for taxation - net		—	641,741
Trade and other payables	10	20,784,614	40,138,658
Unclaimed dividend		794,671	1,344,900
		65,655,768	96,318,569
CONTINGENCIES AND COMMITMENTS			
	11	134,523,179	139,267,046

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

	Note	2020 (Rupees in thousand)	2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	4,106,460	6,337,095
Intangible assets	13	7,235	4,252
Right of use assets	14	19,064	34,721
Capital work-in-progress		–	4,988
Long term loans and deposits	15	12,508	25,395
Post retirement benefits	16	–	348,784
		4,145,267	6,755,235
CURRENT ASSETS			
Stores and spares	17	3,855,364	3,465,081
Stock-in-trade	18	2,700,672	9,466,456
Trade debts	19	119,903,511	115,798,387
Advance income tax		1,540,711	–
Loans, advances, deposits, prepayments and other receivables	20	1,542,408	2,431,965
Cash and bank balances	21	835,246	1,349,922
		130,377,912	132,511,811
		134,523,179	139,267,046



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2020

	Note	2020 (Rupees in thousand)	2019
Sales	22	71,543,299	84,830,617
Cost of sales	23	(50,065,134)	(70,625,377)
Gross profit		21,478,165	14,205,240
Administrative expenses	24	(872,749)	(708,740)
Other operating expenses	25	–	(8,922)
Other income	26	20,806,245	13,781,099
Profit from operations		41,411,661	27,268,677
Finance cost	27	(8,457,417)	(8,306,164)
Profit before tax		32,954,244	18,962,513
Taxation	28	(9,341,051)	(5,850,973)
Profit for the year		23,613,193	13,111,540
Earnings per share	(Rupees) 37	26.83	14.90

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2020

	2020	2019
	(Rupees in thousand)	
Profit for the year	23,613,193	13,111,540
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
- Re-measurement (loss) / gain on net defined benefit obligation - net of tax	(462,689)	353,969
Total comprehensive income for the year	23,150,504	13,465,509

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

STATEMENT OF CASH FLOWS

For the year ended June 30, 2020

	Note	2020 (Rupees in thousand)	2019
Cash flows from operating activities			
Cash generated from operations	35	30,342,443	14,064,860
Finance cost paid		(11,222,512)	(6,872,629)
Taxes paid		(5,032,077)	(5,805,315)
Staff retirement benefits paid		(27,626)	(109,997)
Net cash generated from operating activities		14,060,228	1,276,919
Cash flows from investing activities			
Fixed capital expenditure including intangibles		(28,726)	(85,363)
Income on bank deposits received		75,746	37,205
Net decrease in long term loans and deposits		12,887	6,426
Proceeds from sale of property, plant and equipment		7,386	3,434
Net cash generated / (used) in investing activities		67,293	(38,298)
Cash flows from financing activities			
Repayment of lease liabilities		(12,729)	(16,365)
Dividend paid		(4,511,369)	(4,862,984)
Net cash used in financing activities		(4,524,098)	(4,879,349)
Net increase / (decrease) in cash and cash equivalents		9,603,423	(3,640,728)
Cash and cash equivalents at beginning of the year		(52,830,372)	(49,189,644)
Cash and cash equivalents at the end of the year	36	(43,226,949)	(52,830,372)

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2020

	Share capital	Capital reserve	Un- appropriated profit	Total
	(Rupees in thousand)			
Balance as at June 30, 2018 (Restated)	8,802,532	444,451	23,994,250	33,241,233
Profit for the year	-	-	13,111,540	13,111,540
Other comprehensive income:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	353,969	353,969
Total comprehensive income for the year	-	-	13,465,509	13,465,509
Transactions with owners:				
Final dividend for the year ended				
June 30, 2018 - Rs 4.80 per share	-	-	(4,225,215)	(4,225,215)
Interim dividend for the year ended				
June 30, 2019 - Rs 1.50 per share	-	-	(1,320,380)	(1,320,380)
Balance as at June 30, 2019	8,802,532	444,451	31,914,164	41,161,147
Profit for the year	-	-	23,613,193	23,613,193
Other comprehensive income:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	(462,689)	(462,689)
Total comprehensive income for the year	-	-	23,150,504	23,150,504
Transactions with owners:				
Final dividend for the year ended				
June 30, 2019 - Rs 3.00 per share	-	-	(2,640,760)	(2,640,760)
Interim dividend for the year ended				
June 30, 2020 - Rs 1.50 per share	-	-	(1,320,380)	(1,320,380)
Balance as at June 30, 2020	8,802,532	444,451	51,103,528	60,350,511

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

1 Legal status and nature of business

Kot Addu Power Company Limited (the Company or KAPCO), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on April 18, 2005 on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA).

2 Basis of preparation

2.1 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 (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017 (the Act); 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 Act, 2017 have been followed.

2.2 Expiry of PPA and going concern assumption

The existing Power Purchase Agreement (PPA) is for the term of 25 years, which will expire on June 26, 2021. As per the stipulations of PPA relating to renewal, the Company has taken-up the matter for renewal / extension of PPA with WAPDA and other relevant quarters of the Government of Pakistan (GoP / Government).

The expiry of PPA during next financial year indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern beyond June 26, 2021, and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Currently, the Government is in the process of introducing reforms in the energy sector and formulating a new energy policy for issuance and renewal of power purchase contracts. Under the proposed energy policy, a Competitive Trading Bilateral Contracts Market (CTBCM) on competitive pricing mechanism is expected to be introduced, for both new and renewal cases. The Government has formed a negotiation committee ("the Committee") on June 03, 2020, which as per its terms of reference (TOR), will discuss/renegotiate the terms and conditions of PPAs with all the IPPs and will also coordinate with other GoP institutions, including Ministry of Energy, CPPA-G, NEPRA, NTDC etc. for this purpose. The Management is in the process of discussions with the Committee and other GoP institutions on the possibilities of renewal / extension of the PPA including period and other commercial terms and conditions. Subsequent to the year end, a Memorandum of Understanding has been signed with the Committee which states, among other things, that the parties / GoP shall look into possibility of extension / renewal of KAPCO's PPA beyond June 26, 2021 on terms and conditions to be mutually agreed, keeping in view the commercial and technical viability of KAPCO's Power Plant. In addition, the Company will also have the option to sell electricity to CPPA-G and / or other Bulk Power Consumers.

The Company has successfully demonstrated the technical availability of the Plant during last 24 years through successful Annual Dependable Capacity tests. The Plant has been operated and maintained as per international best utility practices. Further, in the Management's view, the Plant has significance for the system operator, due to Plant's certain distinct capabilities and its strategic location in mid of the country. In view of the above, the Management is optimistic about the potential of the Plant to be operational at varying levels of generation vis-à-vis the anticipated technical and commercial regime. Accordingly, the Company has prepared these financial statements on a going concern basis.

2.3 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2020

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

2.3.1 Standards or Interpretations with no significant impact	Effective from annual period beginning on or after:
– Amendments to IFRS 9 ‘Financial Instruments’ - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
– Amendments to IAS 28 ‘Investments in Associates and Joint Ventures’ Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
– IFRS 16 Leases	January 01, 2019
– Amendments to IAS 19 ‘Employee Benefits’ - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
– IFRIC 23 ‘Uncertainty over Income Tax Treatments’: Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 ‘Income Taxes’.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

2.4 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

2.4.1 Standards or Interpretations with no significant impact	Effective from annual period beginning on or after:
– Amendments to IFRS 3 ‘Business Combinations’ - Amendments regarding the definition of business.	January 01, 2020
– Amendments to IAS 39, IFRS 7 and IFRS 9 – The amendments will affect entities that apply the hedge accounting requirements of IFRS 9 or IAS 39 to hedging relationships directly affected by the interest rate benchmark reform.	January 01, 2020
– Amendment to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ - Amendment regarding Definition of Material.	January 01, 2020
– Amendments to References to the Conceptual Framework in IFRS Standards.	January 01, 2020
– Amendments to IAS 1 ‘Presentation of Financial Statements’ and IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ - Amendments regarding the definition of material.	January 01, 2020
– Amendment to IFRS 16 ‘Leases’ - Provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.	June 01, 2020
– Amendments to IAS 16 ‘Property, Plant and Equipment’, prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use.	January 01, 2022
– Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).	January 01, 2023
– Amendments to IFRS 10 ‘Consolidated Financial Statements’ and IAS 28 ‘Investments in Associates and Joint Ventures’ - Sale or contribution of assets between an investor and its associate or joint venture.	January 01, 2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

Effective from annual period
beginning on or after:

– Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' regarding the costs to include when assessing whether a contract is onerous.	January 01, 2022
– Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards.	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.4.2 Standard impacting financial statements

SECP has notified implementation of IFRS 16 'Leases' for annual reporting period beginning on or after January 01, 2019. IFRS 16 has superseded IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date. The status of adoption and impact of IFRS 16, IFRIC 4 and IAS 17 is described in note 2.6.1.

2.5 Adoption of new accounting standards

The following changes in standards have taken place effective from January 01, 2019:

2.5.1 Impact of initial application of IFRS 16 'Leases'

Effective January 01, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The SECP through its S.R.O. 986 (I)/2019 dated September 02, 2019 extended its exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019. Accordingly, the Company has prepared these financial statements consistent with prior years.

Apart from the above, the adoption of IFRS 16 does not have any significant impact on these financial statements of the Company on the date of transition, except that certain vehicles classified as leased vehicles in prior year are now classified as Right-of-Use Asset.

There are other amendments to published accounting and reporting standards and interpretations that are applicable for the financial year beginning on January 01, 2019 but are considered not to be relevant or do not have any significant effect on the Company's financial reporting and operations and, therefore, have not been disclosed in these financial statements.

2.6 Standards, amendments and interpretations to existing standards that are not yet effective but applicable / relevant to the Company's operations

2.6.1 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 24(I) / 2012 dated January 16, 2012, as modified by S.R.O. 986(I) / 2019 dated September 2, 2019, granted exemption from the application of IFRS 16 'Leases' to all companies, which have entered into power purchase agreements before January 1, 2019. However, SECP made it mandatory to disclose the impact of the application of IFRS 16 on the Company's financial statements.

