

KEY FIGURES



Operating Profit

Rs. **9,319** Million



Profit after Tax

Rs. **4,314** Million



Earnings per Share

Rs. **4.90**

COMPANY INFORMATION

Board of Directors

Lt. General (Retd) Sajjad Ghani
(Chairman)

Mr. Muhammad Rabnawaz Anjum*
Chief Executive (Acting)

Mr. Aqeel Ahmed Nasir

Mr. Hafiz Mohammad Yousaf

Mr. Saad Iqbal

Mr. Naveed Asghar Chaudhry

Mr. Jamil Akhtar

Ms. Mahwish Humayun Khan

Audit Committee

Mr. Hafiz Mohammad Yousaf
(Chairman)

Mr. Saad Iqbal

Mr. Naveed Asghar Chaudhry

Mr. Jamil Akhtar

HR Committee

Mr. Aqeel Ahmed Nasir
(Chairman)

Mr. Aftab Mahmood Butt*

Mr. Jamil Akhtar

Ms. Mahwish Humayun Khan

Investment Committee

Mr. Hafiz Mohammad Yousaf
(Chairman)

Mr. Saad Iqbal

Mr. Naveed Asghar Chaudhry

Mr. Jamil Akhtar

GM Finance / CFO

Mr. Muhammad Rabnawaz Anjum

Company Secretary / Head Legal Counsel

Mr. A. Anthony Rath

Head of Internal Audit

Mr. Sikandar Usmani

Auditors

A.F. Ferguson & Co.
Chartered Accountants

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

Legal Advisor

Cornelius, Lane & Mufti

Banks

Conventional

Askari Bank Limited
Bank Al-Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Islamic

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

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial
Street 2, DHA, Phase-VII
Karachi 75500, 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

Email / Website

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 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of Kot Addu Power Company Limited will be held at the Serena Hotel, Khayban-e-Suhrawardy, Islamabad (and through video link, as requested) on Thursday, October 24, 2024 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the Minutes of the 12th Extraordinary General Meeting of the Company held on October 2, 2024.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2024 together with Directors' and Auditor's Reports thereon.

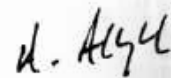
In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

https://www.kapco.com.pk/?page_id=54



3. To approve the final cash dividend of Rs. 4.00 per share, that is, 40% for the year ended June 30, 2024 as recommended by the Board of Directors. This is in addition to the interim dividend of Rs. 4.50 per share, that is, 45% already paid making a total cash dividend of Rs. 8.50 per share, that is, 85% for the year.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2025. The present Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the Chairman.

By Order of the Board



A. Anthony Rath
Company Secretary

Islamabad
September 3, 2024

shares held in his/her name with subject "Registration for 28th AGM of KAPCO". A video link to join the meeting will be shared with a member whose email, containing all the required particulars, are received not later than 48 (forty-eight) hours before the time of the meeting.

8. Change of Address

Members are requested to immediately notify change of address to the Company's Share Registrar at the following address:

THK Associates (Private) Limited
KAPCO Share Registrar
Plot No. 32-C, Jami Commercial Street 2
Phase VII, DHA
Karachi, 75500, Pakistan

Consent for Video Conferencing Facility

Members can also avail video conferencing 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 the AGM, that is October 13, 2024.

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 conferencing 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 conferencing 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 conferencing
facility at _____.

Signature of member

Important Notes to the Members

1. CNIC Copy

Members are requested to submit a copy of their valid CNIC (only physical members), 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.

2. E-Dividend (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017 ("Act") and E Dividend Regulations of the SECP through S.R.O. 1145(1)/2017 dated November 6, 2017, it is mandatory for the Company to pay cash dividend to the members only through electronic mode directly into the bank account designated by the Member.

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

In case of non-compliance, the Company will be constrained to withhold payment of dividend to such Member.

3. Unclaimed Dividend

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached such members to claim their unclaimed dividend in accordance with the law.

Members, whose dividends are still unclaimed, are hereby once again advised to approach the Company to claim their outstanding dividend amounts. An updated list of unclaimed dividends is available on the Company's website www.kapco.com.pk.

4. 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 members by listed companies and access of all such information will be provided to the respective members. The web portal will facilitate members 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.cdcaccess.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.

5. Conversion of Physical Shares into CDS

In compliance with the requirements of Section 72 of the Act, every existing listed company is required to replace his/her physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

6. 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 have been 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%

Active taxpayers should ensure that their names duly appear on the Active Tax Payers List (ATPL) of the Federal Board of Revenue (FBR). You may visit the FBR website for assistance. Should the name of a member be absent on the ATPL, the Company will be constrained to deduct tax at 30% notwithstanding that such member may be an income tax filer.

In case of joint accounts, FBR has clarified that withholding tax will be determined separately on 'Active/ Non-Active' status of principal members as well as joint-holder(s) based on their shareholding proportions. Members holding shares jointly are advised to provide shareholding proportions of principal member and joint-holder(s) in respect of shares held by them, if not already provided, at the earliest to the Share Registrar on the following format, otherwise it will be assumed that share are held in equal proportion:

Company Name	Folio/CDS Accounts Number	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 under section 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.

Corporate members having CDC accounts are required to provide their National Tax Number (NTN) to their participants. Corporate physical members should send a copy of their NTN certificate to the Share Registrar. Members while sending NTN or NTN certificates, as the case may be, must quote company name and their respective Folio Numbers.

7. Circulation of Annual Audited Financial Statements through QR Enabled Code

Annual Financial Statements of the Company for the financial year ended June 30, 2024 have been placed on the Company's website (www.kapco.com.pk).

SECP vide its SRO No.389(1)/2023 dated March 21, 2023 has allowed companies to circulate Annual Audited Financial Statements along with notice of general meeting to its members through QR enabled code at their registered addresses.

Notwithstanding the above, the Company will provide hard copies of the Annual Report, 2024, to any member on their request at their registered address within one (1) week of receiving such request.

BOARD OF DIRECTORS



Lt. General (Retd.) Sajjad Ghani

Chairman

Lt General (Retd.) Sajjad Ghani was appointed a Director, and was elected Chairman Board of Directors, on August 17, 2022. He is also the Chairman of the Pakistan Water and Power Development Authority (WAPDA). General Ghani is a professional engineer and retired soldier, who has pursued two parallel career streams for over last four decades. He obtained Bachelor of Engineering Degree from Military College of Engineering in 1984. He was awarded Master's Degree in Civil Engineering from the University of Engineering and Technology, Lahore in 1990. He has served Commander of Corps Engineers and Quarter Master General Pakistan Army where numerous mega construction projects were executed under his supervision.

General Ghani belongs to Corps of Engineers, commissioned in 1978. He has commanded Infantry Brigade and Infantry Division during Swat Operations. He has been Vice Chief of General Staff at GHQ. He has also commanded Corps at Karachi. General Ghani is also a Director on the board of the Private Power & Infrastructure Board, Ghulam Ishaq Khan Institute of Engineering Science & Technology, Pakistan Cricket Board, Neelum Jhelum Hydropower Company & Diamer Basha Dam Company.



Mr. Muhammad Rabnawaz Anjum

Chief Executive (Acting)

Mr. Muhammad Rabnawaz Anjum, GM Finance/ CFO has been appointed as the Chief Executive (Acting) of the Company with effect from August 1, 2024. Mr. Anjum joined the Company as Financial Controller in January 2014. Before joining the Company, he was working as financial controller at ACWA Power Barka, Oman, a subsidiary of ACWA Power International, the largest regional player in power sector. He has also worked with the Company as Manager Financial Reporting previously from 2007 to 2011. Prior to this, he was working with PricewaterhouseCoopers (PWC Pakistan).

Mr. Anjum is a Fellow Member of the Institute of Chartered Accountants of Pakistan. He has around 20 years experience in corporate finance, strategic business planning, financial operations, stakeholders management and corporate governance in senior management positions of renowned power generation companies of Pakistan and the Middle East.

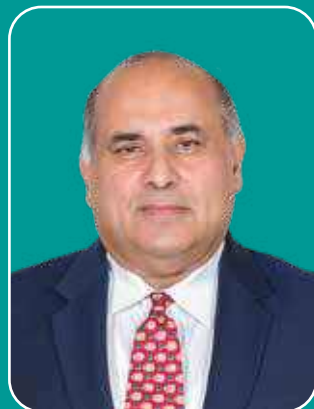


Mr. Aqeel Ahmed Nasir

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). His previous employments include Sui Southern Gas Company Limited, Pakistan PTA Limited and ICI worldwide Group Company.



Mr. Hafiz Mohammad Yousaf

Director

Mr. Hafiz Mohammad Yousaf has been a Director since June, 2019. Mr. Yousaf is a highly qualified professional having diversified qualifications from the renowned Institutions of Pakistan, USA, and Canada. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP), Fellow Member of American Institute of Certified Public Accountants (AICPA) and Member of Canadian Institute of Chartered Professional Accountants (CICPA) besides being member of many other renowned international professional institutions.

Mr. Yousaf possesses over three decades of diversified post qualification experience as a Chartered Accountant, (including two decades at a Big 4 accounting firm as Partner/Country Leader Consulting). His core areas of specialization are corporate finance and restructuring, corporate compliance and regulations, governance and oversight, assurance, consulting and financial advisory services. He has handled, directed and managed a wide variety of complex professional assignments for private and public sectors, national and international entities.

Mr. Yousaf has the honor of serving the council of ICAP for eight years (2009-17) in various leadership positions including being its President for 2015-16 term and represented Pakistan on various prestigious international forums including International Federation of Accountants (IFAC), International Accounting Standard Board (IASB), Asian Oceania Standards Setters Group (AOSSG), CA Worldwide (CAW) and South Asian Federation of Accountants for many years on different meetings and conferences. He has also served on the Boards of State Bank of Pakistan (SBP), and Securities and Exchange Commission of Pakistan (SECP) including chairing their Audit and Oversight Committees respectively besides being part of many other important committees of the Boards. Currently he is also a Board Member of SAMBA Bank Limited, Pakistan Security Printing Corporation and Security Papers Limited.



Mr. Naveed Asghar Chaudhary
Director

Mr. Naveed Asghar Chaudhary has been a Director since February, 2020. He was a 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 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 and Diamer Basha Dam Company. He is Member of American Economic Association, member of American Finance Association and Member of Pakistan Engineering Council.



Mr. Saad Iqbal
Director

Mr. Saad Iqbal has been a Director since November, 2016. Mr. Iqbal is a graduate of Curry College, USA in Business Communication. He 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 Storage and Services (Private) Limited, Metro Wind Power Limited, Filters Pakistan (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 Storage and Services (Private) Limited, Tariq Glass Industries Limited, Gul Ahmed CBMC Glass Company Limited, Agha Steel Industries Limited, Xloop Digital Services (Private) Limited and HUB Power Company Limited.



Mr. Jamil Akhtar
Director

Mr. Jamil Akhtar has been a Director since April, 2021. He is Member Power of the Pakistan Water and Power Development Authority (WAPDA). Mr. Akhtar has 35 years' experience in operation, maintenance of hydel power stations of WAPDA and other power plants, procurement and contract management, rehabilitation of old hydro power plants, negotiation with International donor agencies for project funding. He is also responsible for administrative, technical, financial, audit management and coordination with various Ministries for Rehabilitation and Development Projects.

Mr. Akhtar is a B.Sc. Engineering (Electrical) and registered with the Pakistan Engineering Council (PEC). He has also attended various trainings/short courses in Pakistan and abroad. He is also a Member on the Board of Directors of Neelum Jhelum Hydropower Company and Diamer Basha Dam Company.



Ms. Mahwish Humayun Khan
Director

Ms. Mahwish Humayun Khan has been a Director since October, 2021. She is a Fulbright Scholar and has done her Master in International Political Economy and Development from Fordham University, New York, USA. She also has Master degree in Business Administration major in Finance from NUST Business School, Islamabad.

Ms. Khan has over nine years of communications experience in strategic communications, developing knowledge products, content management, stakeholder engagement, advising on communication tools for projects and digital media management. Strong and demonstrated interest in economic empowerment, global health, climate and urbanization, and the Sustainable Development Goals.

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.
- 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.

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.

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.

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.

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, Four (4) meetings of the Audit Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Mohammad Yousaf	4
Mr. Naveed Asghar Chaudhry	4
Mr. Saad Iqbal	4
Mr. Jamil Akhtar	4

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:

- determination of appropriate measures to safeguard the Company's assets;
 - review of preliminary announcements of results prior to publication;
 - review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
 - 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);
 - Review of the Management Letter issued by the External Auditors and Management's response thereto;
 - Ensuring coordination between the Internal Auditors and External Auditors of the Company;
- 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;
 - Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
 - 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;
 - Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
 - Determination of compliance with relevant statutory requirements;
 - Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
 - Consideration of any other issue or matter on its own or as may be assigned by the Board of Directors.

HR Committee

During the year, six (6) meetings of the HR Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Aqeel Ahmed Nasir	6
Mr. Aftab Mahmood Butt*	6
Ms. Mahwish Humayun Khan	6
Mr. Jamil Akhtar	6

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

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:

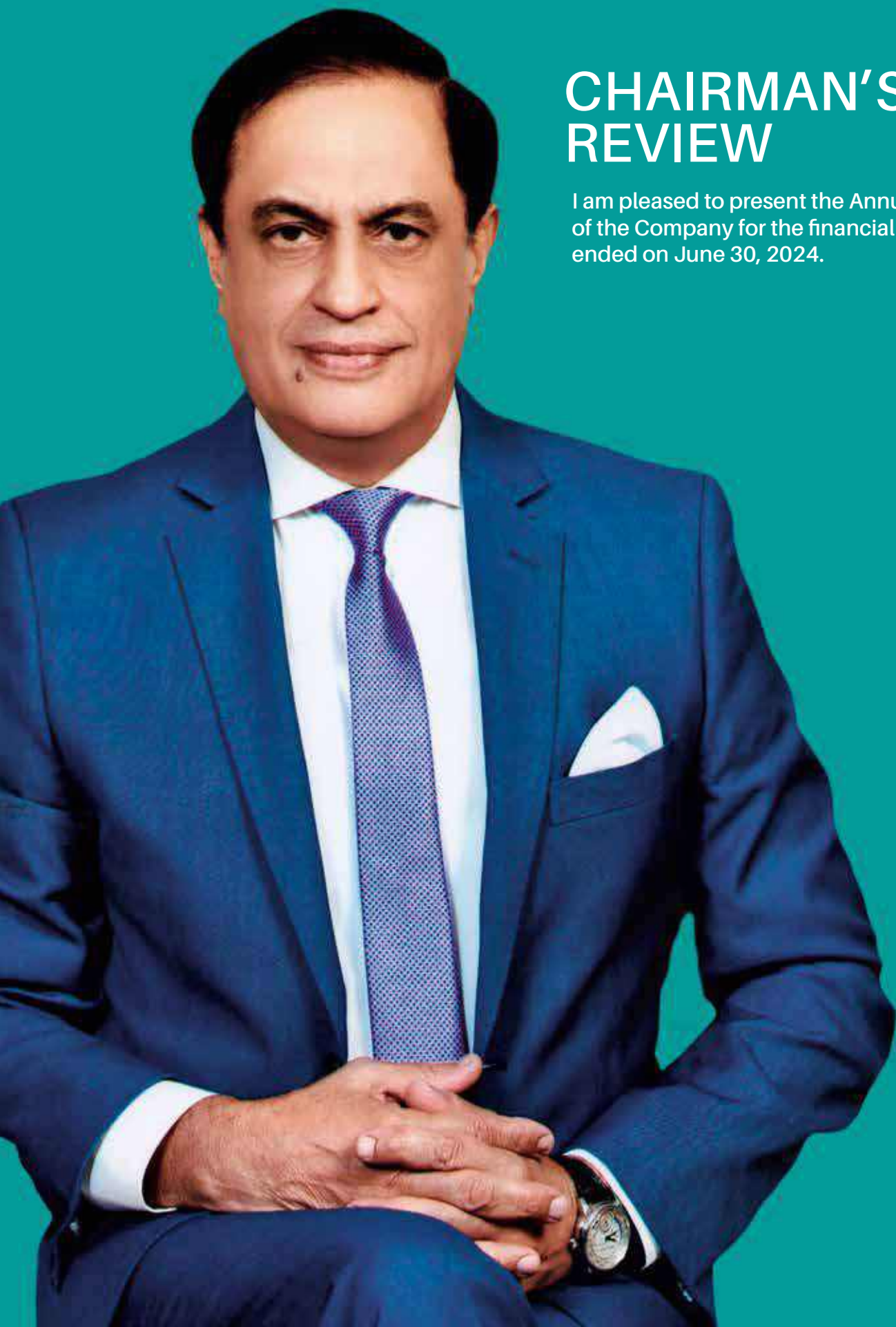
- a. provide general guidelines for HR policies including terms of employment and HR Head Count and to make recommendations for Board of Directors' approval;
- b. determine a comprehensive compensation philosophy, strategy and framework and to make recommendation for Board of Directors' approval;
- c. 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) including Chief Financial Officer 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.

Investment Committee

The Investment Committee is a committee constituted by the Board of Directors ("BoD") to assist and guide in expanding, diversifying and effective management of the business portfolio for the Company and to prepare a workable financial model for renewal/extension of the Company's Power Purchase Agreement ("PPA") and to evaluate and implement any approved investment schemes.

During the year, ten (10) meetings of the Investment Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Mohammad Yousaf	10
Mr. Saad Iqbal	9
Mr. Jamil Akhtar	10
Mr. Naveed Asghar Chaudry	10



CHAIRMAN'S REVIEW

I am pleased to present the Annual Report of the Company for the financial year ended on June 30, 2024.