Under IFRS - 16, the consideration required to be made by lessee CPPA(G) for the right to use the asset is to be accounted for as lease under IFRS - 16 "Leases". If the Company were to follow IFRS - 16, the effect on the financial statements would be as follows:

	2020	2019
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(4,023,152)	(6,251,479)
Recognition of lease debtor	2,339,110	3,237,479
Decrease in deferred tax liability	315,824	473,824
Decrease in unappropriated profit at the beginning of the year	(3,335,319)	(3,854,169)
Increase in profit for the year	1,967,101	1,313,992
Decrease in un-appropriated profit at the end of the year	(1,368,218)	(2,540,177)

2.6.2 IFRS 2 (Amendment), 'Share-based Payment – Group Cash-settled Share-based Payment Transactions' effective for annual periods beginning on or after January 1, 2010.

The IASB amended IFRS 2 whereby an entity receiving goods or services is to apply this IFRS in accounting for group cash-settled share-based payment transactions in its financial statements when that entity has no obligation to settle the share-based payment transaction.

On August 14, 2009, the GoP launched Benazir Employees' Stock Option Scheme (the Scheme) for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GoP holds significant investment (non-SOEs). The Scheme is applicable to permanent and contractual employees who were in employment of these entities, on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP transferred 12% of its investment in such SOEs and non-SOEs to Trust Fund created for the purpose, by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service. On retirement or termination such employees would be entitled to receive such amounts from Trust Fund in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Fund to meet the re-purchase commitments would be met by GoP.

The Scheme, developed in compliance with stated GoP Policy of empowerment of employees of SOEs need to be accounted for by the covered entities, including the Company, under the provisions of amended IFRS 2. However, keeping in the view the difficulties that may be faced by entities covered under the scheme, the SECP on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), has granted exemption to such entities from the application of IFRS 2 to the Scheme as per S.R.O 587(I) / 2011 dated June 07, 2011.

Had the exemption not been granted, the staff costs of the Company for the year would have been higher by Rs 250 million (2019: Rs 705 million), profit after taxation would have been lower by Rs 160 million (2019: Rs 486 million), retained earnings would have been lower by Rs 160 million (2019: Rs 486 million) and earnings per share would have been lower by Rs 0.18 per share (2019: Rs 0.55 per share).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of certain employee retirement benefits at present value.

The Company's significant accounting policies are stated in note 4. Some of these significant policies may require the Management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the Management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

(a) Staff retirement benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.2.

(b) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stage and where the Company considers that its views on items of material nature are in accordance with law, the amounts are disclosed as contingent liabilities.

(c) Useful life and residual values of property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

(d) Provision for stores and spares

The Company reviews stores and spares inventory items based on the technical evaluation(s) conducted in-house by the technical team. Provision is recognized against items determined to be obsolete and / or not expected to be used up till the expiry of current PPA.

4 Significant accounting policies

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

4.1 Taxation

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing current tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Previously, income of the Company derived from the power station up to June 27, 2006 was exempt from income tax under clause 138 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company was also exempt from minimum tax under clause 13(A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 for the period it continued to be entitled to exemption under clause 138 of the Part I of the Second Schedule i.e. up to June 27, 2006. Thereafter, the income of the Company is taxable under the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised.

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 balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.2 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

- (a) The Company operates an approved funded defined benefit pension scheme for all employees with a qualifying service period of ten years. Monthly contribution is made to the fund on the basis of actuarial recommendation. The latest actuarial valuation was carried out as at June 30, 2020. The actual return on plan assets during the year is Rs 344 million (2019: Rs 290 million). The actual return on plan assets represents the difference between the fair value of plan assets at beginning of the year and end of the year, after adjustments for contributions made by the Company, as reduced by benefits paid during the year.

The future contribution rate includes allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

- Discount rate: 9.25 percent per annum (2019: 14.25 percent per annum).
- Expected rate of increase in salary level: 8.75 percent per annum (2019: 13.75 percent per annum).
- Expected rate of increase in pension: 5.00 percent per annum (2019: 5.50 percent per annum).

Plan assets include long-term Government bonds, term finance certificates of financial institutions, investment in mutual funds and term deposits with banks. Return on Government bonds and debt is at fixed and floating rates.

The Company is expected to contribute Rs 111 million to the pension fund in the next year ending June 30, 2021.

- (b) The Company also operates an approved funded contributory provident fund for all employees. Equal monthly contributions are made by both the Company and the employees to the fund.
- (c) The Company provides medical facilities to its retired employees and eligible dependent family members along with free electricity. Provisions are made annually to cover the obligation on the basis of actuarial valuation and are charged to income. The latest actuarial valuation was carried out as at June 30, 2020.

Projected unit credit method, using the following significant assumptions, is used for valuation of these schemes:

- Discount rate: 9.25 percent per annum (2019: 14.25 percent per annum).
- Expected rate of increase in medical cost: 7 percent per annum (2019: 12 percent per annum).
- Expected rate of increase in electricity benefit: 9.25 percent per annum (2019: 14.25 percent per annum).

Retirement benefits are payable to all regular employees on completion of prescribed qualifying period of service under these schemes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

The Company's policy with regard to actuarial gains / (losses) is to immediately recognise all actuarial losses and gains in other comprehensive income under IAS 19, 'Employee benefits'.

4.3 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost represents the acquisition price of assets transferred to the Company in accordance with the Transfer Agreement signed between WAPDA and the Company on June 26, 1996 based on a valuation by M/s Stone and Webster using depreciated replacement cost basis.

Depreciation on all property, plant and equipment is charged to profit or loss account on the straight line method so as to write-off the depreciable amount of an asset over the economic useful life or the remaining term of PPA, whichever is lower, using the annual rates mentioned in note 12 after taking their residual values into account.

The assets' residual values and estimated useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at June 30, 2020 has not required any significant adjustment.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed off.

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

Major plant modifications and improvements are capitalised. Overhauls, maintenance and repairs are charged to profit or loss account as and when incurred. 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 recognised as an income or expense.

Blades for the Gas Turbines are considered a separate category of assets. All blades are depreciated at the annual rate as mentioned in note 12 regardless of whether they are in use or not. Refurbishment costs are accrued and charged to profit or loss account.

4.4 Intangible assets

Expenditure incurred to acquire computer software are capitalised as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight line method so as to write-off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 13.

Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalised, while no amortization is charged for the month in which the asset is disposed off.

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

4.5 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss.

4.6 Leases

The Company is the lessee:

4.6.1 Right-of-use asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.6.2 Lease liability

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, 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 included in the measurement of the lease liability comprise of the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;
- the exercise under purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.7 Stores and spares

Usable stores and spares are valued principally at weighted average cost. Impairment provision is recognised against items determined to be obsolete and / or not expected to be used up till the expiry of PPA. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Refurbishable items are valued at the lower of cost and net realisable value. Cost of refurbishment is charged to the profit or loss account as it is incurred. The item is charged to the profit or loss account when, upon inspection, it cannot be refurbished.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

4.8 Stock-in-trade

Stock-in-trade except for those in transit are valued at lower of cost based on First In First Out (FIFO) and net realisable value.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock-in-trade based on management's best estimate.

4.9 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.9.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(a) Debt instruments measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost.

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents, trade debts, due from related parties and employees' advances at amortized cost.

(b) **Debt instruments measured at fair value through other comprehensive income (FVTOCI)**

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

(c) **Equity instruments designated as at FVTOCI**

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company does not hold any equity instruments designated as at FVTOCI.

(d) **Financial assets measured subsequently at fair value through profit or loss (FVTPL)**

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company does not possess any financial assets classified as at FVTPL.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets, except for financial assets due from Government. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

4.9.2 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.10 Offsetting of financial assets and liabilities

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

4.11 Long term loans and deposits

Loans and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date. Initially they are recognised at fair value and subsequently stated at amortized cost.

4.12 Trade debts

Trade debts are carried at amount to be received less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the balance sheet, finances under mark-up arrangements are included in current liabilities.

4.14 Borrowings

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

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

4.15 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received, whether or not billed to the Company.

Provisions are recognised 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 reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.16 Foreign currencies

(a) 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 (PKR), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into PKR using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss account.

4.17 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalised up to the date of commissioning of the related property, plant and equipment, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to income.

4.18 Revenue recognition

Revenue on account of energy is recognised on transmission of electricity to WAPDA, whereas revenue on account of capacity is recognised when due, using the 'performance obligation satisfied over time' approach under IFRS 15 as the customer simultaneously receives and consumes the benefits provided by the Company's performance. There is no significant financing component attached to the receivables from the customer. The Company submits invoices of energy and capacity on monthly basis in arrears and have credit period of 25 days.

The true-up income on capacity purchase price (CPP) is recognised upon the receipt of cash for the underlying CPP invoices, wholly or partially as provided in clause 13.4(iv) of Part II of schedule 6 to the PPA. The true-up income contains 'Variable Consideration' as it is subject to significant uncertainties attributable to certain factors. These factors include but not limited to the timing of receipt of underlying CPP invoices, PKR/USD parity at the time of receipts etc. Since the amount of consideration is highly susceptible to factors outside the Company's influence, therefore, the True-up income is recognised only to the extent of firmed up consideration.

Interest income is accrued on a time basis, by reference to the amounts outstanding and effective interest rate applicable.

4.19 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

5 Issued, subscribed and paid up capital

2020		2019	
(Number of shares)		(Rupees in thousand)	
253,000	253,000	Ordinary shares of Rs 10 each fully paid in cash	2,530
		Ordinary shares of Rs 10 each issued as fully paid for	2,530
880,000,228	880,000,228	consideration other than cash	8,800,002
880,253,228	880,253,228		8,802,532

5.1 There has been no movement in the ordinary share capital of the Company. The Ordinary shares of the Company held by associated undertakings are as follows:

	2020	2019
	(Number of shares)	
Pakistan Water and Power Development Authority (WAPDA)	354,311,133	354,311,133
KAPCO Employees Empowerment Trust [Formed under Benazir Employees' Stock Option Scheme (BESOS)]	48,252,429	48,252,429
	402,563,562	402,563,562

6 Capital reserve

This represents the value of fuel stock taken over by the Company at the time of take over of Kot Addu Gas Turbine Power Station from WAPDA. The value of stock was not included in the valuation of assets at the time of take over.

	2020	2019
	(Rupees in thousand)	
7 Lease liabilities		
Present value of lease liabilities	25,353	38,082
Current portion shown under current liabilities	(14,288)	(12,976)
	11,065	25,106

Lease payments have been discounted at an implicit interest rate ranging from 12.1 percent to 17.1 percent (2019: 7.5 percent to 13.8 percent) per annum to arrive at their present values. The lessee has the option to purchase the assets after expiry of the lease term.

Taxes, repairs, replacements and insurance costs are borne by the lessee.

The amount of future payments of the lease and the period in which these payments will become due are as follows:

	Lease payment	Future finance charge (Rupees in thousand)	Present value of lease liability
2020			
Not later than one year	15,543	1,255	14,288
Later than one year and not later than five years	11,614	549	11,065
	27,157	1,804	25,353
2019			
Not later than one year	15,211	2,235	12,976
Later than one year and not later than five years	26,802	1,696	25,106
	42,013	3,931	38,082

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
8 Deferred Liabilities			
Deferred taxation	8.1	7,260,685	958,245
Staff retirement benefits	8.2	1,245,150	803,979
		8,505,835	1,762,224
8.1 Deferred taxation			
The liability for deferred taxation comprises of timing differences relating to:			
Accelerated tax depreciation		200,119	690,067
Provision for store obsolescence		(533,348)	(540,416)
Provision for doubtful debts		(55,841)	(66,442)
Write back of unpaid liabilities		(15,397)	(13,139)
Provision for other staff benefits		(18,937)	(12,883)
Unrealised true-up income		3,025,057	912,102
Unrealized interest income on late payment (WAPDA)		6,846,125	–
Liabilities against assets subject to finance lease		(7,352)	(11,044)
Alternative corporate tax (ACT)		(2,179,741)	–
		7,260,685	958,245
8.2 Staff retirement benefits			
These are composed of:			
- Pension	16.1	402,319	–
- Medical	8.2.1	192,764	175,061
- Free electricity	8.2.1	567,338	563,106
- Other long term employee benefits		82,729	65,812
		1,245,150	803,979

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

8.2.1

	Post retirement medical		Post retirement free electricity	
	2020	2019	2020	2019
	(Rupees in thousand)			
The amounts recognised in the balance sheet are as follows:				
Present value of defined benefit obligation as at June 30	192,764	175,061	567,338	563,106
Liability as at July 1	175,061	157,161	563,106	510,575
Charge to profit or loss account	29,180	19,698	93,720	63,286
Benefits paid during the year	(4,104)	(3,335)	(6,924)	(6,400)
Remeasurement (gain) / loss recognised in other comprehensive income	(7,373)	1,537	(82,564)	(4,355)
Liability as at June 30	192,764	175,061	567,338	563,106
The movement in the present value of defined benefit obligation is as follows:				
Present value of defined benefit obligation as at July 1	175,061	157,161	563,106	510,575
Current service cost	4,094	3,879	12,899	11,839
Interest cost for the year	25,086	15,819	80,821	51,447
Benefits paid during the year	(4,104)	(3,335)	(6,924)	(6,400)
Remeasurement (gain) / loss recognised in other comprehensive income	(7,373)	1,537	(82,564)	(4,355)
Present value of defined benefit obligation as at June 30	192,764	175,061	567,338	563,106

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of post retirement medical is as follows:

	Post retirement medical				
	2020	2019	2018	2017	2016
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligation	192,764	175,061	157,161	141,430	139,060
Fair value of plan assets	—	—	—	—	—
Deficit	192,764	175,061	157,161	141,430	139,060
Experience adjustment on obligation - (gain) / loss	(7,373)	1,537	1,154	(12,882)	(38,751)

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of post retirement free electricity is as follows:

	Post retirement free electricity				
	2020	2019	2018	2017	2016
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligation	567,338	563,106	510,575	538,693	495,210
Fair value of plan assets	-	-	-	-	-
Deficit	567,338	563,106	510,575	538,693	495,210
Experience adjustment on obligation - gain	(82,564)	(4,355)	(86,535)	(9,778)	(77,281)

Year end sensitivity analysis on present value of defined benefit obligation:

	Post retirement medical		Post retirement free electricity	
	2020	2019	2020	2019
	(Rupees in thousand)			
Discount rate +0.50%	177,341	161,219	520,109	516,764
Discount rate -0.50%	209,590	190,060	620,845	615,455
Increase in medical cost / electricity benefit +0.50%	195,410	177,631	577,147	573,614
Increase in medical cost / electricity benefit -0.50%	189,695	172,065	557,883	552,977
Maturity profile of the defined benefit obligation				
1. Weighted average duration of the benefit (Years)	15.75	15.54	16.65	16.46
2. Distribution of timing of benefit payments (time in years)				
1	1,879	1,527	5,160	4,508
2	4,294	3,798	11,712	11,153
3	5,261	4,917	14,166	14,244
4	6,477	6,258	17,246	18,055
5	7,806	8,009	20,601	23,032
6 to 10	62,345	76,462	164,148	219,274

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 (Rupees in thousand)	2019
9	Finances under mark-up arrangements - secured		
	- Under conventional finances	20,545,528	33,283,753
	- Under islamic finances	23,516,667	20,896,541
	9.1	44,062,195	54,180,294

9.1 Finances under mark-up arrangements available from various commercial banks amount to Rs 30,572 million (2019: Rs 36,389 million) and finances available under musharika and murabaha arrangements amount to Rs 24,587 million (2019: Rs 23,942 million). The rate of mark-up ranges from 8.8 percent to 15.1 percent (2019: 7.1 percent to 13.6 percent) per annum on the balances outstanding. In the event, the Company fails to pay the balances on the expiry of the quarter, year or earlier demand, mark-up is to be computed at the rate of 20 percent to 24 percent (2019: 20 percent to 24 percent) per annum on the balances unpaid.

9.2 Letters of credit and bank guarantees

Of the aggregate facility of Rs 227 million (2019: Rs 273 million) for opening letters of credit and Rs 4 million (2019: Rs 7,004 million) for guarantees, the amounts utilised as at June 30, 2020 were Rs 83 million (2019: Rs 128 million) and Rs 4 million (2019: Rs 4 million) respectively.

9.3 The aggregate running finances, short term finances and letters of credit and guarantees are secured by joint pari passu charge over current assets up to a limit of Rs 90,792 million (2019: Rs 90,792 million) and ranking charge over current assets up to a limit of Rs 1,334 million (2019: Rs 8,134 million).

9.4 The finances under mark-up arrangements include Rs 527 million (2019: Rs 917 million) payable to Samba Bank Limited, a related party.

	Note	2020 (Rupees in thousand)	2019
10	Trade and other payables		
	Trade creditors	705,209	19,187,312
	Accrued liabilities	514,915	351,526
	Liquidated damages	55,025	55,025
	Mark-up accrued on:		
	- Finances under mark-up arrangements - secured	1,253,959	1,591,166
	- Lease liability	147	270
	- Credit supplies of raw material	14,510,551	16,938,316
		15,764,657	18,529,752
	Deposits - interest free repayable on demand	1,066	601
	Workers' Welfare Fund	659,091	397,052
	Differential payable to WAPDA	2,800,765	1,438,596
	Provident fund payable	12,264	12,685
	Others	271,622	166,109
		20,784,614	40,138,658

10.1 Trade creditors include payable to Pakistan State Oil Company Limited (PSO) amounting to Rs 473 million (2019: Rs 4,105 million) and Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rs 200 million (2019: Rs 15,053 million).

- 10.2 These represent security deposits received against rent and utility charges of shops rented out in colony. None of these deposits is utilizable for Company for other purpose. This amount is kept in separate bank account especially maintained for such purpose.

	2020	2019
	(Rupees in thousand)	
10.3 Movement in Workers' Welfare Fund is as follows:		
Opening balance	397,052	285,515
Provision made during the year	659,091	397,052
	1,056,143	682,567
Payments made during the year	(182,030)	(285,515)
Adjustment	(215,022)	-
Closing balance	659,091	397,052

- 10.4 This represents income tax differential payable to WAPDA in accordance with clause 6.7 and 6.15(a) of Part I of Schedule 6 of PPA on account of difference in income tax rate as provided for in the PPA and the current tax rate as applicable to the Company.

11 Contingencies and commitments

11.1 Contingencies

- (i) Income tax returns of the Company for tax years 2003 to 2007 were filed, wherein, only normal tax depreciation was claimed. However, the aforesaid returns were revised thereby depreciation and initial allowance earlier claimed in respect of assets in the original income tax returns for tax periods upto June 27, 2006 were not claimed being the date upto which the Company was exempt from levy of income tax.

Tax depreciation in income tax return for tax year 2008 was also claimed with resultant written down value carried forward from tax year 2007, as computed in the revised return of income in accordance with position explained above. Such return and revised returns for tax year 2003 to 2007 were amended by tax authorities by restoring the earlier position and were also endorsed by Commissioner Inland Revenue (Appeals) [CIR(A)]. The Company preferred appeal before Income Tax Appellate Tribunal (ITAT) [now Appellate Tribunal Inland Revenue (ATIR)] against the decision of CIR(A) which was decided in the Company's favor in April 2012. No appeal was filed by the Tax Department (the Department) before High Court within the time stipulated under law.

Later on the Department filed miscellaneous application for rectification before ATIR which was decided against the Company. Being aggrieved, the Company filed reference with the Honorable Lahore High Court (LHC) against this order.

In the year 2018, the LHC issued an order dated December 05, 2018 wherein it was held that the miscellaneous applications filed by the Department at ATIR for recalling the earlier orders (which were in favor of KAPCO) are set aside and remanded back to ATIR with the direction that these miscellaneous applications will be deemed pending before ATIR and ATIR after allowing proper opportunity of being heard to both the parties shall decide in detail these applications. Thus the original orders passed by ATIR in favor of KAPCO are restored automatically and these orders will be considered as orders in field.