Due to expiry of the Company's Power Purchase Agreement (PPA) on October 24, 2022, and the absence of an operating regime since then, there is no turnover for the year (2023: Rs. 25,435 Million); and there is also no cost of sales (2023: Rs. 23,373 Million). Thus, gross profit for the year is Nil (2023: gross profit of Rs. 2,062 Million). Despite nil revenue from generation, the operating profit for the year is Rs. 9,319 Million (2023: Rs. 13,072 Million) primarily from income through investments. The profit before income tax and levy is Rs. 5,539 Million (2023: Rs. 6,819 Million) and profit after tax is Rs. 4,314 Million (2023: Rs. 3,959 Million), which gives an earnings per share (EPS) of Rs. 4.90 of Rs. 10 each (2023: Rs. 4.50 per share), 9% higher than last year.

The Board of Directors is committed to diversifying the Company's business through participation/initiatives in both greenfield and brownfield projects. Projects are being reviewed in conjunction with initiatives for growth in environmentally friendly renewable (solar and wind) projects. Assessment/evaluation of different projects is in progress and shareholders will be communicated as soon as there is a material development.

The Company continues to pursue the National Electric Power Regulatory Authority (NEPRA) for approval of final tariff for the power plant. For details you may review the Directors' Report. The generation license renewed/extended by NEPRA for a period of three years will expire on September 21, 2024, and the Company has applied for further extension of its generation license for 7 years.

The assets of the Company are appropriately insured, and the generation facility is fully preserved to ensure the availability of the Power Plant for generation on short notice. The insurance and preservation of the Power Plant are recorded under plant maintenance and preservation costs. These costs also include the cost of running and maintaining the switchyard facility of the Company, which has been kept operational, post PPA expiry, for smooth and reliable system operations at the specific request of Ministry of Energy, Government of Pakistan. The Company has, in its tariff petition before the NEPRA, filed a separate switchyard tariff including payment of arrears.

The Board of Directors is confident that the Company will continue as a going concern.

The Board of Directors has constituted Board Committees, which function under approved terms of reference and, as appropriate, these Board Committees make recommendations to the Board of Directors.

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

The Directors' skills include financial, engineering, banking, legal and management experience.

The Board of Directors has a formal mechanism for its annual evaluation and the evaluation of the Board of Directors' Committees. An assessment questionnaire covers 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.

Due to the absence of operating and maintenance regime, the certifications with respect to Integrated Management Systems (ISO 9001: 2015 Quality Management Systems; ISO 45001: 2018 Occupational Health and Safety Management Systems; and ISO 14001: 2015 Environmental Management Systems) have been withdrawn. Once the Company enters into a new EPA, efforts will be made for re-certification.

Last but not least, I would like to reiterate that the commitment of the Board of Directors to watch the interest of its shareholders.



Lt. General (Retd.) Sajjad Ghani

Chairman, Board of Directors

Islamabad
September 3, 2024

DIRECTORS' REPORT

We are pleased to present the Directors' Report together with the Financial Statements (audited) for the year ended June 30, 2024.



Principles Activities of the Company

The principal activities of the Company are the ownership, operation and maintenance of the 1,600 MW nameplate capacity multi fuel (gas / RLNG, furnace oil and high-speed diesel) fired Power Plant at Kot Addu, Punjab. The Company is permitted under its Memorandum of Association to make investments in other businesses.

The Company is listed on the Pakistan Stock Exchange; and is a KSE 30 and KSE 100 index company.

Operational Highlights

As previously advised, the Company continues to pursue the National Electric Power Regulatory Authority (NEPRA) for, (a) the determination of final tariff following the hearing of the Company's tariff petition in October 2023; and (b) identification of the power purchaser with which it will sign the energy purchase agreement. The matter is at an advanced stage. NEPRA in August 2023 approved a provisional tariff for the Company for 500 MWs on 'take and pay' basis following inclusion of the Company in the Indicative Generation Capacity Expansion Plan (IGCEP) (2022-2031) till 2027 by NEPRA due to system requirements of the National Transmission and Dispatch Company (NTDC). Unfortunately, due to regulatory impediments, the Company has still not signed an energy purchase agreement with a power purchaser.

Financial Highlights

The Company remains in a sound financial position and has sufficient liquidity and reserves to meet its operational expenditures and discharge its liabilities for the foreseeable future. As on June 30, 2024, the receivables due from the Power Purchaser stood at Rs. 11,484 Million (gross), which are backed by a GoP Guarantee; and the Company's investments in Mutual Funds stand at Rs. 47,426 Million (at book value), which are primarily held to meet working capital requirements and growth/diversification plans of the Company.

Due to PPA expiry (on October 24, 2022), there is no revenue from sale of electricity for the year (2023: Rs.25,435 Million); and there is also no cost of sales for the year (2023: Rs.23,373 Million). Therefore, the gross profit is Nil (2023: gross profit of Rs. 2,062 Million). As explained in Note 2.2 to the financial statements, certain costs (including insurance, salaries, wages and benefits etc.) are incurred to keep the Power Plant in preservation mode for ensuring that the Power Plant

is readily available if the offtake of electricity is demanded by the Power Purchaser. These costs have been recorded under Power Plant maintenance and preservation costs. It also includes the cost of running and maintaining the switchyard facility, which was operated on the special request of Ministry of Energy post PPA expiry.

Operating profit for the year remained at Rs. 9,319 Million (2023: Rs. 13,072 Million) resulting mainly from the income from investments. The profit before levy and income tax is Rs. 5,539 Million (2023: Rs. 6,819 Million), whereas profit after tax is Rs. 4,313 Million (2023: Rs. 3,959 Million), which gives earnings per share (EPS) of Rs. 4.90 per share of Rs. 10 each (2023: Rs. 4.50 per share).

As on June 30, 2024, the Company does not have long-term debt obligations. The Company has utilised short term finances from different banks of Rs. 9,944 Million to meet working capital requirements.

Business Continuity – Provisional Tariff and PPA

The PPA of the Company was initially for a term of 25 years, which was due to expire on June 26, 2021. Pursuant to the terms of the Third Amendment to the PPA and Master Agreement (together, the 'Agreements'), the term of the PPA was extended for a period of 16 months which expired on October 24, 2022.

The generation license of the Company expired on September 21, 2021, which has been extended by National Electric Power Regulatory Authority (NEPRA) for a period of three years from the date of its expiry. On June 14, 2024, the Company also applied for further extension of its generation license for 7 years.

The Company applied for Reference Tariff as well as Provisional Tariff before NEPRA in October 2022 and also took up the matter of renewal / extension of PPA beyond its expiry with the relevant Authorities including the Power Purchaser.

Based on the critical strengths of the Power Plant and System requirements of National Transmission and Dispatch Company (NTDC), the Power Plant was included in the approved Indicative Generation Capacity Expansion Plan (IGCEP) (2022-2031) till 2026. In line with the approved IGCEP (2022-2031) and the valid generation license of the Company, NEPRA approved the Provisional Tariff on August 4, 2023 for 500 MW capacity on Take-and-Pay basis.

The Company filed a review petition against provisional Tariff on certain matters including provision of separate tariff for switchyard facility. On October 3, 2023, NEPRA conducted a public hearing on Final Tariff petition including tariff of switchyard facility, the decision of which is expected in due course. The Company is also discussing the legal formalities with the Power Purchaser regarding finalization of PPA, which is dependent upon issuance of the Final Tariff by NEPRA.

During the year, the NTDC, after approval from its Board of Directors, submitted Integrated System Plan (comprising of IGCEP and Transmission System Expansion Plan) to NEPRA for the years 2024 till 2034 and the Power Plant (500MW) is part of that Plan till 2027. On May 20, 2024, NEPRA approved the Power Acquisition Plan (2023-2027) of distribution companies, whereby, the Power Plant is included in the plan. It is pertinent to mention that as per the official correspondence from NTDC to CCPA-G, NTDC has intimated that it requires the Company's switchyard and black start facility for smooth and reliable operations of associated 220/132KV network for continuity of supply to MEPCO and associated region. Considering the transmission constraints, the NEPRA has also allowed the extension of the Company's PPA while approving the Power Acquisition Plan (2023-2027). As per communication of the management with NEPRA officials, the Final Tariff determination is at an advanced stage. Thereafter, PPA shall be renewed in due course.

Accordingly, the Company has kept the Power Plant in preservation mode, which ensures readiness of electricity generation while optimizing the operational costs even though there is no offtake of electricity during the current year. However, the Company is still providing the switchyard facility for the smooth and reliable system operations on special request of Ministry of Energy. The Company has taken up the matter with the NEPRA regarding separate tariff of switchyard facility including the arrears, which is pending finalization and expected to be issued soon.

The Company's Auditors have highlighted that the pending renewal/extension of the PPA and generation license indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. As explained in detail in Note 2.2 to the financial statements, the Company has positive grounds for renewal of its PPA. Also, it is actively pursuing different expansion/growth projects, therefore, based on the above, Management is confident that the Company will continue as going concern in foreseeable future.

Diversification of Business

We are committed to diversifying the Company's business by making investments in greenfield and brownfield projects; and are actively pursuing greenfield solar project(s) in Sindh and are working closely with the DFIs/lenders for securing foreign currency financing for these initiatives and have also shortlisted EPC contractors. Further, certain brownfield projects have also been identified in wind, hydel and thermal sectors. Non-disclosure agreements relating to these projects have been signed. Financial, technical and legal due diligence is in progress and thereafter, non-binding offers may be submitted. We are confident that some of these projects will materialize in due course.

Selective Voluntary Severance Scheme (SVSS)

To realign/right size the Company's human resource across all sections in accordance with the new indicative operating regime of the Company under IGCEP for 500 MWs, the Company successfully launched a Voluntary Severance Scheme (Scheme) to all employees in December 2023. Under the Scheme selected employees were paid severance package duly approved by the Board, in addition to retirement benefits (where applicable) on severance in January 2024. The financial impact of the Scheme was Rs. 222 Million. With the objective of completing Phase 1 of the SVSS, 26 Staff members were retrenched from service on January 31, 2024 who did not opt for SVSS, after clearance of their legal dues.

Health, Safety & Environment

Due to the absence of operating and maintenance regime, the certifications with respect to Integrated Management Systems (ISO 9001: 2015 Quality Management Systems; ISO 45001: 2018 Occupational Health and Safety Management Systems; and ISO 14001: 2015 Environmental Management Systems) have been withdrawn. Once the Company enters into a new EPA, efforts will be made for re-certification.

Directors' Remuneration

Non-executive Directors and the Independent Directors are entitled to a Directors' fee for meetings attended. For further details refer to Note 29 of the Financial Statements.

Board of Directors Composition

The Board of Directors as at June 30, 2024 consists of:

Total number of Directors:	
a) Male	7
b) Female	1

Composition	
i) Independent Directors	4
ii) Non-executive Directors	3
iii) Executive Director	1
iv) Female Director	1

The names of the Directors as at June 30, 2024 are as follows:

1. Lt. General (Retd) Sajjad Ghani – Chairman
2. Mr. Aftab Mahmood Butt – Chief Executive*
3. Mr. Aqeel Ahmed Nasir
4. Mr. Hafiz Mohammad Yousaf
5. Mr. Saad Iqbal
6. Mr. Naveed Asghar Chaudhry
7. Mr. Jamil Akhtar
8. Ms. Mahwish Humayun Khan

Adequacy of Internal Financial Controls

The Directors confirm compliance with the standards of the Code of Corporate Governance; and that internal controls are sound in design and have been effectively implemented and monitored.

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) Key operating and financial data for the last six years is annexed.
- g) The pattern of shareholding as at June 30, 2024 is annexed.
- h) 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.

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

- i) The value of investments of Pension Fund and Provident Fund as at June 30, 2023 (audited) is as follows:

	Rs. in Million
Pension Fund	3,694.00
Provident Fund	851.00

- j) Information about outstanding taxes and levies is given in the Notes to the Financial Statements.
- k) During the year, twelve (12) 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.) Sajjad Ghani (Chairman)	12
Mr. Aftab Mahmood Butt*	12
Mr. Aqeel Ahmed Nasir	10
Mr. Hafiz Mohammad Yousaf	12
Mr. Saad Iqbal	11
Mr. Naveed Asghar Chaudhry	12
Mr. Jamil Akhtar	12
Ms. Mahwish Humayun Khan	12

- l) During the year, four (4) meetings of the Audit Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Mohammad Yousaf (Chairman)	4
Mr. Saad Iqbal	4
Mr. Naveed Asghar Chaudhry	4
Mr. Jamil Akhtar	4

- m) During the year, six (6) meetings of the HR Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Aqeel Ahmed Nasir (Chairman)	6
Mr. Aftab Mahmood Butt*	6
Mr. Jamil Akhtar	6
Ms. Mahwish Humayun Khan	6

- n) During the year, ten (10) meetings of the Investment Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Mohammad Yousaf (Chairman)	10
Mr. Saad Iqbal	9
Mr. Naveed Asghar Chaudhry	10
Mr. Jamil Akhtar	10

- o) The Securities and Exchange Commission of Pakistan issued certain amendments (in relation to Regulation 10) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024. The matter will be further reviewed and progressed once the Company has an operating regime, after renewal of its PPA.

Change of Chief Executive

Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f. July 31, 2024.

Mr. Muhammad Rabnawaz Anjum, working as Chief Financial Officer/ General Manager Finance has been appointed as acting Chief Executive till further notice.

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f. July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

Chairman’s Review

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

Appropriations

The Directors are pleased to recommend a final cash dividend of Rs. 4.00 per share. This will be paid to shareholders on Company’s Register of Members on October 17, 2024. Interim cash dividend of Rs. 4.50 per share (approved by the Board of Directors on February 26, 2024 and credited to shareholders accounts on March 21, 2024) was paid. The total dividend to be approved by the shareholders at the Annual General Meeting on October 24, 2024 will be Rs. 8.50 per share, that is, 85% for the year ended June 30, 2024.

The net profit for the year is appropriated as follows.

	Rs. ‘000’
Net Profit for the year	4,313,618
Other comprehensive loss	(73,508)
Un-appropriated profit brought forward	56,836,744
Profit available for appropriation	61,076,854
Appropriations	
Final dividend for the year ended June 30, 2023 Rs. 5.00 per share	(4,401,266)
Interim dividend for the year ended June 30, 2024 Rs. 4.50 per share	(3,961,140)
Un-appropriated profit carried forward	52,714,448
Basic Earnings per share (Rupees)	4.90

The Directors draw your attention to the contingencies referred to in the Auditors’ Report relating to Note 11.1 of the Financial Statements.

Auditors

The present auditors, A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors recommends the appointment of A. F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the next year, as suggested by the Audit Committee.

Appreciation

The employees of the Company have over the year contributed to the success of the Company and we would like to place our appreciation on record.

By Order of the Board



M. Rabnawaz Anjum
Chief Executive (Acting)

September 3, 2024
Islamabad



Hafiz Mohammad Yousaf
Director

ڈائریکٹرز آپ کی توجہ آڈیٹرز کی رپورٹ میں مالیاتی گوشواروں کے نوٹ 11.1 کے حوالے سے دیے گئے احتیاطی منصوبوں کی طرف بھی مبذول کرواتے ہیں۔


آڈیٹرز


موجودہ آڈیٹرز اے ایف منسروگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائر ہوئے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لئے خدمات پیش کی ہیں۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی تجویز کے مطابق اے ایف منسروگوسن، چارٹرڈ اکاؤنٹنٹس کو اگلے سال کے لئے کمپنی کا آڈیٹر مقرر کرنے کی سفارش کرتا ہے۔

حراج تحسین

کمپنی کے ملازمین نے کمپنی کی کامیابی کے لیے سال بھر محنت کی جس پر ہم ان کے شکر گزار ہیں۔

منجانب بورڈ


حافظ محمد یوسف
ڈائریکٹر


محمد رب نواز انجم
چیف ایگزیکٹو (متائم مقام)

3 ستمبر 2024
اسلام آباد

o- ایک سیورٹیز اینڈ ایکسیج کمیشن آف پاکستان نے 12 جون 2024ء کو اپنے نوٹیفیکیشن کے ذریعے فہرستی کمپنیوں کی ریگولیشنز 2019ء کی ریگولیشن 10 کے حوالے سے متعدد ترامیم متعارف کروائی ہیں۔ پی پی اے کی تجدید کے بعد کمپنی کی کاروباری سرگرمیاں شروع ہونے کے بعد اس حوالے سے حبانہ لیا جائے گا۔

چیز مین کا حبانہ

بورڈ آف ڈائریکٹرز کی طرف سے چیز مین کے حبانے کی توثیق کی جاتی ہے۔

چیف ایگزیکٹو کی تبدیلی

جناب آفتاب محمود بٹ، چیف ایگزیکٹو، اپنے عہدے کی مدت پوری ہونے کے بعد 31 جولائی 2024ء سے کمپنی کے چیف ایگزیکٹو نہیں رہے۔ یکم اگست 2024 سے چیف فنانشل آفیسر جناب محمد رب نواز انجم کو تاحکم ثانی و تائم مقام چیف ایگزیکٹو مقرر کیا گیا ہے۔

منافع کی تقسیم

ڈائریکٹرز نے فی حصص 4 روپے کے حتمی منافع کی سفارش کی ہے۔ یہ 17 اکتوبر 2024 کو کمپنی کے رجسٹر آف ممبرز پر شیئر ہولڈرز کو ادا کیا جائے گا۔ 4.50 روپے فی حصص کا عبوری منافع (26 جنوری 2024 کو بورڈ آف ڈائریکٹرز نے منظوری دی اور 21 مارچ 2024 کو شیئر ہولڈرز کے اکاؤنٹس میں منتقل کیا گیا) ادا کیا جا چکا ہے۔ 24 اکتوبر 2024 کو ہونے والے سالانہ عمومی اجلاس میں شیئر ہولڈرز کے سامنے منظوری کے لیے پیش کیا جانے والا مجموعی منافع 8.50 روپے فی حصص ہو گا۔ یہ 30 جون 2024 کو ختم ہونے والے سال کے لیے مجموعی طور پر 85 فیصد ہو گا۔