The Management was of the view that instead of being remanded back to ATIR, case should have been decided in favor of the Company. Being aggrieved, the Company applied for leave of appeal from Honorable Supreme Court of Pakistan who vide their order dated August 21, 2019 remanded the case back to Lahore High Court to decide the same afresh after addressing the question of law involved therein. The cumulative tax impact of this issue is approximately Rs 2,263 million.

The Management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently, no provision for such demands has been made in these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

- (ii) The Department issued a sales tax order against the Company for the financial period from June 2008 to June 2013 and created a demand of Rs 10,102 million by apportioning input sales tax between Capacity Purchase Price (CPP) invoices and Energy Purchase Price (EPP) invoices and allowed input sales tax allocated to EPP invoices only. The refund claims of the Company during the period falling between the aforementioned period were also rejected by the Tax Authorities. Against the foregoing order, the Company filed an appeal before CIR(A) which was partially decided against the Company. However, CIR(A) instructed the Department to rectify the demand by deleting the sales tax liability in respect of tax periods beyond five years, resulting in reduction of demand to the tune of Rs 1,481 million. Being aggrieved, the Company filed an appeal before ATIR against the CIR(A) order which was also decided against the Company. The Company filed petition with LHC against ATIR decision.

The Department also created a demand of Rs 2,933 million for the financial period July 2013 to June 2014 pertaining to aforementioned issue of apportionment of input tax. The Company filed an appeal before CIR(A) who remanded back the demand of Rs 2,933 million till adjudication of petition from LHC on inadmissibility of input tax on CPP invoices.

The LHC vide its judgement dated October 31, 2016 decided the case in favor of the Company and they have received the refund from Federal Board of Revenue (FBR) out of the refunds which were withheld by the Department due to above mentioned apportionment issue. The Department has filed civil petition for leave to appeal (CPLA) in Supreme Court of Pakistan against the decision of LHC, which is pending adjudication. The Management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently, no provision for such demands has been made in these financial statements.

- (iii) Additional Commissioner Inland Revenue amended the assessment of tax year 2016 and issued order by disallowing certain expenses, on October 13, 2017 creating a demand of Rs 1,162 million which was later reduced to Rs 1,077 million through rectification order. The Company filed an appeal before CIR(A) who vide order dated January 11, 2018 reduced the demand to Rs 779 million. Being aggrieved, with the order of the CIR(A), both the Department and KAPCO filed appeals before the ATIR. After hearing the stance of both the parties in appeal, ATIR proceeded to uphold the order passed by the learned CIR(A). Being aggrieved, both the Department and the Company filed appeals before the Honorable Lahore High Court who vide their order dated February 22, 2019 remanded the case back to ATIR for fresh proceedings. The Management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently, no provision for such demand has been made in these financial statements.

- (iv) Additional Commissioner Inland Revenue amended the assessment of tax year 2017 and issued an order by disallowing certain expenses, on April 23, 2018 creating a demand of Rs 741 million. The Company filed an appeal before CIR(A). CIR(A) issued an order dated November 05, 2018 wherein all the issues, except disallowance of project development cost amounting to Rs 221 million, were decided in the Company's favor. The Company filed an appeal before ATIR against disallowance of project development cost which is pending fixation. Meanwhile, the Department has proceeded an appeal effect order dated May 16, 2019 thereby creating a demand of Rs 95 million. Appeal before ATIR was heard for order during the current year, however, no order has yet been received.

The Management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently, no provision for such demand has been made in these financial statements.

- (v) Additional Commissioner Inland Revenue amended the assessment of tax year 2018 and issued an order by disallowing certain expenses, on May 28, 2019 creating a demand of Rs 277 million. The Company filed an appeal before CIR(A). Subsequently, the CIR(A) issued an order dated July 23, 2019 wherein all the issues, except disallowance of acquisition cost amounting to Rs 297 million, were decided in the Company's favor. The Company has filed an appeal before ATIR against disallowance of acquisition cost.

The Management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently, no provision for such demand has been made in these financial statements.

- (vi) On March 04, 2020 Additional Commissioner Inland Revenue further amended the assessment of tax year 2018 by charging tax on accrued true-up income of Rs 2,906 million. The Company is of the view that true-up income being

unrealized exchange gain, will be taxed on realization basis in the year of actual receipt. Therefore, the Company filed an appeal before CIR(A). CIR(A) vide its order dated May 28, 2020 decided the case against KAPCO. The cumulative tax impact of both issues of disallowance of acquisition cost and chargeability of tax on true-up income is Rs 1,121 million. The Company has filed an appeal before ATIR which is pending adjudication.

The Management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently, no provision for such demand has been made in these financial statements.

- (vii) Additional Commissioner Inland Revenue amended the assessment of tax year 2019 and issued order on March 05, 2020 creating a demand of Rs 2,203 million on account of chargeability of tax on true-up income, late payment (LP) income from WAPDA and inadmissibility of few deductions and tax credits under section 65B.

On an appeal filed before CIR(A), all issues were decided in favour of the Company except chargeability of tax on true-up and LP income, disallowance of bad debts written off and 5% BMR tax credit. The cumulative impact of these disallowances is approximately Rs. 1,604 million. The Company is of the view that true-up income being unrealized exchange gain and LP income still being receivable from WAPDA will be taxed on realization basis in the year of actual receipt. Similarly, other issues confronted on account of inadmissibility of deductions and tax credits have already been decided in favour of the Company at higher appellate forums in previous years. Therefore, the Company has filed an appeal before ATIR which is pending adjudication.

The Management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently, no provision for such demand has been made in these financial statements.

- (viii) Additional Commissioner Inland Revenue further amended the assessment of tax years 2014-2017 through order dated January 01, 2020 by disallowing depreciation / initial allowance claimed on cost of assets amounting to Rs 80 million on the premise that the Company has already claimed tax credit u/s 65B on account of investment in BMR, on this amount. On an appeal filed before CIR(A) the issue was decided against the Company. The approximate tax impact of this disallowance in four years amounts to Rs 28 million. The Company is of the view that it is entitled for both tax credit u/s 65B and depreciation u/s 22. Therefore, it filed an appeal before ATIR which is pending adjudication.

- (ix) Before introduction of amendments in Finance Act 2006, the Company had not established Workers' Profit Participation Fund under the Companies Profit (Workers' Participation) Act, 1968 (the Act) based on the opinion of the legal advisor that it did not employ any person who fell under the definition of Worker as defined in the Act.

Further, the question whether a company to which the Act and its scheme applies but which does not employ any worker is nevertheless obliged to establish and pay contributions into the Fund under the Act and thereafter transfer the same to the Fund established under the WWF Ordinance, 1971 is subjudice before the Sindh High Court, as the Supreme Court of Pakistan accepted the petition of another company and remanded the case to the Sindh High Court for fresh decision in accordance with its order.

Certain amendments were introduced in Finance Act 2006, to relax the conditions of payment of interest and penalty for companies defaulting in creating Fund under the Act. If it is established that Workers' Profit Participation Fund (WPPF) is applicable to the Company and Company makes the principal payment on or before the date which is yet to be decided by the Federal Government, no such penalty may be imposed and the Company may not be liable to pay interest.

In view of the foregoing, the Company did not make any provision for Workers' Profit Participation Fund and interest thereon in the financial statements up to June 30, 2006.

Subsequent to the amendments in Finance Act 2006, the Company had established the KAPCO Workers' Profit Participation Fund in March 2008 to allocate the amount of annual profits stipulated by the Act for distribution amongst workers eligible to receive such benefits under the Act. Accordingly contributions to WPPF were duly made up to the year ended June 30, 2016.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

In year 2017, the Honorable Supreme Court of Pakistan decided that amendments in Workers' Welfare Fund Ordinance, 1971 and Companies Profit (Workers Participation) Act, 1968 cannot be introduced through Finance Act, thereby, the said amendments made through the Finance Act 2006 are void ab initio. Subsequently, the Commissioner Inland Revenue (Peshawar) filed review petition in the Honorable Supreme Court of Pakistan against the said decision in case of another company, which is pending adjudication.

In June 30, 2018, the Government of Punjab issued Companies Profits (Workers' Participation) (Amendment) Ordinance 2018 and accordingly the Company made contribution to WPPF for the year ended June 30, 2018. During the year 2019, this Ordinance expired and no further enactment has been made by the Government of Punjab. Keeping in view this, the contribution of WPPF for the year ended June 30, 2018 amounting to Rs 790 million was refunded to the Company by the Fund / Trust during the year. Further, no contribution has been made for the year ended June 30, 2019 and June 30, 2020.

In case the liability materializes, the cumulative principal amount of WPPF for the year ended June 30, 2016 upto the year ended June 30, 2020 would amount to Rs 4,642 million (2019: Rs 3,126 million). If it is established that the scheme is applicable to the Company and the Company is liable to pay contribution to the Workers' Welfare Fund, then these amounts would be recoverable from WAPDA as a pass-through item under the provisions of PPA.

- (x) Water and Power Development Authority (WAPDA) had raised invoices for liquidated damages to the Company for the years ended June 30, 2009 through 2016 (after taking into account forced outage allowance stipulated under the terms of PPA) on account of short supply of electricity by the Company, which was due to cash flow constraints of the Company as a result of default by WAPDA in making timely payments. Liquidated damages invoiced to the Company amount to Rs 27,898 million (June 30, 2019: Rs 27,898 million). Estimated amount of liquidated damages are not expected to exceed Rs 27,681 million as at June 30, 2020 (June 30, 2019: Rs 27,681 million) based on the best estimate of the Management.

The Company disputes and rejects any claim on account of liquidated damages that may be raised by WAPDA on the premise that its failure to dispatch electricity was due to WAPDA's non-payment of dues on timely basis to the Company and consequential inability of the Company to make timely payments to its fuel supplier (PSO) that resulted in inadequate level of electricity production owing to shortage of fuel. In this regard, the Company has initiated the dispute resolution procedures specified in the PPA and has commenced proceedings for Arbitration in Singapore under the rules of International Chamber of Commerce (ICC).

In June 2019, the ICC Tribunal in its partial award has decided matters related to its jurisdiction over WAPDA, Central Power Purchasing Agency Guarantee Limited (CPPA – G) and Government of Pakistan (GoP) and after considering various factors including provisions of PPA and Facilitation Agreement, ICC Tribunal has decided that it has jurisdiction over WAPDA and moving forward, the regular hearing of the case continues between WAPDA and the Company. In keeping with procedural timetable agreed, the Company submitted its memorial and other related documents with the ICC Tribunal in November 2019. Subsequent to the filing of WAPDA's memorial in February 2020, the Company filed its reply memorial and other related documents with ICC Tribunal in July 2020.

According to legal advice, there are adequate grounds to defend any claim by WAPDA for such liquidated damages since these conditions were imposed on the Company due to circumstances beyond its control. The ultimate outcome of the matter cannot presently be determined, and consequently no provision for such liquidated damages has been made in these financial statements.

- (xi) The Company has provided bank guarantee in favor of Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 4 million (2019: Rs 4 million);

11.2 Commitments

- (i) Contracts for capital expenditure are Rs 21 million (2019: Rs 21 million).
- (ii) Letters of credit other than for capital expenditure are Rs 88 million (2019: Rs 128 million).
- (iii) Contracts for car ijara are Rs 54 million (2019: Rs 59 million).

12 Property, plant and equipment

	Freehold land	Buildings on freehold land	Plant and machinery	Gas turbine blading	Auxiliary plant and machinery	Office equipment	Fixtures and fittings	Vehicles	Total
(Rupees in thousand)									
Net carrying value basis									
Year ended June 30, 2020									
Opening net book value (NBV)	100,773	171,083	4,699,747	1,278,234	47,933	20,736	294	18,295	6,337,095
Additions (at cost)	-	-	-	2,184	22,716	2,897	-	-	27,797
Transfers from leased assets (at NBV)	-	-	-	-	-	-	-	3,174	3,174
Disposals / adjustments (at NBV)	-	-	-	(2,229)	(199)	(126)	-	(3,976)	(6,530)
Depreciation charge	-	(85,547)	(1,462,034)	(671,102)	(23,919)	(12,260)	(158)	(56)	(2,255,076)
Closing net book value (NBV)	100,773	85,536	3,237,713	607,087	46,531	11,247	136	17,437	4,106,460
Gross carrying value basis									
As at June 30, 2020									
Cost	100,773	893,661	35,513,576	9,074,787	409,808	146,643	18,142	97,432	46,254,822
Accumulated depreciation	-	(808,125)	(32,275,863)	(8,467,700)	(363,277)	(135,396)	(18,006)	(79,995)	(42,148,362)
Net book value (NBV)	100,773	85,536	3,237,713	607,087	46,531	11,247	136	17,437	4,106,460
Depreciation rate % per annum	-	4 - 48.0	4 - 29.3	10-80.0	20-92.3	20-92.3	20-42.9	25-31.6	
Net carrying value basis									
Year ended June 30, 2019									
Opening net book value (NBV)	100,773	236,671	6,161,785	1,954,346	59,775	33,704	64	17,459	8,564,577
Additions (at cost)	-	13,861	-	63,117	4,829	3,632	311	-	85,750
Transfers from leased assets (at NBV)	-	-	-	-	-	-	-	4,002	4,002
Disposals / adjustments (at NBV)	-	(1)	(4)	(7,853)	(156)	(2,022)	-	(2,339)	(12,375)
Depreciation charge	-	(79,448)	(1,462,034)	(731,376)	(16,515)	(14,578)	(81)	(827)	(2,304,859)
Closing net book value (NBV)	100,773	171,083	4,699,747	1,278,234	47,933	20,736	294	18,295	6,337,095
Gross carrying value basis									
As at June 30, 2019									
Cost	100,773	893,661	35,513,576	9,074,787	409,808	144,549	18,142	97,432	46,252,728
Accumulated depreciation	-	(722,578)	(30,813,829)	(7,796,553)	(361,875)	(123,813)	(17,848)	(79,137)	(39,915,633)
Net book value (NBV)	100,773	171,083	4,699,747	1,278,234	47,933	20,736	294	18,295	6,337,095
Depreciation rate % per annum	-	4 - 48.0	4 - 29.3	10-38.7	20-46.2	20-48.0	20-42.9	25-31.6	

The cost of fully depreciated assets which are still in use as at June 30, 2020 is Rs 4,615 million (2019: Rs 3,969 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

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

	Note	2020 (Rupees in thousand)	2019
Cost of sales	23	2,169,153	2,224,502
Administration expenses	24	85,923	80,357
		2,255,076	2,304,859

12.2 Disposal of property, plant and equipment of book value exceeding Rs 500,000

2020

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal
(Rupees in thousand)							
Employee							
Toyota Corolla Gii	Mr. Khalid Naseem	2,093	(963)	1,130	1,738	608	Company Policy

2019

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal
(Rupees in thousand)							
Third party							
San Storage Disaster Recovery System	Cubetier	5,025	(3,183)	1,842	656	(1,186)	Trade-off
Employees							
Honda Civic Prosmatec	Mr. Muhammad Anwar	2,566	(2,053)	513	513	-	Company Policy

2020

2019

(Area in kanals)

12.3 Location and area of freehold land

Description	Location	2020	2019
Plant site	Kot Addu, District Muzaffargarh, Pakistan	3081	3081
Corporate office	Lahore, Pakistan	2	2
Land (Plot)	Islamabad, Pakistan	1	1

2020

2019

(Rupees in thousand)

12.4 Assets not in possession of the Company

Description	Party	2020	2019
Blades & vanes	Ethos Energy Italia, Italy	-	275,132
		-	275,132

	Note	2020 (Rupees in thousand)	2019
13			
Intangible assets - computer software			
Net carrying value basis			
Year ended June 30			
Opening net book value (NBV)	13.2	4,252	7,462
Additions (at cost)		5,916	–
Amortization charge		(2,933)	(3,210)
Closing net book value		7,235	4,252
Gross carrying value basis			
Cost		66,537	60,621
Accumulated amortization		(59,302)	(56,369)
Net book value		7,235	4,252
Amortization rate % per annum		20-92.3	25-32.4

13.1 Amortization charge for the year has been allocated to cost of sales.

13.2 The cost of intangible assets as on June 30, 2020 includes fully amortized assets amounting to Rs 53 million (2019: Rs 49 million).

	Note	2020 (Rupees in thousand)	2019
14			
Right-of-use assets			
Net carrying value basis			
Year ended June 30			
Opening net book value (NBV)		34,721	51,747
Additions (at cost)		–	1,971
Transferred (at NBV)		(3,174)	(4,002)
Depreciation charge	14.1	(12,483)	(14,995)
Closing net book value		19,064	34,721
Gross carrying value basis			
Cost	14.2	57,883	69,734
Accumulated depreciation		(38,819)	(35,013)
Net book value		19,064	34,721
Depreciation rate % per annum		25-32.4	25-32.4

14.1 Depreciation charge for the year has been allocated to administrative expenses.

14.2 The cost of fully depreciated assets which are still in use as at June 30, 2020 is Rs 10 million (2019: Rs 6 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 (Rupees in thousand)	2019	
15	Long term loans and deposits			
	Loans to employees - considered good	15.1	10,647	23,318
	Security deposits		13,223	13,681
			23,870	36,999
	Receivable within one year		(11,362)	(11,604)
			12,508	25,395

15.1 These represent unsecured loans to non-executive employees for the purchase of plot, car, construction of house etc. and are repayable in monthly installments over a maximum period of 120 months. These loans carry interest of 9 percent per annum (2019: 9 percent per annum). The loans to employees include loans amounting to Rs 0.03 million (2019: Rs 0.12 million) given to employees who were victims of flood. These are interest free and repayable up to 10 years.

	Note	2020 (Rupees in thousand)	2019	
16	Post retirement benefits			
	Pension (liability) / asset	16.1	(402,319)	348,784
16.1	Pension			
	The amounts recognised in the balance sheet are as follows:			
	Fair value of plan assets		2,974,569	2,823,878
	Present value of defined benefit obligation		(3,376,888)	(2,475,094)
	Net (liability) / asset as at June 30		(402,319)	348,784
	Asset / (liability) as at July 1		348,784	(118,562)
	Charge to profit or loss account		(13,331)	(84,942)
	Contribution paid by the Company		3,839	42,234
	Remeasurement (loss) / gain recognised in other comprehensive income		(741,611)	510,054
	Net (liability) / asset as at June 30		(402,319)	348,784
	The movement in the present value of defined benefit obligation is as follows:			
	Present value of defined benefit obligation as at July 1		2,475,094	2,938,507
	Current service cost		59,830	71,958
	Interest cost for the year		344,338	290,490
	Benefits paid during the year		(197,197)	(142,443)
	Remeasurement loss / (gain) on obligation		694,823	(683,418)
	Present value of defined benefit obligation as at June 30		3,376,888	2,475,094

	2020	2019
	(Rupees in thousand)	
The movement in fair value of plan assets is as follows:		
Fair value as at July 1	2,823,878	2,819,945
Expected return on plan assets	390,837	277,506
Contribution paid by the Company	3,839	42,234
Benefits paid during the year	(197,197)	(142,443)
Remeasurement loss on plan assets	(46,788)	(173,364)
Fair value as at June 30	2,974,569	2,823,878
Plan assets are comprised as follows		
	(%age)	(%age)
Mutual funds	42%	41%
Interest bearing instruments	51%	50%
Other	7%	9%
	100%	100%

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of pension fund is as follows:

	2020	2019	2018	2017	2016
	(Rupees in thousand)				
As at June 30					
Fair value of plan assets	2,974,569	2,823,878	2,819,945	2,939,808	2,625,082
Present value of defined benefit obligation	(3,376,888)	(2,475,094)	(2,938,507)	(2,880,932)	(2,621,615)
(Deficit) / Surplus	(402,319)	348,784	(118,562)	58,876	3,467
Experience adjustment					
on obligation - loss / (gain)	694,823	(683,418)	(135,521)	42,297	43,258
Experience adjustment					
on plan assets - (loss) / gain	(46,788)	(173,364)	(246,426)	120,149	46,775

Year end sensitivity analysis on present value of defined benefit obligation:

	2020	2019
	(Rupees in thousand)	
Discount rate + 0.50%	3,195,036	2,383,343
Discount rate - 0.50%	3,527,190	2,573,577
Increase in salary level + 0.50%	3,373,126	2,491,604
Increase in salary level - 0.50%	3,334,754	2,458,985
Increase in pension + 0.50%	3,472,032	2,530,237
Increase in pension - 0.50%	3,244,523	2,423,460

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 (Rupees in thousand)	2019
Maturity profile of the defined benefit obligation			
1. Weighted average duration of the benefit (Years)		10.77	7.41
2. Distribution of timing of benefit payments (time in years)			
1		182,121	181,241
2		199,633	229,139
3		521,224	206,153
4		289,198	468,282
5		328,331	323,276
6 to 10		1,812,450	2,132,756
17	Stores and spares		
Stores and spares	17.2	5,694,495	5,328,585
Provision for store obsolescence	17.3	(1,839,131)	(1,863,504)
		3,855,364	3,465,081

17.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

17.2 Stores and spares include items in transit amounting to Rs 146 million (2019: Rs 20 million) and items valuing Rs 60 million (2019: Rs 5 million) which are being held by the following suppliers for inspection / refurbishment purposes.