سال کے لئے حوالہ منافع کی تقسیم درج ذیل ہے۔

(ہزار روپے)	
4,313,618	سال کے لیے خالص منافع
(73,508)	دیگر جامع نقصان
56,836,744	تقسیم نہ ہونے والا باقی ماندہ منافع
61,076,854	تقسیم کے لیے موجود منافع
	تقسیم
(4,401,266)	30 جون 2023 کو ختم ہونے والے سال کے لیے حتمی منافع
(3,961,140)	5 روپے فی شیئر کے حساب سے
52,714,448	30 جون 2024 کو ختم ہونے والے سال کے لیے عبوری منافع
4.90	4.50 روپے فی شیئر کے حساب سے
	غیر تقسیم شدہ باقی ماندہ منافع
	فی شیئر بنیادی آمدن (روپے)

داخلی مالیاتی کنٹرولز کی مناسبت

ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل کی تصدیق کی ہے اور یہ کہ داخلی کنٹرولز ڈیزائن میں مضبوط ہیں جنہیں موثر طور پر لاگو کیا گیا اور ان کی نگرانی کی جاتی ہے۔

مالیاتی اور کاروباری رپورٹنگ کا مندرجہ ذیل

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، رقوم کی آمدورفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔

b- حباداری 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 بھی تبدیلی کو مالیاتی گوشواروں میں ظاہر کیا جاتا ہے۔ حباداری 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 روبرو عمل ہے جس کی مسلسل نگرانی کی جاتی ہے۔

f- گزشتہ 6 برس کے مالی اور انتظامی امور سے متعلق اعداد و شمار کا حوالہ اس رپورٹ کے ساتھ منسلک ہے۔

g- 30 جون 2024 تک حصص کی تفصیل منسلک ہے۔

h- کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کی بیویاں/شوہر اور بچے کمپنی کے شیئرز کا تجارتی لین دین نہیں کرتے، ماسوائے اس کے جس کی تفصیلات مندرجہ ذیل میں دی گئی ہیں۔

i- 30 جون 2023 تک پنشن فنڈ اور پراویڈنٹ فنڈ کی سرمایہ کاری کی تفصیل (آڈٹ شدہ) کچھ یوں ہے:

پنشن فنڈ	ملین روپے
پنشن فنڈ	3,694.00
پروویڈنٹ فنڈ	851.00

ج- فٹائل ادا ٹیکسز اور لیویز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔

k- سال کے دوران بورڈ آف ڈائریکٹرز کے 12 اجلاس منعقد ہوئے، ان اجلاسوں کی حاضری درج ذیل ہے

ڈائریکٹر کا نام	اجلاسوں میں شرکت
لیفٹیننٹ جنرل (ر) سیاڈنی، چیئر مین	12
جناب آفتاب محمود بٹ، چیف ایگزیکٹو *	12
جناب عقیل احمد ناصر	10
جناب حافظ محمد یوسف	12
جناب سعید اقبال	11
جناب نوید اصغر چوہدری	12
جناب جمیل اختر	12
محترمہ مہوش ہمایوں خان	12

l- سال کے دوران آڈٹ کمیٹی کے 4 اجلاس منعقد ہوئے، ڈائریکٹرز کی حاضری اس طرح سے رہی۔

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب حافظ محمد یوسف (چیئر مین)	4
جناب سعید اقبال	4
جناب نوید اصغر چوہدری	4
جناب جمیل اختر	4

m- سال کے دوران ہیومن ریسورس کمیٹی کے 6 اجلاس منعقد ہوئے، ڈائریکٹرز کی حاضری اس طرح سے رہی۔

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب عقیل احمد ناصر (چیئر مین)	6
جناب آفتاب محمود بٹ *	6
جناب جمیل اختر	6
محترمہ مہوش ہمایوں خان	6

n- سال کے دوران سرمایہ کاری کمیٹی کے 10 اجلاس منعقد ہوئے، ڈائریکٹرز کی حاضری اس طرح سے رہی۔

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب حافظ محمد یوسف (چیئر مین)	10
جناب سعید اقبال	9
جناب نوید اصغر چوہدری	10
جناب جمیل اختر	10

* جناب آفتاب محمود بٹ، چیف ایگزیکٹو، اپنے محمدی کی مدت پوری ہونے کے بعد 31 جولائی 2024ء سے کمپنی کے چیف ایگزیکٹو نہیں رہے اور یکم اگست 2024 سے چیف فنانشل آفیسر جناب محمد رب نواز اعظم کوڈ آف منعم چیف ایگزیکٹو مقرر کیا گیا ہے۔

تعداد کو ضرورت کو مطابق کرنے کے لیے کمپنی نے دسمبر 2023 میں تمام ملازمین کے لئے رضا کارانہ ریٹائرمنٹ سکیم کا کامیابی سے آغاز کیا۔ سکیم کے تحت منتخب ملازمین کو جنوری 2024 میں ریٹائرمنٹ کے فوائد (جس میں متبادل اطلاق ہو) کے علاوہ بورڈ کی جانب سے منظور شدہ ریٹائرمنٹ پیکیج کی ادائیگی کی گئی تھی۔ اس سکیم پر 222 ملین روپے کی لاگت آئی۔ سکیم کے پہلے مرحلے کو مکمل کرنے کے لیے 31 جنوری 2024 کو 26 سٹاف ممبروں کو اپنے قانونی واجبات کی ادائیگی کے بعد ملازمت سے فٹارغ کیا گیا جس میں نے سکیم کا انتخاب نہیں کیا تھا۔

صحت، حفاظت اور ماحول

آپریشن / پیداوار کا کام بند ہونے کی وجہ سے مربوط مینجمنٹ سسٹم (آئی ایس او 9001:2015 کو الٹی مینجمنٹ سسٹمز) کے حوالے سے سرٹیفیکیشن۔ آئی ایس او 45001:2018 پیشہ ورانہ صحت اور سیفٹی مینجمنٹ سسٹم۔ اور آئی ایس او 14001:2015 ماحولیاتی مینجمنٹ سسٹم) کو فی الحال روک دیا گیا ہے۔ کمپنی کا ای پی اے ہو جانے کے بعد سالانہ نگرانی آڈٹ شروع کر دیا جائے گا۔

ڈائریکٹرز کا معاوضہ

نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو اجلاسوں میں شرکت کے لئے ڈائریکٹرز کی فیس ادا کی جاتی ہے۔ مزید تفصیلات کے لیے مالی گوشواروں کا نوٹ 29 ملاحظہ کریں۔

بورڈ آف ڈائریکٹرز کا مجموعہ

30 جون 2024 تک بورڈ مندرجہ ذیل پر مشتمل ہے:

ڈائریکٹرز کی مجموعی تعداد	
(a) مرد	7
(b) خاتون	1
مجموعہ	
i آزاد ڈائریکٹرز	4
ii نان ایگزیکٹو ڈائریکٹرز	3
iii ایگزیکٹو ڈائریکٹرز	1
iv خاتون ڈائریکٹر	1

30 جون 2024 کے مطابق بورڈ ممبران کے نام اس طرح سے ہیں:

1	لیٹینینٹ جنرل (ر) سجاد عسفی، چیئرمین
2	جناب آفتاب محمود بٹ، چیف ایگزیکٹو*
3	جناب عمیل احمد ناصر
4	جناب حافظ محمد یوسف
5	جناب سعد اقبال
6	جناب نوید اصغر چودھری
7	جناب جمیل اختر
8	محترمہ مہوش ہاپوں حنان

جناب آفتاب محمود بٹ، چیف ایگزیکٹو، اپنے عہدے کی مدت پوری ہونے کے بعد 31 جولائی 2024ء سے کمپنی کے چیف ایگزیکٹو نہیں رہے اور کم اگست 2024 سے چیف فنانشل آفیسر جناب محمد رب نواز عہدہ کو قائم مقام چیف ایگزیکٹو مقرر کیا گیا ہے۔

لیے متعلقہ 220/132 کے وی نیٹ ورک کے بلا تعطل اور متبادل اعتماد آپریشنز کے لیے کمپنی کے سوچے یاد اور بلیک اسٹارٹ سہولت کی ضرورت ہے۔ ٹرانسمیشن کی رکاوٹوں کو مد نظر رکھتے ہوئے نیپرا نے پاور ایکوزیشن پلان (2023-2027) کی منظوری دیتے ہوئے کمپنی کے پی پی اے میں توسیع کی بھی اجازت دے دی ہے۔ انتظامیہ نیپرا حکام سے رابطے میں ہے اور ٹیرف کا حتمی تعین حتمی مرحلے میں ہے۔ اس کے بعد پی پی اے کی مناسب وقت پر تجدید کی جائے گی۔

اسی وجہ سے کمپنی نے پاور پلانٹ کو محفوظ موڈ میں رکھا ہے جس کا مقصد آپریشنل احراجات کو بہتر بنانے کے لئے بجلی کی پیداوار کی تیاری کو یقینی بنانا ہے حالانکہ رواں سال کے دوران بجلی کی کوئی طلب نہیں ہے۔ تاہم کمپنی اب بھی وزارت توانائی کی خصوصی درخواست پر بلا تعطل اور متبادل اعتماد سسٹم آپریشنز کے لئے سوچے یاد کی سہولت فراہم کر رہی ہے۔ کمپنی نے سوچے یاد سہولت کے علیحدہ ٹیرف بشمول بقایا اجازت کا معاملہ نیپرا کے سامنے اٹھایا ہے جو حتمی شکل دینے کے لیے زیر التوا ہے اور توقع ہے کہ جلد ہی اس کا احراز کر دیا جائے گا۔

کمپنی کے آڈیٹرز نے واضح کیا ہے کہ پی پی اے اور جنریشن لائسنس کی زیر التوا تجدید / توسیع مادی غیر یقینی صورتحال کی طرف اشارہ کرتی ہے جو کمپنی کی طرف سے کاروبار جاری رکھنے کی صلاحیت کے حوالے سے نمایاں شکوک و شبہات پیدا کر سکتی ہے اور کمپنی اپنے اثاثوں کو برقرار رکھنے اور معمول کے کاروبار کے دوران اپنی ذمہ داریوں کو ادا کرنے سے متاثر ہو سکتی ہے۔ جیسا کہ مالیاتی بیانات کے نوٹ 2.2 میں تفصیل سے بیان کیا گیا ہے، کمپنی کے پاس اپنے پی پی اے کی تجدید کے لئے ٹھوس وجوہات موجود ہیں۔ اس کے علاوہ، یہ فعال طور پر مختلف توسیعی / ترقی کے منصوبوں پر عمل پیرا ہے، لہذا، مندرجہ بالا کی بنیاد پر، انتظامیہ کو یقین ہے کہ کمپنی مستقبل قریب میں کاروبار کو جاری رکھے گی۔

کاروبار میں تنوع

ہم گرین فیلڈ اور براون فیلڈ منصوبوں میں سرمایہ کاری کر کے کمپنی کے کاروبار کو متنوع بنانے کے لئے پرعزم ہیں۔ اور سندھ میں گرین فیلڈ سولر پروجیکٹس پر سرگرمی سے کام کر رہے ہیں اور ان منصوبوں کے لئے غیر ملکی کرنسی میں فنڈنگ حاصل کرنے کے لئے ڈی ایف آئیز / فٹرض دہندگان کے ساتھ مسل کر کام کر رہے ہیں اور ای پی سی کنٹریکٹرز کو بھی شارٹ لسٹ کیا ہے۔ اس کے علاوہ ہوا، ہائیڈرو پاور اور تھرمل شعبوں میں کچھ براون فیلڈ منصوبوں کی بھی نشاندہی کی گئی ہے۔ ان منصوبوں سے متعلق غیر علائقہ معاہدوں پر دستخط کیے گئے ہیں۔ مالی، ٹیکنیکی اور قانونی حجاب پڑتال کے بعد نان بانسڈ پروجیکٹس کی جاسکتی ہیں۔ ہمیں یقین ہے کہ ان میں سے کچھ منصوبے مناسب وقت پر مکمل ہو جائیں گے۔

منتخب رضا کارانہ ریٹائرمنٹ سکیم (ایس وی ایس ایس)

آئی جی سی ای پی کے تحت کمپنی سے 500 میگا واٹ بجلی کی خریداری کے نئے اشاراتی آپریٹنگ نظام کے مطابق تمام شعبوں میں کمپنی کے ملازمین کی

ڈائریکٹرز کی رپورٹ

30 جون 2024 کو ختم ہونے والے سال کے مالیاتی گوشواروں (آڈٹ شدہ) کے ساتھ ڈائریکٹرز کی رپورٹ پیش خدمت ہے۔

کمپنی کی بنیادی سرگرمیوں میں پنجاب کے شہر کوٹ ادو میں 1600 میگاواٹ، نیم پلٹ صلاحیت کے حامل ملٹی فیول (گیس/آرٹیل این جی، فنرلس آئل اور ہائی پریڈ ڈیزل) سے چلنے والے پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال شامل ہیں۔ کمپنی کو اپنے میمورنڈم آف اہسوس ایشن کے تحت دوسرے کاروباروں میں سرمایہ کاری کرنے کی اجازت ہے۔

کمپنی پاکستان سٹاک ایکسچینج میں درج ہے اور کے ایس ای 30 اور کے ایس ای 100 انڈیکس کمپنی ہے۔

آپریشن جھلکیاں

جیسا کہ پہلے بتایا جا چکا ہے کمپنی، (الف) اکتوبر 2023 میں ٹیرف پبلیشمن کی سماعت کے بعد حتمی ٹیرف کے تعین اور (ب) بجلی کے خریدار کی شناخت جس کے ساتھ وہ توانائی کی خریداری کے معاہدے پر دستخط کرے گی، کے لیے نیشنل ایکٹرک پاور ریگولیٹری اتھارٹی (نیرا) سے رابطے میں ہے۔ اس حوالے سے کافی پیشرفت ہو چکی ہے۔ نیرا نے نیشنل ٹرانسمیشن اینڈ ڈسٹری بیوٹن (این ٹی ڈی سی) کے نظام کی ضروریات کی وجہ سے 2026 تک کمپنی کو اشاراتی جنریشن کیسٹیٹی توسیعی منصوبے (آئی جی سی ای پی) (2022-2031) میں شامل کرنے کے بعد اگست 2023 میں کمپنی کے لیے ایک اینڈ پلے کی بنیاد پر 500 میگاواٹ کے لیے عارضی ٹیرف کی منظوری دی تھی۔ ریگولیٹری ریکارڈوں کی وجہ سے کمپنی بجلی کے خریدار کے ساتھ توانائی کی خریداری کے معاہدے پر دستخط نہیں کر سکی۔

مالیاتی جھلکیاں

کمپنی کے پاس اپنے آپریشنل احراجات کو پورا کرنے اور مستقبل متنبہ کے لئے اپنی ذمہ داریوں کو ادا کرنے کے لئے ایک مستحکم مالی پوزیشن اور کافی رقمات اور ذخائر موجود ہیں۔ 30 جون 2024 تک، بجلی کے خریدار کی جانب سے واجب الادا (مجموعی) رقمات 11,484 ملین روپے ہیں، جس کے لیے حکومت پاکستان کی گارنٹی موجود ہے۔ اور میوچل فنڈز میں کمپنی کی سرمایہ کاری 47,426 ملین روپے (بک ویلو پر) ہے۔ یہ رقم بنیادی طور پر ورکنگ کیسٹیٹی کی ضروریات اور کمپنی کی ترقی / تنوع کے منصوبوں کو پورا کرنے کے لئے رکھی گئی ہے۔

پی پی اے کی میعاد ختم ہونے کی وجہ سے (24 اکتوبر، 2022 کو) سال 2024 کے دوران بجلی کی فروخت سے کوئی آمدنی نہیں ہوئی (2023: 25,435 ملین روپے)۔ رواں سال کے لئے فروخت کے حوالے سے کوئی لاگت بھی نہیں آئی (2023: 23,373 ملین روپے)۔ لہذا، مجموعی منافع صفر ہے (2023: مجموعی منافع 2,062 ملین روپے)۔ جیسا کہ مالی بیانات کے نوٹ 2.2 میں وضاحت کی گئی ہے، پاور پلانٹ کو محفوظ رکھنے کے لئے کچھ احراجات (بشمول انشورنس، تنخواہیں، اجرت اور فوائد وغیرہ) کیے جاتے ہیں تاکہ اس بات کو یقینی بنایا جاسکے کہ اگر پاور خریدار کی طرف سے بجلی طلب کی جاتی ہے تو پاور پلانٹ آسانی سے دستیاب رہے۔ یہ احراجات پاور پلانٹ کی دیکھ بھال اور تحفظ کے احراجات کے تحت ریکارڈ کیے گئے ہیں۔ اس میں سوچے پانڈ کی سہولت کو چلانے اور برقرار رکھنے کی لاگت بھی شامل ہے، جو پی پی اے کی میعاد ختم ہونے کے بعد وزارت توانائی کی خصوصی درخواست پر چھائی گئی تھی۔

سال کے لئے آپریٹنگ منافع 9,319 ملین روپے (2023: 13,072 ملین روپے) رہا جس کی بنیاد وجہ سرمایہ کاری سے ہونے والی آمدنی ہے۔ لیوی اور انکم ٹیکس سے قبل منافع 5,539 ملین روپے (2023: 6,819 ملین روپے) ہے، جبکہ بعد از ٹیکس منافع 4,313 ملین روپے (2023: 3,959 ملین روپے) ہے، جس سے 10 روپے کے ہر حصص پر 4.90 روپے آمدنی حاصل ہوئی (2023: 4.50 روپے فی حصص)۔