	Note	2020 (Rupees in thousand)	2019
GE Energy Manufacturing Technology Centre, Saudi Arabia		1,297	–
GE Middle East, UAE		2,208	–
GE Global Service GMBh, Switzerland		–	3,304
MJB International, UAE		56,113	–
Siemens, Germany		–	1,681
		59,618	4,985
17.3	Provision for store obsolescence		
Opening balance as at July 1		1,863,504	311,415
Provision for the year	17.3.1	–	1,571,859
		1,863,504	1,883,274
Stores written-off against provision		(24,373)	(19,770)
Closing balance as at June 30		1,839,131	1,863,504

17.3.1 It includes provision for store obsolescence Nil (2019: Rs 1,428 million) based on the in-house technical evaluation carried out during year 2019, while keeping in view their potential usage uptill June 26, 2021 i.e. upto the expiry of current PPA. 100% provision has been made for items which are not expected to be used till June 26, 2021.

	Note	2020 (Rupees in thousand)	2019
18	Stock-in-trade		
	Furnace oil	1,865,809	8,668,590
	Diesel	822,199	781,107
	Coal	12,664	16,759
		2,700,672	9,466,456
19	Trade debts		
	Trade debts	120,096,066	116,027,489
	Provision for doubtful debts	(192,555)	(229,102)
		119,903,511	115,798,387

19.1 Trade debts include overdue amount of Rs 99,362 million (2019: Rs 94,071 million) receivable from WAPDA. The maximum aggregate amount outstanding during the year was Rs 129,750 million (2019: Rs 131,988 million).

The trade debts are denominated in Pakistan rupees and secured by sovereign guarantee from the Government of Pakistan under the Facilitation Agreement. These are in the normal course of business and are interest free, however, a late payment surcharge of SBP discount rate plus 4 percent per annum is charged in case the amounts are not paid within due dates (25~30 days from invoice date) as prescribed in the PPA i.e. default by WAPDA in timely payment.

Aging analysis of trade debts is given in note 38.1(b). Due to delays in settlement by WAPDA, the Company has financed the trade debts via short term financing arrangements (Note 9), trade creditors (Note 10) and from own sources.

	Note	2020 (Rupees in thousand)	2019
19.2	Provision for doubtful debts		
	Opening balance as at July 1	229,102	239,390
		229,102	239,390
	Provision for the year	–	–
		229,102	239,390
	Reversal of provision	(33,358)	(8,008)
	Trade debts written-off	(3,189)	(2,280)
	Closing balance as at June 30	192,555	229,102
20	Loans, advances, deposits, prepayments and other receivables		
	Loans to employees - considered good	8,809	11,604
	Advance to suppliers - considered good	25,312	18,153
	Sales tax claims recoverable from Government	821,408	1,986,644
	Prepayments	5,229	5,367
	Claims recoverable from WAPDA as pass through items:		
	- Workers' Welfare Fund	659,091	397,052
	Security deposits	4,024	1,485
	Other receivables	18,535	11,660
		1,542,408	2,431,965

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

- 20.1 Advances to suppliers include due from WAPDA amounting to Rs 1 million (2019: Rs 1 million). These are in the normal course of business and are interest free.
- 20.2 Under section 14.2(a) of Part III of Schedule 6 to Power Purchase Agreement (PPA) with WAPDA, payments to Workers' Welfare Fund and Workers' Profit Participation Fund are recoverable from WAPDA as pass through items.
- 20.3 All the security deposits are non-interest bearing.

	Note	2020 (Rupees in thousand)	2019
21	Cash and bank balances		
	At banks on:		
	- Current accounts	195,144	182,759
	- Savings accounts	639,874	1,166,927
	21.1	835,018	1,349,686
	In hand	228	236
		835,246	1,349,922

- 21.1 These include total restricted funds of Rs 2 million (2019: Rs 2 million) held by banks under lien as margin against letters of credit. The balances in savings accounts are placed under mark-up arrangements and bear mark-up rate ranging from 6.3 percent to 11.5 percent (2019: 5.5 percent to 11 percent) per annum.

	Note	2020 (Rupees in thousand)	2019
22	Sales		
	Energy purchase price	53,663,274	75,671,224
	Sales tax	(7,769,577)	(10,978,135)
	Net energy purchase price	45,893,697	64,693,089
	Capacity purchase price	25,649,602	20,137,528
		71,543,299	84,830,617
23	Cost of sales		
	Fuel cost	44,709,841	64,013,511
	Salaries, wages and benefits	1,856,299	1,900,607
	Plant maintenance	189,692	274,895
	Gas turbines overhauls	870,916	543,259
	Repair and renewals	266,300	93,534
	Depreciation on property, plant and equipment	2,169,153	2,224,502
	Amortization on intangible assets	2,933	3,210
	Provision for store obsolescence	—	1,571,859
		50,065,134	70,625,377

	2020	2019
	(Rupees in thousand)	
23.1 Salaries, wages and benefits		
Salaries, wages and benefits include following in respect of retirement benefits:		
Pension		
Current service cost	59,830	71,958
Net interest (income) / cost for the year	(46,499)	12,984
	13,331	84,942
Medical		
Current service cost	4,094	3,879
Net interest cost for the year	25,086	15,819
	29,180	19,698
Free electricity		
Current service cost	12,899	11,839
Net interest cost for the year	80,821	51,447
	93,720	63,286

In addition to above, salaries, wages and benefits also include Rs 49 million (2019: Rs 46 million) in respect of provident fund contribution by the Company.

23.2 All investments made out of provident and pension fund, have been made in accordance with provisions of section 218 of the Act and the conditions specified thereunder.

23.3 Cost of sales include Rs 144 million (2019: Rs 277 million) for stores and spares consumed.

	Note	2020	2019
		(Rupees in thousand)	
24 Administrative expenses			
Travelling		8,745	21,825
Motor vehicles running		57,169	54,666
Postage, telephone and telex		8,132	9,493
Legal and professional charges		54,175	49,025
Liquidated damages arbitration cost		390,342	211,264
Computer charges		21,260	22,621
Auditors' remuneration	24.1	6,567	5,854
Printing, stationery and periodicals		9,705	11,755
Repairs and maintenance infrastructure		68,136	82,955
Training expenses		11,302	20,469
Rent, rates and taxes		19,429	15,850
Depreciation on property, plant and equipment	12.1	85,923	80,357
Depreciation on right-of-use assets	14.1	12,483	14,995
Infrastructure cost		42,227	43,054
Education fee		29,318	29,570
Other expenses		47,836	34,987
		872,749	708,740

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	Note	2020 (Rupees in thousand)	2019
24.1	Auditors' remuneration		
	The charges for auditors' remuneration include the following in respect of auditors' services for:		
	Statutory audit	3,527	3,135
	Half yearly review	1,299	1,155
	Workers' Profit Participation Fund audit, Employees Provident and Pension Fund audit, special reports and certificates	1,174	1,027
	Out of pocket expenses	567	537
		6,567	5,854
25	Other operating expenses		
	Loss on disposal / scrap of property, plant and equipment	–	8,922
		–	8,922
26	Other income		
	Income from financial assets		
	Income on bank deposits	75,746	37,205
	Reversal of provision / doubtful debts	33,358	8,008
	Exchange gain	2,119	–
	Interest on loans to employees	1,529	2,320
	True-up income	7,786,900	2,885,712
	Interest on late payment from WAPDA	12,856,239	10,751,090
		20,755,891	13,684,335
	Income from non-financial assets		
	Colony electricity	8,970	7,076
	Provisions and unclaimed balances written back	–	58,889
	Profit on disposal of property, plant and equipment	856	–
	Scrap sales	406	6,399
	House rent recovery	13,641	12,738
	Others	26,481	11,662
		50,354	96,764
		20,806,245	13,781,099

26.1 It represents true-up income resulting from change in US Dollar - Pak Rupee exchange rate exceeding the threshold defined in PPA, compared to the rates used for indexation calculation of relevant CPP invoices, under section 13.4 (iv) of Part II of Schedule 6 to PPA.