30 جون، 2024 تک، کمپنی کے ذمہ کوئی طویل مدتی فٹرض نہیں ہے۔ کمپنی نے ورکنگ کیسٹیٹی کی ضروریات کو پورا کرنے کے لئے مختلف بینکوں سے 9,944 ملین روپے کے قلیل مدتی فٹرض حاصل کیے ہیں۔

کاروباری تسلسل - عارضی ٹیرف اور پی پی اے

کمپنی کا پی پی اے ابتدائی طور پر 25 سال کی مدت کے لیے تھا جو 26 جون 2021 کو ختم ہونا تھا۔ پی پی اے اور ماسٹر ایگریمنٹ میں تیسری ترمیم کی شرائط کے مطابق پی پی اے کی مدت میں 16 ماہ کی توسیع کی گئی جو 24 اکتوبر 2022 کو ختم ہوگی۔

کمپنی کے جنریشن لائسنس کی میعاد 21 ستمبر 2021 کو ختم ہو گئی تھی جسے نیشنل ایکٹرک پاور ریگولیٹری اتھارٹی (نیرا) نے تین سال کی مدت کے لیے بڑھا دیا۔ 14 جون 2024 کو کمپنی نے اپنے جنریشن لائسنس میں مزید 7 سال کی توسیع کیلئے درخواست بھی دی۔

کمپنی نے اکتوبر 2022 میں نیرا کے سامنے ریفرنس ٹیرف کے ساتھ ساتھ عسوری ٹیرف کے لئے درخواست دائر کی تھی اور پی پی اے کی تجدید / توسیع کا معاملہ بھی بجلی کے خریدار سمیت متعلقہ حکام کے ساتھ اٹھایا تھا۔

نیشنل ٹرانسمیشن اینڈ ڈسٹری بیوٹن کمپنی (این ٹی ڈی سی) کی پاور پلانٹ اور سسٹم کی ضروریات کے اہم ستون کی بنیاد پر، پاور پلانٹ کو 2026 تک منظور شدہ اشارتی پیداواری منصوبے (آئی جی سی ای پی) (2022-2031) میں شامل کیا گیا تھا۔ منظور شدہ آئی جی سی ای پی (2022-2031) اور کمپنی کے جائز جنریشن لائسنس کے مطابق نیرا نے 4 اگست 2023 کو ٹیک اینڈ پلے کی بنیاد پر 500 میگاواٹ صلاحیت کے لیے عارضی ٹیرف کی منظوری دی۔

کمپنی نے سوچے پانڈ سہولت کے لئے علیحدہ ٹیرف کی فراہمی سمیت کچھ معاملات پر عارضی ٹیرف کے خلاف نظر ثانی کی درخواست دائر کی۔ 3 اکتوبر 2023 کو نیرا نے سوچے پانڈ سہولت کے ٹیرف سمیت حتمی ٹیرف پبلیشمن پر عوامی سماعت کی جس کا فیصلہ جلد متوقع ہے۔ کمپنی پی پی اے کو حتمی شکل دینے کے حوالے سے پاور پبلیزر کے ساتھ فتونوی رسی کارروائیوں پر بھی تبادلہ خیال کر رہی ہے، جس کا انحصار نیرا کی جانب سے حتمی ٹیرف کے احبارہ پر ہے۔

سال کے دوران این ٹی ڈی سی نے اپنے بورڈ آف ڈائریکٹرز کی منظوری کے بعد سال 2024 سے 2034 تک نیرا کو انٹیگرینڈ سسٹم پلان (آئی جی سی ای پی) اور ٹرانسمیشن سسٹم توسیعی منصوبے پر مشتمل) پیش کیا اور پاور پلانٹ (500 میگاواٹ) 2027 تک اس منصوبے کا حصہ ہے۔ 20 مئی 2024 کو نیرا نے ڈسٹری بیوٹن کمپنیوں کے پاور ایکوزیشن پلان (2023-2027) کی منظوری دے دی جس کے تحت پاور پلانٹ کو پلان میں شامل کیا گیا ہے۔ این ٹی ڈی سی کی جانب سے سی سی پی اے-جی کو لکھ گئے سرکاری خط کے مطابق این ٹی ڈی سی کو مطلع کیا گیا ہے کہ اسے میپکو اور متعلقہ علاقوں کو فراہمی کے تسلسل کے

KOT ADDU POWER COMPANY LIMITED

Key Operating and Financial Data of the Last Six Years

Financial Year Ending June 30,		2024	2023*	2022	2021	2020	2019
Turnover	PKR in Million	-	25,435	136,600	50,349	71,543	84,831
Net profit	PKR in Million	4,314	3,959	9,894	10,229	23,613	13,112
Assets	PKR in Million	81,551	101,848	136,761	152,234	134,523	139,267
Dividends	PKR in Million	8,362	6,602	6,602	5,722	3,961	5,546
EPS	PKR per share	4.90	4.50	11.24	11.62	26.83	14.90
Net Output	GWh	-	588	4,980	3,562	3,477	4,961
Thermal Efficiency	%	-	42.3	43.4	44.5	44.4	44.0
Load Factor	%	-	5.5	42.4	30.3	29.5	42.2
Availability	%	-	97.8	90.0	85.6	88.9	91.8

* Power Purchase Agreement of the Company expired on October 24, 2022, therefore, the results for the Financial Year ended June 30, 2023 are significantly different compared to previous years. However, load factor and availability have been calculated till expiry of PPA (October 24, 2022).

PATTERN OF SHAREHOLDING

As on June 30, 2024

No of Share Holders	Having Shares		Shares Held	Percentage
	From	To		
1687	1	100	74047	0.0084
47195	101	500	23282012	2.6449
3130	501	1000	2996636	0.3404
4845	1001	5000	13395913	1.5218
1626	5001	10000	12885674	1.4639
685	10001	15000	8854473	1.0059
428	15001	20000	7869068	0.8940
303	20001	25000	7091439	0.8056
216	25001	30000	6114437	0.6946
122	30001	35000	4044420	0.4595
122	35001	40000	4731417	0.5375
66	40001	45000	2825119	0.3209
130	45001	50000	6399307	0.7270
56	50001	55000	2942026	0.3342
59	55001	60000	3479441	0.3953
36	60001	65000	2274956	0.2584
43	65001	70000	2936782	0.3336
32	70001	75000	2359005	0.2680
30	75001	80000	2356952	0.2678
24	80001	85000	1997682	0.2269
18	85001	90000	1579990	0.1795
14	90001	95000	1301181	0.1478
86	95001	100000	8561329	0.9726
24	100001	105000	2459444	0.2794
11	105001	110000	1201809	0.1365
14	110001	115000	1596530	0.1814
18	115001	120000	2138822	0.2430
10	120001	125000	1236545	0.1405
6	125001	130000	766103	0.0870
5	130001	135000	662529	0.0753
10	135001	140000	1383294	0.1571
9	140001	145000	1282421	0.1457
13	145001	150000	1937904	0.2202
4	150001	155000	612500	0.0696
6	155001	160000	954500	0.1084
9	160001	165000	1466583	0.1666
7	165001	170000	1183199	0.1344
3	170001	175000	519794	0.0591
3	175001	180000	538000	0.0611
4	180001	185000	730000	0.0829
2	185001	190000	375003	0.0426
4	190001	195000	773077	0.0878
24	195001	200000	4791961	0.5444
5	200001	205000	1004154	0.1141
3	205001	210000	622500	0.0707
3	210001	215000	638250	0.0725
3	215001	220000	652200	0.0741
5	220001	225000	1120500	0.1273
2	225001	230000	455337	0.0517
2	230001	235000	467000	0.0531
3	235001	240000	710830	0.0808
1	240001	245000	241500	0.0274
10	245001	250000	2493500	0.2833

No of Share Holders	Having Shares		Shares Held	Percentage
	From	To		
3	250001	255000	754023	0.0857
4	255001	260000	1039400	0.1181
2	260001	265000	527000	0.0599
1	265001	270000	267272	0.0304
1	270001	275000	274646	0.0312
3	275001	280000	838922	0.0953
2	285001	290000	579500	0.0658
8	295001	300000	2392500	0.2718
1	300001	305000	304500	0.0346
2	305001	310000	614785	0.0698
2	315001	320000	635150	0.0722
2	330001	335000	668000	0.0759
1	335001	340000	340000	0.0386
2	340001	345000	684197	0.0777
3	345001	350000	1050000	0.1193
2	350001	355000	707131	0.0803
1	360001	365000	360629	0.0410
2	370001	375000	747000	0.0849
1	375001	380000	380000	0.0432
3	380001	385000	1145300	0.1301
1	385001	390000	387500	0.0440
5	395001	400000	2000000	0.2272
1	400001	405000	404650	0.0460
1	405001	410000	407585	0.0463
1	410001	415000	412000	0.0468
1	425001	430000	430000	0.0488
1	430001	435000	433000	0.0492
1	445001	450000	450000	0.0511
1	455001	460000	459000	0.0521
1	470001	475000	475000	0.0540
1	475001	480000	477437	0.0542
2	480001	485000	962500	0.1093
1	490001	495000	492700	0.0560
9	495001	500000	4499000	0.5111
1	505001	510000	508500	0.0578
1	525001	530000	526284	0.0598
1	545001	550000	550000	0.0625
1	565001	570000	566493	0.0644
1	570001	575000	573000	0.0651
1	590001	595000	591168	0.0672
4	595001	600000	2400000	0.2726
3	645001	650000	1947484	0.2212
1	670001	675000	675000	0.0767
3	695001	700000	2100000	0.2386
1	700001	705000	701500	0.0797
1	720001	725000	725000	0.0824
1	740001	745000	740180	0.0841
2	745001	750000	1500000	0.1704
1	780001	785000	782000	0.0888
1	815001	820000	818200	0.0930
1	820001	825000	823405	0.0935
1	885001	890000	887500	0.1008
1	950001	955000	950265	0.1080

CATEGORIES OF SHAREHOLDERS

As on June 30, 2024

Particulars	No of Folio	Balance Shares	Percentage
DIRECTORS, CEO, SPOUSE & CHILDREN	8	86005	0.0098
ASSOCIATED COMPANIES	2	402563562	45.7327
BANKS, DFI & NBF	17	127377809	14.4706
INSURANCE COMPANIES	13	22261956	2.5290
MUTUAL FUNDS	9	2945573	0.3346
GENERAL PUBLIC (LOCAL)	57818	231414944	26.2896
GENERAL PUBLIC (FOREIGN)	3268	22825062	2.5930
OTHERS	161	46160457	5.2440
FOREIGN COMPANIES	7	10506256	1.1935
APPROVED FUND	25	14111604	1.6031
Company Total	61328	880253228	100.0000

Shareholders Category	No. of Shares Held
Executives	106,991
Public Sector Companies and Corporations	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and	220,311,091
Approved Funds (Pension Funds, Provident Funds, Gratuity Funds etc.)	
General Public (Local)	231,414,944
General Public (Foreign)	22,825,062
Shareholders holding 5% or more voting interest	
Pakistan Water and Power Development Authority	354,311,133
United Bank Limited - Trading Portfolio	44,000,000
KAPCO Employees Empowerment Trust	48,252,429

None of the CEO, Directors, CFO, Company Secretary, Head of Internal Auditors, Executives and their spouses and minor children have traded in the shares of the Company during the year ended June 30, 2024, except the following:

Name	No of shares purchased	No. of share sold
Mr. M. Rabnawaz Anjum, CFO	-	5,000

CORPORATE HOLDING 10,000 SHARES AND ABOVE

As on June 30, 2024

MEMBERS NAME	NO OF SHARES
THE PAKISTAN WATER & POWER DEVELOPMENT AUTHORITY	354,311,133
MCB BANK LIMITED - TREASURY	48,617,302
KAPCO EMPLOYEES EMPOWERMENT TRUST	48,252,429
UNITED BANK LIMITED - TRADING PORTFOLIO	44,000,000
NATIONAL BANK OF PAKISTAN	28,313,395
EMPLOYEES OLD AGE BENEFITS INSTITUTION	13,921,900
TRUSTEE - MCB PROVIDENT FUND PAK STAFF	7,046,000
STATE LIFE INSURANCE CORP. OF PAKISTAN	6,593,894
PAK BRUNEI INVESTMENT COMPANY LIMITED	6,000,000
EFU LIFE ASSURANCE LIMITED	5,896,711
TRUSTEE-MCB EMPLOYEES PENSION FUND	5,804,000
ADAMJEE INSURANCE COMPANY LIMITED	5,731,000
BULK MANAGEMENT PAKISTAN (PVT.) LTD.	5,023,266
ASKARI BANK LIMITED	4,098,512
MISSOURI EDUCATION PENSION TRUST [1584-5]	3,689,982
ARROWSTREET EMERGING MARKET ALPHA EXTENSION TRUST FUND	3,247,269
SYNERGISTIC FINANCIAL ADVISORS (PRIVATE) LIMITED	3,000,000
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	2,294,995
J.P. MORGAN SECURITIES PLC	2,197,921
TRUSTEES OF FRIENDS EDUCATIONAL AND MEDICAL TRUST	1,776,000
PAK LIBYA HOLDING COMPANY (PVT.) LIMITED	1,500,000
E. F. U. GENERAL INSURANCE LIMITED	1,500,000
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1,335,000
J HOLDINGS (PRIVATE) LIMITED	1,200,000
NATIONAL INSURANCE COMPANY LIMITED	1,181,944
THE AGA KHAN UNIVERSITY FOUNDATION	1,146,530
ARROWSTREET COLLECTIVE INVESTMENT TRUST	1,090,589
TRUSTEES MOHAMAD AMIN WAKF ESTATE	887,500
INTERMARKET SECURITIES LIMITED - MF	823,405
TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND	782,000
JAHANGIR SIDDIQUI & COMPANY LIMITED	700,000
AL-ABBAS EDUCATIONAL AND WELFARE SOCIETY	649,500
VMATE (PVT.) LIMITED	600,000
TRUSTEES SAEEDA AMIN WAKF	550,000
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	526,284
LUCKY TEX PAKISTAN (PVT.) LIMITED	500,000
JUBILEE GENERAL INSURANCE COMPANY LIMITED	477,437
SURAJ COTTON MILLS LTD.	475,000
EFU GENERAL INSURANCE LIMITED	450,000
TRUSTEES WORLD MEMON FND.COMM.CEN.TRUST	430,000
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	407,585
GLOBE MANAGERMENTS (PRIVATE) LIMITED	380,000
PAIR INVESTMENT COMPANY LIMITED	375,000
CDC - TRUSTEE AKD OPPORTUNITY FUND	355,000
BESTWAY CEMENT LIMITED EMPLOYEES GRATUITY FUND	352,131
AHSAM SECURITIES (PRIVATE) LIMITED	341,553
EDULJEE DINSHAW (PRIVATE) LIMITED	264,000
MARIAM ALI MUHAMMAD TABBA FOUNDATION	250,000
BPS GROUP COMPANIES EMPLOYEES PROVIDENT FUND	250,000
AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	234,000
CAPITAL ONE EQUITIES LIMITED.	206,500