		2020 (Rupees in thousand)	2019
27	Finance cost		
	Interest and mark-up including commitment charges on		
	- finances under mark-up arrangements - secured	7,007,070	5,183,478
	- credit supplies of raw material	1,422,235	3,074,943
	- car ijarah	14,308	10,019
	- lease liabilities	10,141	7,911
	Exchange loss	–	11,989
	Bank and other charges	3,663	17,824
		8,457,417	8,306,164

		2020	2019
		(Rupees in thousand)	
28	Taxation		
	Current tax		
	- Current year	5,602,276	5,992,010
	- Prior year	(2,752,647)	(594)
		2,849,629	5,991,416
	Deferred tax		
	- Current year	3,957,797	(140,443)
	- Prior year	2,533,625	-
		6,491,422	(140,443)
		9,341,051	5,850,973
		2020	2019
		% age	% age
28.1	Tax charge reconciliation		
	Numerical reconciliation between the applicable tax rate and the average effective tax rate		
	Applicable tax rate	29.00	29.00
	Effect of prior period tax	(0.66)	-
	Super tax	-	2.00
	Effect of change in tax rate	-	(0.07)
	Effect of tax credit	-	(0.02)
	Others	-	(0.05)
	Average effective tax rate	28.34	30.86
		2020	2019
		(Rupees in thousand)	
28.2	Tax recognised directly in equity		
	Impact of change in accounting policy- IFRS15	-	793,563
		-	793,563
28.3	Tax recognised directly in other comprehensive income		
	Defined benefit obligation	(188,985)	158,903
		(188,985)	158,903

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

29 Remuneration of Directors, Chief Executive and Executives

29.1 The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive and executives of the Company is as follows:

	Note	Chief Executive		Executives	
		2020	2019	2020	2019
(Rupees in thousand)					
Managerial remuneration		61,302	54,583	359,211	323,671
Bonus		30,938	27,500	96,002	92,016
Reimbursable expenses		1,836	1,826	29,882	26,055
Contribution to provident & pension funds and other retirement benefit plans		6,130	5,458	23,823	44,703
Leave passage		5,156	4,583	19,521	17,316
Other perquisites	29.1.1	7,119	6,112	23,974	22,305
		112,481	100,062	552,413	526,066
Number of persons		1	1	60	54

29.1.1 This includes Company transport, education of children, club charges, house loan subsidy, security and utilities provided to the employees as per Company policy.

29.2 Remuneration to other directors

Aggregate amount charged in the financial statements for the year for fee to 7 directors (2019: 7 directors) is Rs 21 million (2019: Rs 10 million). No other perquisite is provided to other directors.

30 Transactions with related parties

The related parties comprise associated undertakings, key management personnel and post retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown under payables and receivables and remuneration of the key management personnel is disclosed in note 29. Other significant transactions with related parties are as follows:

Relationship with the Company	Percentage of shareholding	Nature of transaction	2020	2019
(Rupees in thousand)				
i. Associated undertakings				
-WAPDA	40%	Sale of electricity	71,543,299	84,830,617
-WAPDA	40%	Purchase of electricity	204,570	144,780
-WAPDA	40%	Purchase of services	1,975	2,097
-WAPDA	40%	Interest income on late payment	12,856,239	10,751,090
-WAPDA	40%	True-up income	7,786,900	2,885,712
-WAPDA	40%	Bad debts recovered	33,358	8,008
-WAPDA	40%	Dividend paid	2,125,867	2,232,160

Relationship with the Company	Percentage of shareholding	Nature of transaction	2020 (Rupees in thousand)	2019
-KAPCO Employees Empowerment Trust (BESOS)	5%	Dividend paid	217,136	303,990
-Central Depository Company	0%	Purchase of services	1,592	2,053
-Samba Bank Limited	0%	Financial charges	108,619	72,896
-Pakistan Institute of Corporate Governance	0%	Purchase of services	100	635
ii. Post retirement benefit plans				
-KAPCO employees pension fund trust	0%	Contributions paid	3,839	42,234
-KAPCO employees provident fund trust	0%	Contributions paid	48,657	46,127

Sale and purchase transactions with related parties are carried out on mutually agreed terms.

30.1 Following are the associated undertakings / companies and post retirement benefit plans alongwith basis of their relationship with the Company with whom the Company had entered into transactions during the year:

Name of related parties	Direct shareholding	Relationship
WAPDA	40.0%	Associated undertaking
KAPCO Employees Empowerment Trust (BESOS)	5.0%	Common management
Central Depository Company	N/A	Common directorship
Samba Bank Limited	N/A	Common directorship
Pakistan Institute of Corporate Governance	N/A	Common directorship
Post retirement benefit plans		
KAPCO employees pension fund trust	N/A	Post employment benefits plan
KAPCO employees provident fund trust	N/A	Post employment benefits plan

31 Non-adjusting events after the reporting date

31.1 The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2020 of Nil (2019: Rs 3.00) per share amounting to Nil (2019: Rs 2,641 million) at their meeting held on September 17, 2020 for approval of members at the Annual General Meeting to be held on October 28, 2020.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	2020 MWh	2019 MWh
32 Capacity and production		
Annual dependable capacity [based on 8,784 hours (2019: 8,760 hours)]	11,788,128	11,756,064
Actual energy delivered	3,476,675	4,960,755

Capacity for the power plant taking into account all the planned scheduled outages is 10,793,034 MWh (2019: 11,332,920 MWh). Actual energy delivered by the plant is dependent on the load demanded by WAPDA and the plant availability.

	July 01, 2019	Accruals/dividend declared (Rupees in thousand)	Payments	June 30, 2020
33 Reconciliation of liabilities arising from financing activities				
Lease liabilities	38,082	–	(12,729)	25,353
Dividend	1,344,900	3,961,140	(4,511,369)	794,671

34 Rates of exchange

Liabilities in foreign currencies as on June 30, 2020 have been translated into Rupees at USD 0.5926 (2019: USD 0.6079), EURO 0.5271 (2019: EURO 0.5348), GBP 0.4815 (2019: GBP 0.4797) and YEN 63.8047 (2019: YEN 65.4236) equal to Rs 100.

	2020 (Rupees in thousand)	2019
35 Cash generated from operations		
Profit before tax	32,954,244	18,962,513
Adjustments for:		
- Depreciation on property, plant and equipment	2,255,076	2,304,859
- Amortization on intangible assets	2,933	3,210
- Depreciation on right of use assets	12,483	14,995
- (Gain) / loss on disposal of property, plant and equipment	(856)	8,922
- Income on bank deposits	(75,746)	(37,205)
- Provision for store obsolescence	–	1,571,859
- Staff retirement benefits accrued	165,907	260,503
- Finance cost	8,457,417	8,306,164
Profit before working capital changes	43,771,458	31,395,820
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(390,283)	(788,085)
- Decrease / (increase) in stock-in-trade	6,765,784	(2,748,859)
- Increase in trade debts	(4,105,124)	(2,971,494)
- Decrease in loans, advances, deposits, prepayments and other receivables	889,557	227,568
- Decrease in trade and other payables	(16,588,949)	(11,050,090)
Cash flow from operating activities	30,342,443	14,064,860

	Note	2020 (Rupees in thousand)	2019
36	Cash and cash equivalents		
	Cash and bank balances	21	835,246
	Finances under mark-up arrangements - secured	9	(44,062,195)
			(43,226,949)
			(52,830,372)
37	Earnings per share		
37.1	Basic earnings per share		
	Profit for the year	Rupees in thousand	23,613,193
	Weighted average number of ordinary shares	Numbers	880,253,228
	Earnings per share	Rupees	26.83

37.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2020 and June 30, 2019 which would have any effect on the basic earnings per share.

38 Financial risk management

38.1 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 program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Management in accordance with the Financial Risk Management Policy approved by the Board of Directors. This policy covers specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great Britain Pound (GBP) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities. The Company's exposure to currency risk is as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	2020	2019
	(Rupees in thousand)	
Trade and other payables - USD	(158,211)	(142,317)
Trade and other payables - GBP	–	(9,129)
Trade and other payables - Euro	(173,213)	(164,539)
The following exchange rates were applied during the year:		
Rupees per USD		
Average rate	158.94	136.75
Reporting date rate	168.75	164.50
Rupees per GBP		
Average rate	200.30	176.84
Reporting date rate	207.68	208.45
Rupees per Euro		
Average rate	175.91	155.94
Reporting date rate	189.73	186.99

If the functional currency, at reporting date, had fluctuated by 5% against the USD, GBP and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rs 2 million (2019: Rs 3 million) respectively lower/higher, mainly as a result of exchange gains/losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) **Interest rate risk**

Interest rate risk 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 has no significant long-term interest-bearing assets. The Company's interest rate risk arises from short term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is:

	2020	2019
	(Rupees in thousand)	
Financial assets		
Fixed rate instruments		
Staff loans	10,647	23,318
Floating rate instruments		
Bank balances - savings accounts	639,874	1,166,927

	2020	2019
	(Rupees in thousand)	
Financial liabilities		
Floating rate instruments		
Lease liabilities	25,353	38,082
Finances under mark-up arrangements - secured	44,062,195	54,180,294
	44,087,548	54,218,376

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates on late payments, liabilities against assets subject to finance lease and finances under mark-up arrangement, at the year end date, fluctuate by 1% higher/lower with all other variables held constant, profit after taxation for the year would have been Rs 108 million (2019: Rs 20 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

(iii) 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.