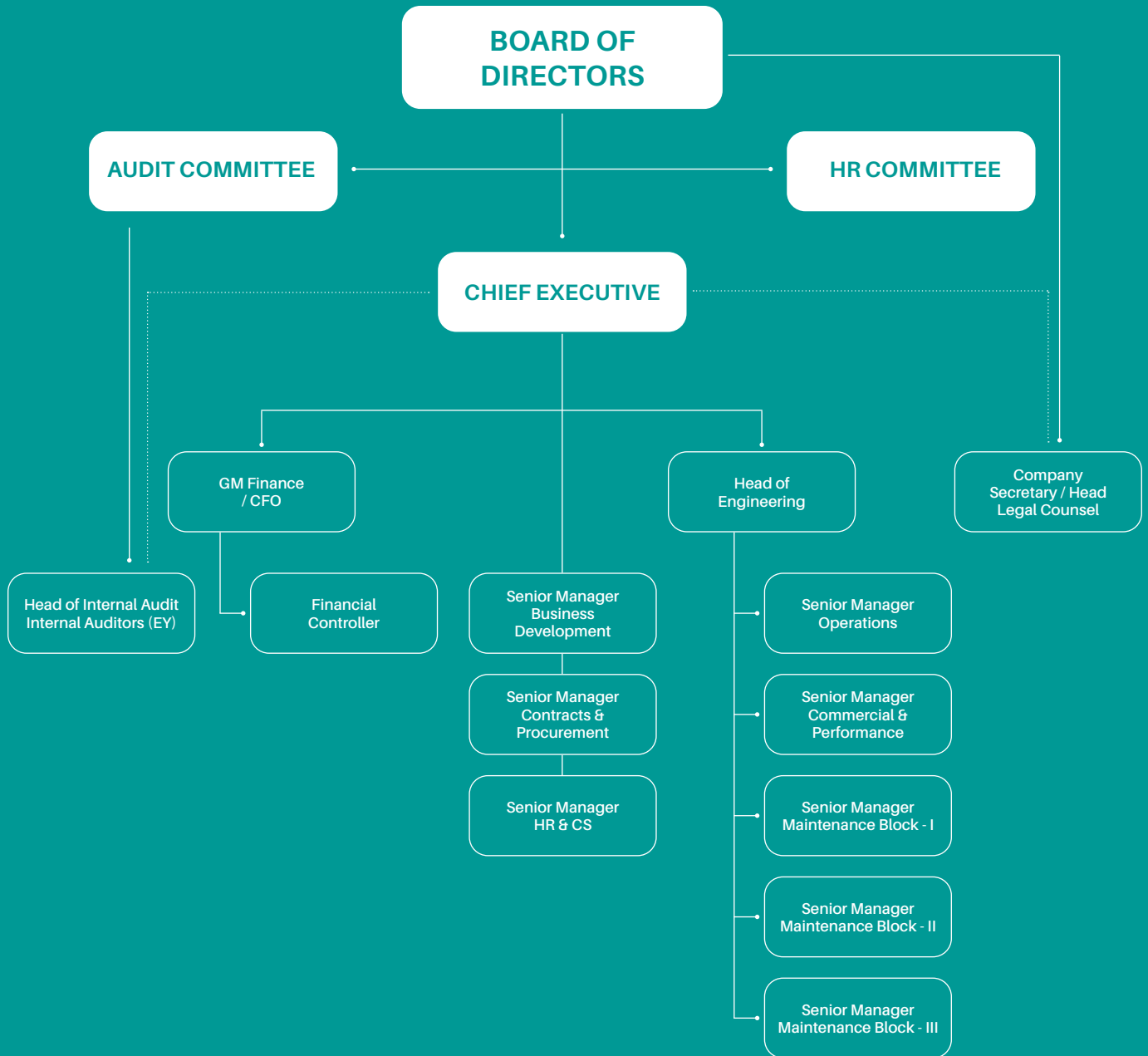
MEMBERS NAME	NO OF SHARES
JS GLOBAL CAPITAL LIMITED	206,000
DOSSA COTTON & GENERAL TRADING (PVT) LIMITED	200,000
CS CAPITAL (PVT) LTD	200,000
MULTIPLE INVESTMENT MANAGEMENT LTD	200,000
TRUSTEE NATIONAL REFINERY LTD. MANAGEMENT STAFF PENSION FUND	199,761
UBL INSURERS LIMITED	183,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	171,257
PREMIER INSURANCE LIMITED	165,470
SHAN FOODS (PRIVATE) LIMITED	150,000
MERCHANT CONSTRUCTION CO.(PVT) LIMTIED	150,000
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	150,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	145,404
GMO EMERGING MARKETS FUND	144,099
TRUSTEES OF BESTWAY CEMENT LIMITED EMPLOYEES GRATUITY FUND	142,525
STICHTING BLUE SKY ACTIVE EQUITY EMERGING MARKETS GLOBAL FUN	136,394
TRUSTEES OF HAJI MOHAMMED WELFARE TRUST	110,000
TRUSTEES OF SAMAD CHARITABLE TRUST	110,000
ALTAF ADAM SECURITIES (PVT) LTD.	110,000
TRUSTEES ALOO&MINOCHER DINSHAW CHR.TRUST	100,000
TRUSTEES MCB EMPLOYEES FOUNDATION	100,000
HAJI DOSSA (PVT) LTD	100,000
KODVAWALA TRUST	100,000
EGO ASSOCIATE (PRIVATE) LIMITED	100,000
TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	100,000
CONSFORC TECHNOLOGIES (SMC-PRIVATE) LIMITED	95,000
TRUSTEE OF PTC STAFF PENSION FUND	91,977
TRUSTEES AL-BADER WELFARE TRUST	87,000
GPH SECURITIES (PRIVATE) LIMITED	80,500
SIZA (PRIVATE) LIMITED	75,000
CDC - TRUSTEE APF-EQUITY SUB FUND	69,000
PEARL ENGINEERING (PVT) LTD	66,000
AKD SECURITIES LIMITED.	62,609
FIKREES (PRIVATE) LIMITED	57,618
TRUSTEES OF GHORI TRUST	57,000
HAMID ADAMJEE TRUST	55,000
TRUSTEE OF PTC MANAGEMENT PROVIDENT FUND	52,909
ZAHID LATIF KHAN SECURITIES (PVT) LTD.	52,000
KIRAN FOUNDATION	50,500
ASA STOCKS (PVT.) LIMITED	50,000
GHAFF LIMITED	50,000
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	50,000
WESTBURY (PRIVATE) LTD	50,000
SURAJ COTTON MILLS LIMITED	50,000
CDC - TRUSTEE ALLIED FINERGY FUND	42,300
MUHAMMAD TARIQ MOTI SECURITIES (PVT) LTD.	40,000
TRUSTEES OF ARL MANAGEMENT STAFF PENSION FUND	40,000
FLOAT SECURITIES (PVT.) LIMITED	38,000
DARUT TASNIF (PVT) LIMITED.	34,500
AKY SECURITIES (PVT) LTD.	32,000
TRUSTEE OF PTC EMPLOYEES PROVIDEND FUND	30,600
PAKISTAN REINSURANCE COMPANY LIMITED	30,000
YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD	25,500

CORPORATE HOLDING 10,000 SHARES AND ABOVE

As on June 30, 2024

MEMBERS NAME	NO OF SHARES
RAO SYSTEMS (PVT.) LTD.	25,000
THE AL-MALIK CHARITABLE TRUST	25,000
MOHAMMED AMIN WAKF ESTATE	25,000
SAEEDA AMIN WAKFF	25,000
FIRST CREDIT & INVESTMENT BANK LIMITED	23,500
DYNASYS NETWORKS (PRIVATE) LIMITED	23,000
MONEY LINE SECURITIES (PVT.) LIMITED	22,000
SAYA SECURITIES (PRIVATE) LIMITED	20,500
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOCIETY	20,000
BANDENAWAZ (PVT) LTD	20,000
SAYA WEAVING MILLS (PVT) LTD	20,000
TRUSTEES-TREET CORP.LTD. E.SUPERANNVAT FUND	20,000
WAH NOBEL (PRIVATE) LIMITED MANAGEMENT STAFF PENSION FUND	20,000
DOSSLANIS SECURITIES (PRIVATE) LIMITED	18,500
MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIMITED	17,000
RIAZ AHMED SECURITIES (PVT) LTD.	16,300
VALIKA ART FABRICS LTD	15,500
TRUSTEE CHERAT CEMENT CO.LTD.EMP.PRO.FND	15,000
SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	15,000
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOC	15,000
BEGUM AISHA AHMED AND LATIF BAWANY FOUNDATION	15,000
TRUSTEE KARACHI PARSİ ANJUMAN TRUST FUND	15,000
BROADAXIS TECHNOLOGIES (PRIVATE) LIMITED	15,000
RAFI SECURITIES (PRIVATE) LIMITED	13,950
ADAM SECURITIES LIMITED	12,500
AL-FARAN MULTIPURPOSE COOPERATIVE SOCIETY LIMITED	12,300
INA SECURITIES (PVT.) LIMITED	12,000
GALAXY CAPITAL SECURITIES (PRIVATE) LIMITED	11,000
MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED	10,000
PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	10,000
SIKANDER (PVT) LIMITED	10,000
TRUSTEES OF FAROUKH&ROSHEN KARANI TRUST	10,000
MERIN (PRIVATE) LIMITED	10,000
TRUSTEES OF AL-MUSTAFA TRUST	10,000
NOOR AUTOMOBILES (PVT.) LIMITED	10,000
TRUSTEE-TREET CORPORATION LTD.-GROUP EMP.SUPERANNUATION FUND	10,000
PERIDOT PRODUCTS (PVT) LIMITED	10,000
THE TRUSTEES, ZOROASTRIAN CO-OP. HOUSING SOCIETY	10,000
AMIN AGENCIES (PRIVATE) LIMITED	10,000
CMA SECURITIES (PVT.) LIMITED	10,000
TRUSTEE- TREET COR. LTD EMP. PROVIDENT FUND	10,000
TRUSTEE- TREET CORPORATION LIMITED G.E. GRATUITY	10,000
TRUSTEES THE CRESCENT TEXTILE MILLS EMP PROVIDENT FUND TRUST	10,000
TOTAL NO. OF SHARES	625,683,640

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. M. Rabnawaz Anjum

Chief Executive (Acting)



Mr. Khalid Pervaiz Bajwa

Head of Engineering



Mr. A. Anthony Rath

Company Secretary / Head Legal Counsel

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

Name of Company

Kot Addu Power Company Limited (the “Company”)

Year Ended

June 30, 2024

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 Mohammad Yousaf • Mr. Saad Iqbal • Ms. Mahwish Humayun Khan
Non-Executive Directors	<ul style="list-style-type: none"> • Lt. General (Retd.) Sajjad Ghani • Mr. Naveed Asghar Chaudhry • Mr. Jamil Akhtar
Executive Director	<ul style="list-style-type: none"> • Mr. Aftab Mahmood Butt* (Chief Executive)
Female Director	<ul style="list-style-type: none"> • Ms. Mahwish Humayun Khan
3. The Directors have confirmed that none of them is serving as a director on the board(s) of more than seven listed companies, including this Company.
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the “Act”), and the Regulations.
7. The meetings of the Board were presided over by the Chairman. 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 majority of the Directors have either completed the Director’s Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the Code of Corporate Governance.
10. The Board has approved the appointment of the Company Secretary, 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.
11. The Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval by the Board.

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

12. The Board has formed Board Committees comprising of following:

Audit Committee

Mr. Hafiz Mohammad Yousaf	Chairman
Mr. Saad Iqbal	Member
Mr. Naveed Asghar Chaudhry	Member
Mr. Jamil Akhtar	Member

HR Committee

Mr. Aqeel Ahmed Nasir	Chairman
Mr. Aftab Mahmood Butt*	Member/Chief Executive
Ms. Mahwish Humayun Khan	Member
Mr. Jamil Akhtar	Member

Investment Committee

Mr. Hafiz Mohammad Yousaf	Chairman
Mr. Saad Iqbal	Member
Mr. Jamil Akhtar	Member
Mr. Naveed Asghar Chaudhry	Member

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

14. The frequency of Board Committee Meetings (year ended June 30, 2024) were as follows:

Audit Committee	Four (4)
HR Committee	Six (6)
Investment Committee	Ten (10)

15. The Board has set-up an effective internal audit function, which has suitably qualified and experienced personnel for the purpose and conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review 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 respect.

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.

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

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

EXPLANATION FOR NON-COMPLIANCE

of Non-Mandatory Requirements of the Code of Corporate Governance, 2019 (“CCG”)

Sr. No.	Requirement	Explanation of Non-Compliance	Regulations Number
1.	<p>Directors’ Training</p> <p>It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.</p>	<p>Six Directors of the Company have acquired Directors’ Training Program Certification. The Company is planning Directors’ Training Program Certification for its remaining Directors after election of Directors in October, 2024.</p>	19(i)
2.	<p>Nomination Committee</p> <p>The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	<p>The function of the Nomination Committee is performed by the HR Committee of the Board of Directors.</p>	29(i)
3.	<p>Risk Management Committee</p> <p>The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.</p>	<p>This requirement is not mandatory. The Board of Directors considered the matter and it was decided that the Company’s Audit Committee is adequately performing this function.</p>	30 (i)
4.	<p>Disclosure of significant policies on website</p> <p>The company may post key elements of its significant policies, brief synopsis of reference of the Board Committees on its website and key elements of the directors’ remuneration policy.</p>	<p>The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1). The Company has however, placed key elements and synopsis of policies on its website. The Directors’ Remuneration Policy has also been placed on its website in August, 2024.</p>	35

5.	Role of board and its members to address Sustainability Risk and Opportunities	<p>During the year, the Securities and Exchange Commission of Pakistan issued certain amendments (in relation to Regulation 10) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024.</p> <p>The matter will be further reviewed and progressed once the Company has an operating regime, after renewal of its PPA.</p>	10 A
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For and on behalf of the Board



Muhammad Rabnawaz Anjum
Chief Executive (Acting)



Lt. General (Retd.) Sajjad Ghani
Chairman, Board of Directors

Islamabad
September 3, 2024



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

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 (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

A. F. Ferguson & Co.

Chartered Accountants

Lahore

Date: September 30, 2024

UDIN: CR202410118xYrzKqtM6

*A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrāh-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk*

■KARACHI ■LAHORE ■ISLAMABAD

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, 2024, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, 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 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of

the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2.2 in the financial statements, which describes the pending renewal / extension of the generation licence and Power Purchase Agreement with the Power Purchaser. As stated in note 2.2, these events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following is the key audit matter:

Sr. No	Key audit matter	How the matter was addressed in our audit
(i)	<p>Contingent Taxation Liabilities</p> <p>(Refer notes 4.1, 4.19, 11.1.1 and 11.1.2 to the financial statements)</p> <p>The Company has contingent liabilities in respect of various income and sales tax matters, which are pending adjudication before the taxation authorities and the Courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income and sales tax, a key audit matter</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained and examined details of the pending tax matters and discussed the same with the Company's management; • Circularized confirmations to the Company's external tax counsels for their views on open tax assessments and matters. Furthermore, examined prior years' precedents of outcomes in favor of the Company at various forums related to matters under consideration which support the Company's stance; • Examined correspondence of the Company with the relevant authorities including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisors engaged by the Company; and • Assessed the adequacy and appropriateness 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 conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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



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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the 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 Amer Raza Mir.

A. F. Ferguson & Co.

Chartered Accountants
Lahore

Date: September 30, 2024

UDIN: AR2024101186itkMyF9W

FINANCIAL STATEMENTS

For the year ended June 30, 2024

STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Note	2024 (Rupees in thousand)	2023
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
3,600,000,000 (2023: 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 (2023: 880,253,228) ordinary shares of Rs 10 each	5	8,802,532	8,802,532
Capital reserve	6	444,451	444,451
Revenue reserve: un-appropriated profit		52,714,448	56,836,744
		61,961,431	66,083,727
NON-CURRENT LIABILITIES			
Deferred taxation	7	1,100,706	2,100,017
Staff retirement benefits	8	324,838	839,622
		1,425,544	2,939,639
CURRENT LIABILITIES			
Trade and other payables	9	7,059,152	9,614,950
Finances under mark-up arrangements - secured	10	9,944,193	22,153,719
Unclaimed dividend		1,160,934	1,056,126
		18,164,279	32,824,795
CONTINGENCIES AND COMMITMENTS			
	11		
		81,551,254	101,848,161

The annexed notes 1 to 41 form an integral part of these financial statements.



Naveed Asghar Chaudary
Director



Muhammad Rabnawaz Anjum
Chief Executive (Acting) / Chief Financial Officer



Hafiz Mohammad Yousaf
Director

	Note	2024 (Rupees in thousand)	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	1,929,046	1,931,244
Long term deposits		7,752	9,351
Staff retirement benefits - pension	13	280,566	1,011,912
		2,217,364	2,952,507
CURRENT ASSETS			
Stores and spares	14	3,953,694	3,927,475
Stock-in-trade	15	9,836,471	11,565,471
Trade debts - secured	16	10,866,072	26,611,385
Investments at fair value	17	47,425,903	50,101,538
Income tax due from Government		540,523	18,021
Loans, advances, deposits, prepayments and other receivables	18	3,926,935	4,751,983
Cash and bank balances	19	2,784,292	1,919,781
		79,333,890	98,895,654
		81,551,254	101,848,161



Naveed Asghar Chaudary
Director



Muhammad Rabnawaz Anjum
Chief Executive (Acting) / Chief Financial Officer



Hafiz Mohammad Yousaf
Director

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
Revenue from contract with customer	20	-	25,435,312
Cost of sales	21	-	(23,373,070)
Gross profit		-	2,062,242
Plant maintenance and preservation costs	22	(4,161,679)	(2,616,802)
Administrative expenses	23	(710,823)	(842,579)
Other operating expenses	24	(438,601)	(1,360,293)
Other income	25	14,630,058	15,829,638
Operating profit		9,318,955	13,072,206
Finance cost	26	(3,779,769)	(6,252,898)
Profit before levy and income tax		5,539,186	6,819,308
Levy - final tax	27	(2,177,850)	-
Profit before income tax		3,361,336	6,819,308
Income tax	28	952,282	(2,860,551)
Profit for the year		4,313,618	3,958,757
Earnings per share - basic and diluted			
Rupees	36	4.90	4.50

The annexed notes 1 to 41 form an integral part of these financial statements.



Naveed Asghar Chaudary
Director



Muhammad Rabnawaz Anjum
Chief Executive (Acting) / Chief Financial Officer



Hafiz Mohammad Yousaf
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
Profit for the year	4,313,618	3,958,757
Items that will not be reclassified subsequently to profit or loss:		
- Re-measurement of net defined benefit obligation - net of tax	(73,508)	130,961
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive (loss)/income for the year - net of tax	(73,508)	130,961
Total comprehensive income for the year	4,240,110	4,089,718

The annexed notes 1 to 41 form an integral part of these financial statements.



Naveed Asghar Chaudary
Director



Muhammad Rabnawaz Anjum
Chief Executive (Acting) / Chief Financial Officer



Hafiz Mohammad Yousaf
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

	Share capital	Capital reserve	Revenue Reserve: Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as at June 30, 2022	8,802,532	444,451	59,348,925	68,595,908
Profit for the year	-	-	3,958,757	3,958,757
Other comprehensive income:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	130,961	130,961
Total comprehensive income for the year	-	-	4,089,718	4,089,718
Transactions with owners				
Final dividend for the year ended				
June 30, 2022 - Rs. 4.00 per share	-	-	(3,521,013)	(3,521,013)
Interim dividend for the year ended				
June 30, 2023 - Rs. 3.50 per share	-	-	(3,080,886)	(3,080,886)
Balance as at June 30, 2023	8,802,532	444,451	56,836,744	66,083,727
Profit for the year	-	-	4,313,618	4,313,618
Other comprehensive income:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	(73,508)	(73,508)
Total comprehensive income for the year	-	-	4,240,110	4,240,110
Transactions with owners				
Final dividend for the year ended				
June 30, 2023 - Rs. 5.00 per share	-	-	(4,407,266)	(4,401,266)
Interim dividend for the year ended				
June 30, 2024 - Rs. 4.50 per share	-	-	(3,961,140)	(3,961,140)
Balance as at June 30, 2024	8,802,532	444,451	52,714,448	61,961,431

The annexed notes 1 to 41 form an integral part of these financial statements.



Naveed Asghar Chaudary
Director



Muhammad Rabnawaz Anjum
Chief Executive (Acting) / Chief Financial Officer



Hafiz Mohammad Yousaf
Director

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
Cash flows from operating activities			
Cash generated from operations	33	14,649,820	22,765,447
Finance cost paid		(6,423,843)	(6,324,433)
Levy – final tax paid		(1,294,041)	-
Income tax paid		(522,534)	(3,394,927)
Workers' Profit Participation Fund paid		(305,965)	(340,000)
Workers' Welfare Fund paid		(136,386)	(772,950)
Staff retirement benefits – net		311,353	(504,954)
Net cash generated from operating activities		6,278,404	11,428,183
Cash flows from investing activities			
Fixed capital expenditure		(5,683)	(12,876)
Income on bank deposits received		283,735	117,181
Interest on PIBs and Sukuks		7,598,721	8,158,206
Net decrease in long term loans and deposits		1,599	11,777
PIBs and Sukuks disposed-off		50,916,720	2,933,721
Investment made in mutual funds		(49,995,044)	-
Redemption of mutual funds		6,003,969	-
Dividend receipt from mutual funds		246,973	-
Proceeds from sale of property, plant and equipment		2,241	2,474
Net cash generated from investing activities		15,053,231	11,210,483
Cash flows from financing activities			
Repayment of lease liabilities	35	-	(3,434)
Dividend paid	35	(8,257,598)	(6,517,006)
Net cash used in financing activities		(8,257,598)	(6,520,440)
Net increase in cash and cash equivalents		13,074,037	16,118,226
Cash and cash equivalents at beginning of the year		(20,233,938)	(36,352,164)
Cash and cash equivalents at the end of the year	34	(7,159,901)	(20,233,938)

The annexed notes 1 to 41 form an integral part of these financial statements.



Naveed Asghar Chaudary
Director



Muhammad Rabnawaz Anjum
Chief Executive (Acting) / Chief Financial Officer



Hafiz Mohammad Yousaf
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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) which was initially for a period of 25 years. WAPDA irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement which became effective on May 21, 2021 after approval from the relevant authorities. The PPA was extended by 16 months from June 26, 2021, pursuant to the terms of Master Agreement and the Third Amendment to the PPA, which expired on October 24, 2022.

The Company has a plant site at Kot Addu (Muzaffargarh), a corporate office located in Lahore and registered office located in Islamabad.

A Special Purpose Vehicle was incorporated in 2014 under the name of KAPCO Energy (Private) Limited (KEPL) for establishment of a coal power project. However, the project was called off and KEPL was put into liquidation under the Easy Exit Scheme of SECP. Thereafter, the liquidation application of KEPL was withdrawn for exploring investments opportunities. However, the share capital of KEPL has not yet been subscribed by the Company, therefore, the Company has not prepared consolidated financial statements.

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) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Impact on Going Concern Assumption due to expiry of PPA and Generation License

The PPA of the Company was initially for a term of 25 years, which was due to expire on June 26, 2021. Pursuant to the terms of the Third Amendment to the PPA and Master Agreement (together, the 'Agreements'), the term of the PPA was extended for a period of 16 months which expired on October 24, 2022.

The generation license of the Company expired on September 21, 2021, which has been extended by National Electric Power Regulatory Authority (NEPRA) for a period of three years from the date of its expiry. On June 14, 2024, the Company has also applied for further extension of its generation license for 7 years.

The Company submitted an application for Reference Tariff as well as Provisional Tariff before NEPRA in October 2022 and also took up the matter of renewal / extension of PPA beyond its expiry with the relevant Authorities including the Power Purchaser.

Based on the critical strengths of the Power Plant and System requirements of National Transmission and Dispatch Company (NTDC), the Power Plant was included in the approved Indicative Generation Capacity Expansion Plan (IGCEP) (2022-2031) till 2026. In line with the approved IGCEP (2022-2031) and the valid generation license of the Company, NEPRA approved the Provisional Tariff on August 4, 2023 for 500 MW capacity on Take-and-Pay basis.

The Company has filed a review petition against provisional Tariff on certain matters including provision of separate tariff for switchyard facility. On October 03, 2023, NEPRA conducted a public hearing on Final Tariff petition including tariff of switchyard facility, the decision of which is expected in due course. The Company is also discussing the legal formalities with the Power Purchaser regarding finalization of PPA, which is dependent upon issuance of the Final Tariff by NEPRA.

During the year, the NTDC, after approval from its Board of Directors, submitted Integrated System Plan (comprising of IGCEP and Transmission System Expansion Plan) to NEPRA for the years 2024 till 2034 and the Company's Power Plant (500MW) is part of that Plan till 2027. On May 20, 2024, NEPRA approved the Power Acquisition Plan (2023-2027) of distribution companies, whereby, the Company's Power Plant is included in the plan. It is pertinent to mention that as per the official correspondence from NDTDC to CCPA-G, NTDC has intimated that it requires the Company's switchyard and black start facility for smooth and reliable operations of associated 220/132KV network for continuity of supply to MEPCO and associated region. Considering the transmission constraints, the NEPRA has also allowed the extension of the Company's PPA while approving the Power Acquisition Plan (2023-2027). As per communication of the management with NEPRA officials, the Final Tariff determination is at advance stage. Thereafter, PPA shall be renewed in due course.

Accordingly, the Company has kept the plant in the preservation mode, which ensures readiness of electricity generation while optimizing the operational costs even though there is no offtake of electricity during the current year. However, the Company is still providing the switchyard facility for the smooth and reliable system operations on special request of Ministry of Energy. The Company has taken up the matter with the NEPRA regarding separate tariff of switchyard facility including the arrears, which is pending finalization.

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

In addition, the Management of the Company has also taken the following steps:

- The Management is committed to diversify the Company's business through investment in both greenfield and brownfield projects. To this end, it is actively pursuing greenfield solar project(s) in Sindh and is working closely with the DFIs/lenders for securing foreign currency financing for these initiatives and has also shortlisted EPC contractors. Further, the Management has also identified certain brownfield projects in wind, hydel and thermal sectors. Non-disclosure agreements relating to these projects have been signed. Financial, technical and legal due diligence is in progress and thereafter, non-binding offers may be submitted. The Management is confident that some of these projects will materialize in due course.
- Cost optimization / rationalization measures for managing the total cost of the Company including the plant maintenance activities, insurance and headcount rationalization vide Voluntary Severance Scheme (VSS) in line with the 500MW expected generation capacity;
- Investment of surplus funds to generate sufficient income to meet expenses in non-operating period; and
- Readiness for participation in the Competitive Trading Bilateral Contracts Market (CTBCM) under B2B or merchant plant, once it is implemented by the Government of Pakistan (GoP).

Notwithstanding, as elaborated above, based on the Management's forecasts, the Company has sufficient liquidity and reserves to meet the operational expenditures and discharge its liabilities for the foreseeable future even at zero load factor. Further, the Company draws strength from the following:

- receivables from the Power Purchaser of Rs. 10,866 million as at June 30, 2024 backed by GoP Guarantee which will be realized in normal course of business; and
- investment in mutual funds of Rs. 47,426 million (at book value) as at June 30, 2024.

Based on foregoing, Management is confident that the Company will continue as a going concern in the foreseeable future. Thus, these financial statements have been prepared on a going concern basis and consequently, do not require adjustment relating to the realization of its assets and liquidation of liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

2.3 New accounting standards / amendments to published standards and IFRS interpretations that are effective for the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in line with the Guidance, the Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognized as a 'Levy' under 'IAS 37, Provisions, Contingent Liabilities and Contingent Assets' and IFRIC 21 Levies, which were previously being recognized as 'income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Since the tax expense of the Company during the prior year is assessed as income tax under IAS-12, therefore, no adjustment is made in these financial statements as a result of application of this guidance in respect of the prior year. The effects of application of change in accounting policy on the current year is as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in thousand)		
Effect on statement of profit or loss			
For the year ended June 30, 2024			
Final tax on return on Investments in mutual funds and Sukuks	-	(2,177,850)	(2,177,850)
Profit before tax	5,539,186	2,177,850	7,717,036
Taxation	(1,225,568)	(2,177,850)	(3,403,418)
Profit after tax	4,313,618	-	4,313,618
Earnings per Share	4.90	-	4.90

2.4 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments and interpretations to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

		Effective date (period beginning on or after)
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt, in relation to the Company, by Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2 Climate-related Disclosures

The Company is in the process of assessing the impact of these standards, interpretations and amendments to the accounting standards on the Company's financial statements.

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

2.5.1 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 229 (I) / 2019 dated February 14, 2019 notified that the standard IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through S.R.O. 985 (I) / 2019 dated September 30, 2019 granted exemption from applying expected credit loss based impairment model to financial assets due from the Government till June 30, 2021 which was further extended till June 30, 2022 vide S.R.O. 1177 (I) / 2021 dated September 13, 2021. The extension is further extended till December 31, 2024 vide S.R.O. 67 (I) / 2023. The management of the Company believes that the application of this standard subsequent to December 31, 2024 will not have any material impact on the Company.

2.5.2 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.

As the PPA of Company expired on October 24, 2022, assets are fully depreciated and appearing on residual value so there would have been no material impact of application of IFRS 16 on these Financial Statements.

2.5.3 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 (non-SOEs) where GoP holds significant investment. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The Scheme provided 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 a 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 provided 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 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 7, 2011.

Had the exemption not been granted, the staff costs of the Company for the year would have been higher by Rs. 475 million (2023: Rs. 411 million), profit after taxation would have been lower by Rs. 290 million (2023: Rs. 251 million), retained earnings would have been lower by Rs. 541 million (2023: Rs. 251 million) and earning per share would have been lower by Rs. 0.33 per share (2023: Rs. 0.29 per share).

The Company received letter from GoP dated June 9, 2021, advising the Company to close-off the Scheme in light of the order / judgment of Honorable Supreme Court of Pakistan. The detailed order / judgment of Honorable Supreme Court of Pakistan are awaited to proceed for closure of the Scheme. As per the management, there will be no material impact of the order on the financial statements of the Company, however, depending upon the order of the Honorable Supreme Court of Pakistan, the amount available in the fund will be transferred to GoP.

2.6 Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

3 Significant accounting judgements, estimates and assumptions

The Company's material accounting policies are stated in note 4. Not all of these material accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers significant because of the 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) Provision for taxation - Note 4.1
- b) Staff retirement benefits - Note 4.2
- c) Useful life and residual values of property, plant and equipment - Note 4.3
- d) Provision for stores and spares - Note 4.6
- e) Provision for stock-in-trade - Note 4.7
- f) Investments at fair value - Note 4.8

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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 eligible 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, 2024. The actual return on plan assets during the year is Rs. 851 million (2023: Rs. 453 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: 14.75 percent per annum (2023: 16.25 percent per annum).
- Expected rate of increase in salary level: 12.75 percent per annum (2023: 14.25 percent per annum).
- Expected rate of increase in pension: 6.00 percent per annum (2023: 6.00 percent per annum).
- Average duration of the plan: 6.95 years (2023: 6.19 years).
- Mortality rates: SLIC (2001-05)-1.

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

The trustees are managing the pension fund as per applicable Trust Deeds, Rules and Regulations applicable to the fund.

- (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. The trustees are managing the provident funds as per applicable Trust Deeds, Rules and Regulations applicable to the fund.

- (c) The Company provides medical facilities to its eligible retired employees and 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 statement of profit or loss. The latest actuarial valuation was carried out as at June 30, 2024.

Moreover, during the year ended June 30, 2024, the Company offered option to eligible members for lumpsum payment in lieu of their entitlement of electricity and medical benefits based on actuarial valuation, which was availed by a majority of the eligible members of the scheme.

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

- Discount rate: 14.75 percent per annum (2023: 16.25 percent per annum).
- Expected rate of increase in medical cost: 12.75 percent per annum (2023: 14.00 percent per annum).
- Expected rate of increase in electricity benefit: 12.75 percent per annum (2023: 14.25 percent per annum).
- Average duration of medical plan: 15.95 years (2023: 15.22 years).
- Average duration of electricity plan: 15.32 years (2023: 14.76 years).
- Mortality rates: SLIC (2001-05)-1.

- (d) The Company has other long term employee benefits which include the encashment of frozen leaves for eligible employees and a lumpsum amount payable to staff under Charter of Demand settlement. Frozen leaves can be encashed upto 180 days at the time of retirement. Lumpsum amount is payable to staff members at the rate of Rs. 495,000 or Rs. 561,000 per person according to the grade of respective staff member at the time of retirement. The liability is calculated in present value terms by taking into account the expected date of retirement of employees, the available balance of frozen leaves and / or the expected salary at the date of retirement.

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

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 statement of profit or loss 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, 2024 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 reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable 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 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 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 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 statement of profit or loss.

All items of property, plant and equipment are fully depreciated as at June 30, 2024, and are appearing at residual value (if any assigned to that category by the management), since the PPA of the Company expired on October 24, 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

4.4 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non financial assets to determine whether there is any indication of impairment. An impairment loss is recognized in statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.5 Ijarah contracts

The Company has entered in to Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

4.6 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 statement of profit or loss as it is incurred. The item is charged to the statement of profit or loss when, upon inspection, it cannot be refurbished. Provision for obsolescence of stores and spare parts wherever required, is made on the basis of management's best estimate of usability of items as determined by the in-house technical team. Provision is recognized against items determined to be obsolete.

4.7 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 realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value.

4.8 Financial instruments

4.8.1 Financial assets

a) Classification

The Company classifies its financial assets other than investments in equity instruments of subsidiary and associate in the following measurement categories:

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

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iii) **Fair Value through Profit or Loss (FVPL)**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

As at the reporting date, the Company classifies the investments relating to Pakistan Investment Bond (PIB), GoP Ijarah Sukuk and Mutual Funds as fair value through profit or loss since these are held for trading.

Equity instruments

The Company subsequently measures all equity investments except for investments in equity instruments of subsidiary and associate at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.8.2 Impairment of Financial Assets due from Government

Financial assets due from the Government of Pakistan includes trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. The Company follows relevant requirements of IAS 39 in respect of impairment of these financial assets due to the exemption available in respect of IFRS 9 till December 31, 2024 as stated in note 2.5.1.

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

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

4.8.3 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term deposits
- Loans, advances, deposits, prepayments and other receivables
- Investments at fair value
- Cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

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For the year ended June 30, 2024

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of borrowers; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.8.4 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are charged to statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

4.9 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.

4.10 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.

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For the year ended June 30, 2024

4.15 Provisions

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

4.16 Dividend

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

4.17 Revenue recognition

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

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

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and
- Energy Purchase Price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

Late payment surcharge on amounts due under the PPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA and the Tripartite agreement between SNGPL, CPPA-G and the Company for RLNG supplies.

Further, the true-up income invoices on CPP is raised upon the receipt of the underlying CPP invoices, wholly or partially in accordance with the clause 13.4(iv) of Part II of schedule 6 to the PPA. The accrual on true-up income is recorded on time proportion basis in accordance with the terms of the PPA.

Invoices were typically issued on a monthly basis and were payable within 25 to 30 days following acknowledgment by CPPA-G. However, weekly RLNG commodity invoices were due within 3 days, as stipulated by the Company's PPA.

As disclosed in note 2.2, during the year, there was no offtake of electricity by the Power Purchaser, accordingly no revenue from contract with customer has been recorded in these financial statements for the current year.

4.18 Contract assets / liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

A contract asset is recognized for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

4.19 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.20 Finance income

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

4.21 Share capital

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

5 Issued, subscribed and paid up capital

	2024 (Number of shares)	2023	Note	2024 (Rupees in thousand)	2023
	253,000	253,000		2,530	2,530
	880,000,228	880,000,228	5.2	8,800,002	8,800,002
	880,253,228	880,253,228		8,802,532	8,802,532

5.1 There has been no movement in the ordinary share capital of the Company.

5.2 This represents shares issued at the time of privatization as consideration against transfer of net assets by WAPDA to the Company.

Ordinary shares of the Company held by associated undertakings are as follows:

	2024 (Number of shares)	2023
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

5.3 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

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.