(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. Company's credit risk is primarily attributable to its trade debts and its balances at banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2020	2019
	(Rupees in thousand)	
Long term loans and deposits	12,508	25,395
Trade debts	119,903,511	115,798,387
Loans, advances, deposits, prepayments and other receivables		
Loans to employees - considered good	8,809	11,604
Claims recoverable from WAPDA as pass through items:		
- Workers' Welfare Fund	659,091	397,052
Security deposits	4,024	1,485
Other receivables	17,660	6,234
Balances with banks	835,018	1,349,686
	121,440,621	117,589,843

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk and the risk attributable to trade debts, Workers' Welfare Fund and Workers' Profit Participation Fund receivable from WAPDA is mitigated by guarantee from the Government of Pakistan under the Facilitation Agreement. Age analysis of trade receivable balances is as follows:

	2020	2019
	(Rupees in thousand)	
Not yet due	20,733,750	21,956,980
Due past 90 days	13,670,923	27,491,730
Due past 90 to 180 days	19,589,950	13,901,703
Due past 181 to 365 days	22,591,717	15,284,815
Due past 365 days	43,509,726	37,392,261
	120,096,066	116,027,489
Provision for doubtful debts	(192,555)	(229,102)
	119,903,511	115,798,387

The credit quality of bank balances 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		Rating Agency	2020	2019
	Short term	Long term		(Rupees in thousand)	
-National Bank of Pakistan	A-1+	AAA	JCR-VIS	98	103
-Habib Bank Limited	A-1+	AAA	JCR-VIS	820,490	1,347,384
-MCB Bank Limited	A1+	AAA	PACRA	73	73
-Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,676	1,652
-Allied Bank Limited	A-1+	AAA	PACRA	11	-
-Faysal Bank Limited	A-1+	AA	JCR-VIS	-	1
-Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	12,658	324
-AlBaraka Bank (Pakistan) Limited	A-1	A	PACRA	3	143
-Citibank N.A.	A-1	A	S&P	9	6
				835,018	1,349,686

Due to The Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the 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 an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2020, the Company had borrowing limits available from financial institutions at Rs 55,159 million (2019: Rs 60,323 million), out of this the total unavailed amount is Rs 11,124 million (2019: Rs 6,143 million) and Rs 835 million (2019: Rs 1,350 million) in cash and bank balances. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The following are the contractual maturities of financial liabilities as at June 30, 2020:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Lease liabilities	25,353	14,288	11,065	–
Finances under mark-up arrangements - secured	44,062,195	44,062,195	–	–
Trade and other payables	20,125,523	20,125,523	–	–
Unclaimed dividend	794,671	794,671	–	–
	65,007,742	64,996,677	11,065	–

The following are the contractual maturities of financial liabilities as at June 30, 2019:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Lease liabilities	38,082	12,976	25,106	–
Finances under mark-up arrangements - secured	54,180,294	54,180,294	–	–
Trade and other payables	39,741,606	39,741,606	–	–
Unclaimed dividend	1,344,900	1,344,900	–	–
	95,304,882	95,279,776	25,106	–

38.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no financial assets or financial liabilities carried at fair value by the Company during current or prior year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

	2020	2019
	(Rupees in thousand)	
38.3		
Financial instruments by categories		
Financial assets as per statement of financial position		
At amortized cost		
Long term loans and deposits	12,508	25,395
Trade debts	119,903,511	115,798,387
Loans, advances, deposits, prepayments and other receivables		
Loans to employees - considered good	8,809	11,604
Claims recoverable from WAPDA as pass through items:		
- Workers' Welfare Fund	659,091	397,052
Security deposits	4,024	1,485
Other receivables	17,660	6,234
Cash and bank balances	835,246	1,349,922
	121,440,849	117,590,079
Financial liabilities as per statement of financial position		
At amortized cost		
Lease liabilities	25,353	38,082
Finances under mark-up arrangements - secured	44,062,195	54,180,294
Trade and other payables	20,125,523	39,741,606
Unclaimed dividend	794,671	1,344,900
	65,007,742	95,304,882

38.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as long term debt divided by total capital. Debt is calculated as total borrowings including current and non-current portion of long term borrowings, if any. Total capital is calculated as 'equity' shown in the statement of financial position plus long term debt. The gearing ratios as at year ended June 30, 2020 and June 30, 2019 are as follows:

	2020	2019
	(Rupees in thousand)	
Total equity	60,350,511	41,161,147
Total debt	-	-
Total capital	60,350,511	41,161,147
Gearing ratio	0%	0%
	Percentage	

39 **Number of employees**

Total number of employees at year end and average number of employees during the year are 587 (2019: 563) and 588 (2019: 592) respectively.

40 **Corresponding figures**

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

41 **Date of authorisation for issue**

These financial statements were approved and authorised for issue on September 17, 2020 by the Board of Directors of the Company.

42 **Impact of COVID-19 on the financial statements**

The World Health Organization declared COVID-19 (the virus) a global pandemic. In the wake of COVID-19 pandemic, Government of Pakistan imposed partial to full scale lockdowns across the country starting from March 23, 2020 to limit the spread. The Management has evaluated that the Company's operations were not affected as it fell under the exemption provided by the Government of Punjab to providers of essential services. In order to meet the obligations under PPA, KAPCO plant remained available and operational as per power purchaser requirements. KAPCO responded to the situation by implementing a combination of protective and preventive measures at head office and plant site to contribute to the containment of the virus while supplying uninterrupted power to the power purchaser.

While the virus has impacted the global economy, however, according to the management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Muhammad Yousaf
Director

CONSENT FOR VIDEO CONFERENCE FACILITY

Members can also avail video conference facility in {name of cities where facility can be provided keeping in view geographical dispersal of members}. In this regard please fill the following and submit to the attention of the Company Secretary at Company's Corporate Office at 5-B/3, Gulberg III, Lahore 54660 10 days before holding of the AGM.

If the Company receives consent from Members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the AGM along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Kot

Addu Power Company Limited, holder of _____ Ordinary Share(s) as per Register Folio

No. _____ hereby opt for video conference facility at _____.

Signature of the Member



PROXY FORM

I/We _____ of _____
 being a Member of Kot Addu Power Company Limited (the "Company") holding _____ shares
 hereby appoint _____ of _____ and in case of his / her absence _____
 of _____ who is also a Member of the Company, as my/our proxy to vote for me/us, and on my/our
 behalf at the 24th Annual General Meeting of the Company to be held on Wednesday, October 28, 2020 at 10:30 am
 at Islamabad Serena Hotel and any adjournment thereof.

Signed this _____ day of _____ 2020

Folio No.	CDC Account No.
	Participant I.D. Account No.

Witnesses:

1. Signature _____
 Name: _____
 CNIC: _____
 Address: _____

Revenue Stamp
 Rs 5/-

2. Signature _____
 Name: _____
 CNIC: _____
 Address: _____

 The Signature should agree with the
 Specimen signature registered with
 the Company

Note:

1. This Proxy, duly completed, signed and witnessed, must be deposited at the offices of the Company's Registrar, THK Associates (Private) Limited, First Floor, 40-C, Block-6, P.E.C.H.S. Karachi 75400, Pakistan not later than forty-eight (48) hours before the time appointed for the Meeting.
2. No person shall act as proxy, if he is not a Member of the Company (except that a corporation may appoint a person who is not a Member).
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a Member with Company's Registrar, all such instruments or proxies shall be regarded invalid.
4. The Proxy shall produce his/her original CNIC or original passport at the time of Meeting.
5. Attested copy of CNIC or passport of the beneficial owners and the proxy shall be provided with the proxy form.
6. In case of a corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the nominee shall be submitted alongwith the Proxy (unless it has been provided earlier).

AFFIX
CORRECT
POSTAGE

THK Associates (Private) Limited
Registrar for: Kot Addu Power Company Limited
First Floor, 40-C, Block-6, P.E.C.H.S.
Karachi 75400, Pakistan
Tel: +92 (0)21 111 000 322
Fax: +92 (0)21 34168271

پراکسی فارم

24 واں سالانہ اجلاس عام

کوٹ ادو پراکسی لمیٹڈ

میں / ہم: _____ ساکن _____
کوٹ ادو پراکسی لمیٹڈ (فولیو نمبر / سی ڈی سی / اکاؤنٹ نمبر / شیئر زکا شمار) بذریعہ ہذا تقرر کرتا ہوں۔
_____ ساکن _____ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر: _____ یا اس کی
_____ ناکامی میں _____ ساکن _____
_____ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر: _____ جو کہ میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (نمائندے) کے طور پر کمپنی کی 24 ویں سالانہ
اجلاس عام منعقدہ 28 اکتوبر 2020ء بروز بدھ دن 10:30 بجے بمقام سرینا ہوٹل اسلام آباد والی میٹنگ میں شرکت کرے گا اور میری / ہماری جگہ ووٹ استعمال کرے گا۔

ریونیو
مہر

میں بطور گواہ اس _____ دن _____ 2020

دستخط منظور کنندہ: _____
دستخط کمپنی کے پاس موجود نمونہ
_____ کے دستخط کے مطابق ہونا چاہئے

گواہان:

1- دستخط _____
2- دستخط _____
نام _____
پتہ _____
شناختی کارڈ / پاسپورٹ نمبر _____
شناختی کارڈ / پاسپورٹ نمبر _____

ہدایت:

- 1- پراکسی کی تقرری کی یہ دستاویز مکمل کر کے اپنے اور گواہان کے دستخط کے ساتھ اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرار کے دفتر ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40، بلاک 6، پی ای سی ایچ، کراچی پہنچ جانی چاہیے۔
- 2- کوئی بھی پراکسی کے طور پر کام / عمل نہیں کر سکتا اگر وہ کمپنی کا ممبر نہیں ہے۔ (ماسوائے اس کے کہ کارپوریشن کسی شخص کو مقرر کر سکتی ہے جو ممبر نہیں ہے)۔
- 3- اگر ایک ممبر کمپنی کے رجسٹرار کے پاس ایک سے زائد پراکسی مقرر کرتا ہے اور پراکسی کی ایک سے زائد دستاویز جمع کرانا ہے تو ایسی دستاویزات یا پراکسی کو غیر موثر تصور کیا جائے گا۔
- 4- پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔
- 5- سی ڈی سی شیئر ہولڈرز اور ان کے نمائندگان سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ جمع کروائیں۔
- 6- کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد / مختار نامہ یا دیگر اتھارٹی نمائندے (پراکسی) کے دستخط کے ساتھ کمپنی کو جمع کرانا ہوگا۔

AFFIX
CORRECT
POSTAGE

THK Associates (Private) Limited
Registrar for: Kot Addu Power Company Limited
First Floor, 40-C, Block-6, P.E.C.H.S.
Karachi 75400, Pakistan
Tel: +92 (0)21 111 000 322
Fax: +92 (0)21 34168271



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Online Quizzes

-  Stock trading simulator
(based on live feed from PSX)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android
and ios devices

Information and enquiries may be addressed to:

Mr. A. Anthony Rath
Company Secretary

Corporate Office:

Kot Addu Power Company Limited
5 B/3, Gulberg III, Lahore 54660, Pakistan



Power Plant:

Kot Addu Power Complex
Kot Addu, District Muzaffargarh
Punjab, Pakistan

Corporate Office:

5 B/3, Gulberg III
Lahore 54660, Pakistan

Registered Office:

Office No. 309, 3rd Floor, Evacuee Trust Complex
Agha Khan Road, F-5/1, Islamabad, Pakistan