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For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023	
7	Deferred taxation			
	The liability for deferred taxation comprises of timing differences relating to:			
	Taxable temporary difference			
	Unrealized true-up income	68,455	84,239	
	Unrealized interest income on late payment to CPPA-G	3,921,735	3,466,257	
	Unrealized gain on mutual funds	13,632	-	
	Accrued interest on investments	-	391,549	
	Accelerated tax depreciation	8,771	-	
	Deductible temporary difference			
	Accelerated tax depreciation	-	(110,712)	
	Provision for store obsolescence	(683,366)	(683,366)	
	Provision for net realizable value (NRV) against furnace oil	(674,310)	-	
	Provision for doubtful debts	(240,894)	(179,299)	
	Provision for other staff benefits	(22,453)	(62,988)	
	Unrealized exchange loss on trade payables	(8,057)	(20,880)	
	Unrealized loss on investments	-	(447,276)	
	Alternate corporate tax	(318,225)	(337,507)	
	Tax loss for the year	(819,543)	-	
	Realized capital loss on sale of investments	(145,039)	-	
	7.1	1,100,706	2,100,017	
7.1	Movement in deferred taxation			
	Opening balance	2,100,017	677,510	
	(Credited) / Charged to statement of profit or loss	(952,314)	1,360,247	
	(Credited) / Charged to other comprehensive income	(46,997)	62,260	
	Closing balance	1,100,706	2,100,017	
8	Staff retirement benefits			
	These are composed of:			
	Medical	8.1	98,586	196,075
	Free electricity	8.1	168,681	482,040
	Other long term employee benefits	8.2	57,571	161,507
			324,838	839,622

8.1

	Note	Post retirement medical		Post retirement free electricity	
		2024	2023	2024	2023
(Rupees in thousand)					
The amounts recognised in the balance sheet are as follows:					
Present value of defined benefit obligation as at June 30		98,586	196,075	168,681	482,040
Liability as at July 1		196,075	290,936	482,040	719,691
Charged to statement of profit and loss account		56,972	31,564	99,833	76,531
Benefits paid during the year		(48,769)	(2,898)	(121,720)	(1,591)
Lump sum payment to optees	8.1.3	(123,805)	(131,527)	(251,604)	(336,139)
Loss / (gain) due to change in financial assumptions		281	(13,797)	(1,776)	(146,915)
Loss / (gain) due to change in experience adjustments		17,832	21,797	(38,092)	170,463
Liability as at June 30		98,586	196,075	168,681	482,040
The movement in the present value of defined benefit obligation is as follows:					
Present value of defined benefit obligation as at July 1		196,075	290,936	482,040	719,691
Current service cost / (income)		24,808	(7,070)	20,801	(19,058)
Interest cost for the year		32,164	38,634	79,032	95,589
Benefits paid during the year		(48,769)	(2,898)	(121,720)	(1,591)
Lump sum payment to optees	8.1.3	(123,805)	(131,527)	(251,604)	(336,139)
Remeasurement loss recognised in other comprehensive income		18,113	8,000	(39,868)	23,548
Present value of defined benefit obligation as at June 30		98,586	196,075	168,681	482,040

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				
	2024	2023	2022	2021	2020
(Rupees in thousand)					
As at June 30					
Present value of defined benefit obligations	98,586	196,075	290,936	212,490	192,764
Fair value of plan assets	-	-	-	-	-
Deficit	98,586	196,075	290,936	212,490	192,764
Experience adjustment on obligation - loss / (gain)	17,832	21,797	68,323	4,400	(7,373)

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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				
	2024	2023	2022	2021	2020
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligations	168,681	482,040	719,691	544,762	567,338
Fair value of plan assets	-	-	-	-	-
Deficit	168,681	482,040	719,691	544,762	567,338
Experience adjustment on obligation - (gain) / loss	(38,092)	170,463	140,301	(78,560)	(82,564)

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

	Post retirement medical		Post retirement free electricity	
	2024	2023	2024	2023
	(Rupees in thousand)			
Discount rate+0.50%	90,724	181,159	155,761	446,458
Discount rate -0.50%	107,406	212,752	183,136	521,745
Increase in medical cost / electricity benefit+0.50%	100,658	198,813	172,050	490,385
Increase in medical cost / electricity benefit-0.50%	96,568	193,403	165,399	473,910
Maturity profile of the defined benefit obligation				
1. Weighted average duration of the benefit (Years)	15.95	15.22	15.32	14.76
2. Distribution of timing of benefit payments (time in years)				
1	443	1,185	947	3,285
2	1,305	3,365	2,650	9,328
3	2,024	5,258	4,080	14,409
4	2,858	7,487	5,806	20,294
5	4,172	9,930	8,213	26,794
6 to 10	48,570	106,702	89,223	277,894

8.1.1 Risk exposure

Through its defined benefit scheme, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk - The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Medical and electricity cost inflation risk - The present value of the defined benefit liability is calculated after taking into account the future growth in medical and electricity cost. As such, an increase in the medical and electricity cost growth rate of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants (actives and pensioners). An improvement in the mortality rates of the participants may increase the liability.

	2024	2023
	(Rupees in thousand)	
8.1.2 Medical and electricity benefits recognised during the year		
Amount recognised in statement of profit or loss:		
- Loss on medical recognised	56,972	31,564
- Loss on electricity recognised	99,833	76,531
Amount recognised in other comprehensive income:		
- Loss on medical recognised	18,113	8,000
- (Gain) / loss on electricity recognised	(39,868)	23,548

8.1.3 During the year ended June 30, 2024, the Company offered option to eligible members for lumpsum payment in lieu of their monthly entitlement of electricity and medical benefits based on actuarial valuation, which was availed by a majority of the eligible members of the scheme.

8.2 Movement of other long term benefits

	July 1, 2023	Charge for the year	Payments during the year	June 30, 2024
	(Rupees in thousand)			
Other long term benefits:				
Provision for leave encashment	77,888	2,170	(53,022)	27,036
Provision for lumpsum payment to employees	83,619	36,643	(89,727)	30,535
	161,507	38,813	(142,749)	57,571

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	July 1, 2022	(Reversal) / Charge for the year (Rupees in thousand)	Payments during the year	June 30, 2023
Other long term benefits:				
Provision for leave encashment	98,519	(2,914)	(17,717)	77,888
Provision for lumpsum payment to employees	95,534	3,167	(15,082)	83,619
	194,053	253	(32,799)	161,507

	Note	2024 (Rupees in thousand)	2023
9 Trade and other payables			
Trade creditors		18,906	419,370
Accrued liabilities	9.1	366,910	636,764
Markup accrued on:			
- Finances under markup arrangements - secured		491,431	1,635,505
- Credit supplies of raw material		4,953,749	6,453,749
		5,445,180	8,089,254
Deposits - interest free repayable on demand	9.2	769	694
Workers' Welfare Fund	9.3	110,784	136,386
Workers' Profit Participation Fund	9.4	-	965
Levy - final tax payable		883,812	-
Provident fund payable	9.5	7,673	-
Others		225,118	331,517
		7,059,152	9,614,950

9.1 Accrued liabilities includes Rs. 46 million (2023: Rs. 35 million) payable to CPPA-G against purchase of electricity.

9.2 These represent security deposits received against rent and utility charges of shops rented out in colony. None of these deposits is utilizable for other purposes. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Act.

	Note	2024 (Rupees in thousand)	2023
9.3 Movement in Workers' Welfare Fund is as follows:			
Opening balance		136,386	772,950
Provision made during the year		110,784	136,386
		247,170	909,336
Payment made during the year		(136,386)	(772,950)
Closing balance		110,784	136,386
9.4 Movement in Workers' Profit Participation Fund is as follows:			
Opening balance	18.3	-	-
Provision made during the year		-	340,965
		-	340,965
Payment made during the year		-	(340,000)
Closing balance		-	965

- 9.5 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

	Note	2024 (Rupees in thousand)	2023
10			
Finances under mark-up arrangements - secured			
- Under conventional finances		4,956,195	8,586,689
- Under islamic finances		4,987,998	13,567,030
	10.1	9,944,193	22,153,719

- 10.1 Finances under mark-up arrangements available from various conventional banks amount to Rs. 7,993 million (2023: Rs. 19,995 million) and finances available under musharika and murabaha arrangements amount to Rs. 6,000 million (2023: Rs. 18,675 million). The rate of mark-up ranges from 21.56 percent to 23.26 percent (2023: 14.26 percent to 25.08 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 32 percent (2023: 20 percent to 30 percent) per annum on the balances unpaid.

10.2 Letters of credit and bank guarantees

Of the aggregate facility of Rs. 406 million (2023: Rs. 405 million) for opening letters of credit and Rs. 2,507 million (2023: Rs. 2,504 million) for guarantees, the amounts utilised as at June 30, 2024 were Rs. 6 million (2023: Rs. 29 million) and Rs. 2,507 million (2023: Rs. 2,504 million) respectively.

- 10.3 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. 67,200 million (2023: Rs. 67,200 million).

11 Contingencies and commitments

11.1 Contingencies

11.1.1 Income tax

- (i) Income tax returns of the Company for tax years 2003 to 2007 were filed, wherein, only normal tax depreciation was claimed. Subsequently, 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 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 favour vide order dated April 14, 2012. No appeal was filed by the Tax Department (the Department) before High Court within the time stipulated under law.

Subsequently, 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. The LHC proceeded to set aside the miscellaneous applications and declared the same to be pending before ATIR vide order dated November 12, 2018. Being aggrieved, the Company applied for leave of appeal from the Honorable Supreme Court of Pakistan, which was remanded back to LHC vide order dated August 9, 2019 for deciding the matter afresh after addressing the question of law involved therein. The LHC decided the case against the Company on May 25, 2022, by setting aside all the precedents of High Courts on this matter. Being aggrieved, the Company again filed an appeal with the Honorable Supreme Court of Pakistan, which was verbally decided in favor of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- (iii) For tax year 2004-2009 a show cause notice was issued by the Commissioner in 2015 rejecting KAPCO's deferred refund amounting to Rs. 61 million. The Company filed an appeal before CIR(A) who vide its order dated January 30, 2020 remanded the case back to Commissioner for fresh verification of all the documents pertaining to refund. Subsequently, CIR issued an assessment order dated June 25, 2021 wherein all the deferred refund of the Company was rejected along with imposition of penalty. Being aggrieved, the Company filed an appeal in CIR(A) against the said order. The CIR(A) annulled the rejection of the sales tax refund and the case has been remanded back to the tax department for processing of sales tax refund vide order dated June 13, 2022.
- (iv) The Company was selected for sales tax audit for the tax year 2017 under section 72B of the Sales Tax Act, 1990. The Department issued a sales tax order dated August 31, 2020 creating a demand amounting to Rs. 2,689 million. Being aggrieved, the Company filed an appeal before CIR(A), which was decided partially in favor of the Company. However, the Department has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication.
- (v) The Deputy Commissioner Inland Revenue (DCIR) issued an assessment order dated September 30, 2021 and created a demand of Rs. 15,110 million for tax year 2019 mainly on account of alleged non compliance of section 73 of Sales Tax Act, 1990. The Company filed appeal before CIR(A) who vide order dated January 28, 2022 annulled the demand and remanded the case back to DCIR. The DCIR issued order dated March 29, 2022 in remand back proceedings and created demand of Rs. 155 million on inadmissibility of input tax on certain issues. The Company had filed an appeal before CIR(A), who vide order dated September 29, 2022 reduced the demand to Rs. 1 million. Being aggrieved, the Company and the Department filed an appeal with the ATIR against the said order, which is pending adjudication.
- (vi) The Additional Commissioner Punjab Revenue Authority initiated a proceeding u/s 52 of Punjab Sales Tax on Services Act, 2012 on the basis that Company has not complied with the provisions of Punjab Sales Tax on Services (Withholding) Rules, 2015 and created a demand of Rs. 1,028 million. Being aggrieved, the Company filed an appeal with the Commissioner Appeals, Punjab Revenue Authority, which is pending adjudication.

The management and the taxation & legal experts of the Company believe that there are meritorious grounds to defend the foregoing demands/cases. Consequently, no provision has been recorded in these financial statements.

11.1.3 Others

- (i) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

(iv) The Company had provided bank guarantees in favour of Sui Northern Gas Pipelines Limited (SNGPL) on account of payment of dues against gas sales etc., amounting to Rs. 2,500 million in prior years, which was due to expire on June 09, 2023. SNGPL issued encashment notice for the bank guarantee on June 07, 2023 for recovery of outstanding late payment surcharge balances. Subsequently, the Company obtained stay order from the Civil Court against the said encashment notice based on the premise that late payment surcharge is disputed and is not covered in the said bank guarantee. The stay was vacated by Civil Court on December 02, 2023. Aggrieved by the decision the Company filed stay application with Honourable Lahore High Court which has been granted and still valid.

The management and the legal advisor of the Company believe that there are meritorious grounds available to defend the foregoing case. Consequently, no provision has been recorded in these financial statements.

11.2 Commitments

- (i) Contracts for capital expenditure are Nil (2023: Rs. 4 million).
- (ii) Letters of credit other than for capital expenditure Rs. 6 million (2023: Rs. 29 million).
- (iii) Contracts for car ijara are Rs. 51 million (2023: Rs. 69 million).

	2024	2023
	(Rupees in thousand)	
Not later than one year	16,607	17,997
Later than one year and not later than five years	34,744	50,954
Later than five years	-	-
	51,351	68,951

(iv) Based on Power Purchaser's forecast of electricity generation during PPA term, the Company placed orders to Pakistan State Oil for purchase of fuel stock in June 2022 for the delivery in July 2022. Out of these orders, around 40,000 MT of furnace oil is available with PSO. Depending upon the renewal of PPA, the fuel will be purchased from PSO and its cost will be passed on to the Power Purchaser. Under the terms of Oil Supply Agreement, the Company is obligated to pay for the fuel delivered at its premises.

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, 2024									
Opening net book value (NBV)	100,773	-	1,775,679	-	19,658	-	-	35,134	1,931,244
Additions (at cost)	-	-	-	2,574	-	3,109	-	-	5,683
Transfers from leased assets (at NBV)	-	-	-	-	-	-	-	-	-
Disposals / adjustments (at NBV)	-	-	-	-	-	-	-	(2,198)	(2,198)
Depreciation charge	-	-	-	(2,574)	-	(3,109)	-	-	(5,683)
Closing net book value (NBV)	100,773	-	1,775,679	-	19,658	-	-	32,936	1,929,046
Gross carrying value basis									
As at June 30, 2024									
Cost	100,773	894,051	35,513,576	9,097,997	427,321	174,239	17,830	170,919	46,396,706
Accumulated depreciation	-	(894,051)	(33,737,897)	(9,097,997)	(407,663)	(174,239)	(17,830)	(137,983)	(44,467,660)
Net book value (NBV)	100,773	-	1,775,679	-	19,658	-	-	32,936	1,929,046
Depreciation rate % per annum	-	4	4	10-100	20	20-100	20	25	
Net carrying value basis									
Year ended June 30, 2023									
Opening net book value (NBV)	100,773	12,402	1,984,542	44,140	22,587	23,725	21	49,169	2,237,359
Additions (at cost)	-	-	-	9,548	3,046	282	-	-	12,876
Transfers from leased assets at NBV	-	-	-	-	-	-	-	2,198	2,198
Disposals / adjustments (at NBV)	-	-	-	-	-	-	-	(1,956)	(1,956)
Depreciation charge	-	(12,402)	(208,863)	(53,688)	(5,975)	(24,007)	(21)	(14,277)	(319,233)
Closing net book value (NBV)	100,773	-	1,775,679	-	19,658	-	-	35,134	1,931,244
Gross carrying value basis									
As at June 30, 2023									
Cost	100,773	894,051	35,513,576	9,095,423	427,321	171,345	17,830	181,911	46,402,230
Accumulated depreciation	-	(894,051)	(33,737,897)	(9,095,423)	(407,663)	(171,345)	(17,830)	(146,777)	(44,470,986)
Net book value (NBV)	100,773	-	1,775,679	-	19,658	-	-	35,134	1,931,244
Depreciation rate % per annum	-	4 - 85.71	4 - 26.33	10-100	20-100	20-100	20-42.86	25-92.31	

The cost of fully depreciated assets which are still in use as at June 30, 2024 is Rs. 46,296 million (2023: Rs. 46,301 million).

	Note	2024 (Rupees in thousand)	2023
12.1			
The depreciation charge for the year has been allocated as follows:			
Cost of sales	21	-	282,985
Plant preservation costs	22	5,683	9,549
Administration expenses	23	-	26,699
		5,683	319,233

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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

2024

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal
(Rupees in thousand)							
Honda Civic	Employee Mr. Amjad Hayee	2,921	(2,337)	584	584	-	Company Policy

2023

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal
(Rupees in thousand)							
Nil							

			2024	2023
			(Area in kanals)	
12.3	Description	Location		
	Plant site	Kot Addu, District Muzaffargarh, Pakistan	3,081	3,081
	Corporate office	Lahore, Pakistan	2	2
	Land (Plot)	Islamabad, Pakistan	1	1

		Note	2024	2023
			(Rupees in thousand)	
13	Staff retirement benefits - Pension			
	Pension asset	13.1	280,566	1,011,912
13.1	Pension			
	The amounts recognised in the statement of financial position are as follows:			
	Fair value of plan assets		2,795,521	3,708,537
	Present value of defined benefit obligation		(2,514,955)	(2,696,625)
	Net Assets at June 30		280,566	1,011,912
	The movement in the net assets is as follows:			
	Asset as at July 1		1,011,912	721,960
	Income to statement of profit or loss		410,914	43,714
	Excess contribution paid back to the Company		(1,000,000)	-
	Remeasurement (loss) / gain recognised in other comprehensive income		(142,260)	246,238
	Assets at June 30		280,566	1,011,912

	2024	2023
	(Rupees in thousand)	
The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation as at July 1	2,696,625	3,045,774
Current service cost	(258,404)	46,176
Interest cost for the year	421,730	381,481
Benefits paid during the year	(763,527)	(500,265)
Loss / (gain) due to change in financial assumptions	197,206	(321,449)
Loss due to change in experience adjustments	221,325	44,908
Present value of defined benefit obligation as at June 30	2,514,955	2,696,625
The movement in fair value of plan assets is as follows:		
Fair value as at July 1	3,708,537	3,767,734
Expected return on plan assets	574,240	471,371
Excess contribution paid back to the Company	(1,000,000)	-
Benefits paid during the year	(763,527)	(500,265)
Remeasurement gain/ (loss) on plan assets	276,271	(30,303)
Fair value as at June 30	2,795,521	3,708,537

	2024	2023
Plan assets are comprised of following:		
Mutual funds	42%	40%
Interest bearing instruments	48%	59%
Equity Instruments	7%	0%
Other	3%	1%
	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:

	2024	2023	2022	2021	2020
	(Rupees in thousand)				
As at June 30					
Fair value of plan assets	2,795,521	3,708,537	3,767,734	3,846,875	2,974,569
Present value of defined benefit obligations	(2,514,955)	(2,696,625)	(3,045,774)	(3,411,589)	(3,376,888)
Surplus / (Deficit)	280,566	1,011,912	721,960	435,286	(402,319)
Experience adjustment on obligation - loss / (gain)	221,325	44,908	204,219	(130,178)	13,332
Experience adjustment on plan assets - (loss) / gain	276,271	(30,303)	(270,602)	293,633	(46,788)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
Year end sensitivity analysis on present value of defined benefit obligation:		
Discount rate + 0.50%	2,427,536	2,613,102
Discount rate - 0.50%	2,608,578	2,785,572
Increase in salary level + 0.50%	2,519,791	2,705,575
Increase in salary level - 0.50%	2,510,236	2,687,863
Increase in pension + 0.50%	2,598,575	2,760,334
Increase in pension - 0.50%	2,436,596	2,636,650
Maturity profile of the defined benefit obligation		
1. Weighted average duration of the benefit (Years)	6.95	6.19
2. Distribution of timing of benefit payments (time in years)		
1	186,042	246,995
2	266,845	369,519
3	284,694	357,167
4	300,952	401,191
5	344,530	369,742
6 to 10	1,910,111	2,311,624

13.2 Funding

The pension plan is fully funded by the Company. The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

13.3 Expected future Contribution

Expected future contributions for the year ending June 30, 2025 is Nil since the Company has already contributed more than required funds.

13.4 The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method.

13.5 Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk - The present value of the defined benefit plan is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability and vice versa.

Salary rate risk - The present value of the defined benefit plan is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Pension rate risk - The present value of the defined benefit plan is calculated after taking into account the future pension growth of plan participants. As such, an increase in the pension growth rate of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit plan is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk - The present value of the defined benefit plan is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase the liability.

	Note	2024 (Rupees in thousand)	2023
13.6	Defined benefit obligation recognised during the year		
	Income recognised in statement of profit or loss	410,913	43,714
	(Gain) / Loss recognised in other comprehensive income	(142,260)	246,238
14	Stores and spares		
	Stores and spares	5,705,914	5,679,695
	Provision for store obsolescence	(1,752,220)	(1,752,220)
		3,953,694	3,927,475

14.1 Stores and spares include items in transit amounting to Nil (2023: Rs. 5.6 million).

		2024 (Rupees in thousand)	2023
14.2	Provision for store obsolescence		
	Opening balance as at July 1	1,752,220	1,834,087
	Provision for the year	-	-
	Stores written off against provision	-	(81,867)
	Closing balance as at June 30	1,752,220	1,752,220

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

	Note	2024 (Rupees in thousand)	2023
15	Stock-in-trade		
	Furnace oil	10,865,909	10,865,909
	Provision for net realizable value (NRV) against furnace oil	(1,729,000)	-
		9,136,909	10,865,909
	Diesel	647,364	647,364
	Coal	52,198	52,198
		9,836,471	11,565,471
15.1	Provision for net realizable value (NRV) against furnace oil		
	Opening balance as at July 1	-	-
	Provision for the year	1,729,000	-
	Write off against provision	-	-
	Closing balance as at June 30	1,729,000	-

15.1.1 This amount represents provision for write-down of furnace oil stock based on expected realisable value from the export of furnace oil as per management's estimate in the existing circumstances of the entity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
16	Trade debts - secured		
	Trade debts - secured	11,483,749	27,071,127
	Provision for doubtful debts	(617,677)	(459,742)
		10,866,072	26,611,385

16.1 These are considered good except Rs. 618 million (2023: Rs. 460 million) which are considered doubtful. Furthermore, included in trade debts considered good is an amount of Rs. 1,847 million (2023: Rs. 1,784 million) that is disputed by the Power Purchaser. The Company has not recorded any provision in these financial statements in respect of this amount, since as per legal advisors of the Company, there are adequate grounds to defend the claim for such invoices, therefore no provision is required in respect of the same.

Trade debts include an overdue amount of Rs. 8,291 million (2023: Rs. 22,418 million) receivable from CPPA-G, which is a related party of the Company. The maximum aggregate amount outstanding during the period was Rs. 27,071 million (2023: Rs. 62,504 million).

The trade debts are Pakistani rupee denominated and secured by a 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 CPPA-G in timely payment.

Aging analysis of trade debts is given in note 37.1(b). Due to delays in settlement by the Power Purchaser, the Company has financed the trade debts via short term financing arrangements (Note 10) and from own sources.

		2024 (Rupees in thousand)	2023
16.2	Provision for doubtful debts		
	Opening balance as at July 1	459,742	349,756
	Provision for the year	157,935	117,263
	Trade debts written off	-	(7,277)
	Closing balance as at June 30	617,677	459,742

17 Investments at fair value

	Note	2024		2023	
		Cost	Carrying Value	Cost	Carrying Value
(Rupees in thousand)					
Fair value through profit or loss					
Mutual Funds	17.1	44,368,373	47,425,903	-	-
Pakistan Investment Bond	17.2	-	-	26,831,000	22,837,248
GoP Ijarah Sukuk	17.2	-	-	27,417,400	27,264,290
	17.3	44,368,373	47,425,903	54,248,400	50,101,538

17.1 The details of investment in mutual funds are as follows:

	Note	2024		2023	
		Number of Units (Rupees in thousand)	Fair value (Rupees in thousand)	Number of Units (Rupees in thousand)	Fair value (Rupees in thousand)
Investments					
Fixed Rate / Return Funds	17.1.1	1,985,735	45,856,872	-	-
Income Funds		106,203	1,063,574	-	-
Money Market Funds		50,504	505,457	-	-
	17.1.2	2,142,442	47,425,903	-	-

17.1.1 Included in these is Investment amounting to Rs. 14,897 million (2023: Nil) in Shariah-compliant Fixed Rate / Return funds.

17.1.2 These investments are made in various mutual funds, as disclosed in note 37.1 (b).

17.2 Particulars of debt securities are as follows:

	Maturity	Effective Yield	2024	2023
			(Rupees in thousand)	
Pakistan Investment Bond	18-Jun-30	22.667%	-	22,837,248
GoP Ijarah Sukuk	09-Dec-25	21.843%	-	7,746,875
GoP Ijarah Sukuk	29-Oct-26	21.845%	-	19,517,415
			-	50,101,538

17.3 Movement in Investments at fair value

	Debt Securities		Mutual Funds	
	2024	2023	2024	2023
(Rupees in thousand)				
Opening fair value as at July 1	50,101,538	54,067,311	-	-
Purchases during the year	-	-	49,995,044	-
Disposal of investments	(50,916,720)	(2,933,721)	(6,003,969)	-
Fair value gain / (loss) during the year	815,182	(1,032,052)	79,774	-
Dividend Income reinvested	-	-	3,355,054	-
Closing Fair Value as at June 30	-	50,101,538	47,425,903	-

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	Note	2024 (Rupees in thousand)	2023
18	Loans, advances, deposits, prepayments and other receivables		
Advances to suppliers – considered good	18.1	12,123	27,272
Sales tax claims recoverable from Government		3,557,162	3,311,508
Prepayments		317,012	46,237
Profit from investments		-	1,003,971
Claims recoverable from CPPA-G as pass through items:			
Workers' Welfare Fund	18.2	-	79,942
Workers' Profit Participation Fund	18.2	-	199,854
Receivable from Workers' Profit Participation Fund Trust	18.3	28,040	-
Security deposits	18.4	2,251	1,890
Differential receivable from CPPA-G		-	72,232
Other receivables		10,347	9,077
		3,926,935	4,751,983

18.1 Advances to suppliers include an amount of Nil (2023: Rs. 1 million) due for more than a year from WAPDA, an associated undertaking, which was written off in the current year. This was in the normal course of business and interest free.

18.2 Under section 14.2(a) of Part III of Schedule 6 to Power Purchase Agreement (PPA) with the Power Purchaser, payments to Workers' Welfare Fund and Workers' Profit Participation Fund during PPA were recoverable from the Power Purchaser as pass through item till expiry of PPA i.e. October 24, 2022.

	Note	2024 (Rupees in thousand)	2023
18.3	Movement in Workers' Profit Participation Fund is as follows:		
Opening balance	9.4	(965)	-
Provision made during the year		(276,960)	-
		(277,925)	-
Payment made during the year		305,965	-
Closing balance		28,040	-

18.4 All the security deposits are non-interest bearing.

	Note	2024 (Rupees in thousand)	2023
19	Cash and bank balances		
At banks on:			
- Current accounts		182,367	985,258
- Savings accounts	19.1	2,601,829	934,340
		2,784,196	1,919,598
In hand			
- Cash		96	183
		2,784,292	1,919,781

19.1 Included in these are total restricted funds of Nil (2023: Rs. 5 million) held by banks under lien as margin against letters of credit. The balances in savings accounts are placed under markup arrangements and bear mark up of 20.5 percent (2023: 12.25 percent to 19.50 percent) per annum.

	Note	2024 (Rupees in thousand)	2023
20	Revenue from contract with customer		
	Energy purchase price	-	24,236,353
	Sales tax	-	(3,485,712)
	Net energy purchase price	-	20,750,641
	Capacity purchase price for the year under PPA - net	-	4,684,671
	20.2	-	25,435,312
20.1	The Company's net revenue disaggregated by pattern of revenue recognition is as follows:		
	Revenue recognised at a point in time - Energy Purchase Price	-	20,750,641
	Revenue recognised over time - Capacity Purchase Price	20.3	4,684,671
		-	25,435,312

20.2 As disclosed in note 2.2, there was no offtake of electricity by the Power Purchaser, accordingly no revenue from contract with customer has been recorded in these financial statements for the current year.

20.3 The Company signed a Master Agreement and the Third Amendment to the Power Purchase Agreement on February 11, 2021 with Power Purchaser which later became effective on May 21, 2021. Pursuant to the terms and approval of these Agreements, the outages due to fuel shortage during the period 2008 to 2016 had been treated as Other Force Majeure Event (OFME) under the PPA and consequently, the Term of PPA had been extended by 485 days (approximately 16 months). During the OFME extension period, no Capacity Purchase Price (CPP) invoice was raised, hence no cash inflow arose in lieu of CPP during the OFME extension period. Accordingly, the contract liability was amortised and the related revenue was recorded over the period from June 27, 2021 to October 24, 2022 upon satisfaction of the underlying performance obligation i.e. ensuring the availability of the Plant.

	Note	2024 (Rupees in thousand)	2023
21	Cost of sales		
	Fuel cost	-	22,047,985
	Salaries, wages and benefits	21.1	605,368
	Electricity import for self consumption	21.2	180,680
	Plant maintenance	-	91,032
	Gas turbines overhauls	-	129,043
	Repair and renewals	-	34,257
	Plant insurance	-	-
	Depreciation on property, plant and equipment	12.1	282,985
	Amortization on intangible assets	-	1,720
	21.3 & 21.4	-	23,373,070

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
21.1 Salaries, wages and benefits		
Salaries, wages and benefits include following in respect of retirement benefits;		
Pension		
Service cost	-	14,523
Net interest (income) for the year	-	(28,272)
	-	(13,749)
Medical		
Service cost	-	1,564
Net interest cost for the year	-	12,124
	-	13,688
Free electricity		
Service cost	-	3,636
Net interest cost for the year	-	30,064
	-	33,700
Other long term benefits		
Provision for leave encashment	-	548
Provision for lump sum payment	-	869
	-	1,417

In addition to above, salaries, wages and benefits also include an amount of Nil (2023: Rs. 14 million) in respect of provident fund contribution by the Company.

21.2 This includes amounts recovered from residents of the Company's facility in respect of electricity charges amounting to Nil (2023: Rs. 9 million).

21.3 Cost of sales include an amount of Nil (2023: Rs. 117 million) for stores and spares consumed.

21.4 This represents costs incurred upto the expiry of PPA of the Company i.e. October 24, 2022, and costs attributable to providing the blackstart facility on January 23, 2023 to the Power Purchaser during the country-wide blackout as requested by the Ministry of Energy, which was separately invoiced to CPPA-G.

	2024	2023
	(Rupees in thousand)	
22 Plant maintenance and preservation costs		
Salaries, wages and benefits	922,886	1,351,637
Electricity import for self consumption	538,401	258,456
Plant maintenance	30,567	156,801
Gas turbines overhauls	-	151,076
Repair and renewals	55,982	60,618
Plant insurance	656,815	628,665
Depreciation on property, plant and equipment	5,683	9,549
Provision for net realizable value (NRV) against furnace oil	1,729,000	-
Voluntary Severance Scheme	222,345	-
	22.5 & 22.6	2,616,802
	4,161,679	

	2024	2023
	(Rupees in thousand)	
22.1 Salaries, wages and benefits		
Salaries, wages and benefits include following in respect of retirement benefits;		
Pension		
Service (income) / cost	(258,404)	31,653
Net interest income for the year	(152,510)	(61,618)
	(410,914)	(29,965)
Medical		
Service cost / (income)	24,808	(8,634)
Net interest cost for the year	32,164	26,510
	56,972	17,876
Free electricity		
Service cost / (income)	20,801	(22,694)
Net interest cost for the year	79,032	65,525
	99,833	42,831
Other long term benefits		
Provision / (reversal) for leave encashment	2,170	(3,462)
Provision for lump sum payment	36,643	2,298
	38,813	(1,164)

In addition to above, salaries, wages and benefits also include Rs. 38 million (2023: Rs. 38 million) in respect of provident fund contribution by the Company.

22.2 This includes amounts recovered from residents of the Company's facility in respect of electricity charges amounting to Rs. 19 million (2023: Rs. 5 million).

22.3 The Plant insurance was a pass-through item till expiry of the PPA. Thereafter, the Company has recorded an expense in respect of the same.

22.4 As explained in note 2.2, NEPRA approved Provisional Tariff of the Company for 500MW capacity on Take-and-Pay basis. Therefore to align manpower with expected future requirements, Voluntary Severance Scheme (VSS) was announced and offered to all employees of the Company during the year, thereafter 125 employees availed the VSS scheme, and accordingly related expense has been booked in these financial statements.

Furthermore, this also includes an amount of Rs. 10.16 million (2023: Nil) pertaining to 26 employees who didn't opt for the scheme and were subsequently retrenched.

22.5 Plant preservation costs include Rs. 18 million (2023: Rs. 29 million) for stores and spares consumed.

22.6 As explained in note 2.2, these cost are incurred to keep the plant in preservation mode for ensuring that the plant is readily available if offtake of electricity is demanded by the Power Purchaser. During the year ended June 30, 2024, there was no offtake of electricity accordingly the costs have been recorded under Plant Preservation Cost. It also includes the cost of running the switchyard and grid facility, which was operated on the special request of Ministry of Energy.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
23	Administrative expenses		
	Motor vehicles running	101,431	108,943
	Legal and professional charges	77,852	111,802
	Repairs and maintenance	68,651	73,438
	Travelling	29,396	61,779
	Provision for doubtful debts	157,935	117,263
	Bad debts written off	-	97,542
	Colony running cost	57,769	53,782
	Depreciation on property, plant and equipment	12.1	-
	Depreciation on right of use assets	-	22
	Computer charges	28,768	33,080
	Printing, stationery and periodicals	15,452	13,159
	Regulatory fee	54,533	36,404
	Education fee	27,244	28,494
	Training expenses	-	1,421
	Postage, telephone and telex	11,918	9,065
	Rent, rates and taxes	2,560	2,524
	Auditors' remuneration	23.1	10,632
	Donations	-	209
	Other expenses	66,682	54,937
		710,823	842,579
23.1	Auditors' remuneration		
	The charges for auditors' remuneration include the following:		
	Statutory audit	5,777	5,253
	Half yearly review	2,195	1,995
	Workers' Profit Participation Fund audit, Employees Provident and Pension Fund audit, special reports and certificates	1,544	3,957
	Out of pocket expenses	1,116	811
		10,632	12,016
24	Other operating expenses		
	Fair value loss on PIBs	-	1,032,052
	Workers' Welfare Fund	24.1	110,784
	Workers' Profit Participation Fund	24.1	276,960
	Project Development Cost	24.2	50,857
	Exchange loss	-	112,841
		438,601	1,360,293

24.1 The Workers' Welfare Fund (WWF) and the Workers' Profit Participation Fund (WPPF) were pass-through items till expiry of the PPA. Thereafter, the Company has recorded an expense in respect of these items.

24.2 As explained in note 2.2, the Company is exploring opportunities for diversification of its operations in brownfield/ greenfield power projects especially in renewable energy sector, this represents costs incurred in respect of these projects.

	Note	2024 (Rupees in thousand)	2023
25	Other income		
	Income from financial assets		
	Income on bank deposits	283,735	117,181
	Interest on loans to employees	-	14
	Income from mutual funds	25.1 3,681,801	-
	True-up income	25.2 -	45,476
	Interest on PIBs and Sukuks	6,594,750	8,460,080
	Fair value gain on PIBs and Sukuks	815,182	-
	Exchange gain	20,752	-
	Interest on late payment - CPPA-G	3,052,593	7,153,789
		14,448,813	15,776,540
	Income from non-financial assets		
	Unclaimed balances written back	41,709	6,213
	Gain on disposal of property, plant and equipment	43	518
	Scrap sales	108,208	13,250
	House rent recovery	8,710	11,781
	Others	22,575	21,336
		181,245	53,098
		14,630,058	15,829,638
25.1	Income from mutual funds		
	Dividend income	3,602,027	-
	Unrealised gain on fair valuation	67,575	-
	Capital gain on redemption	12,199	-
		3,681,801	-

25.2 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.

		2024 (Rupees in thousand)	2023
26	Finance cost		
	Interest and mark up including commitment charges on		
	- finances under markup arrangements - secured	3,746,228	5,621,177
	- credit supplies of raw material	-	523,000
	- car ijara	30,875	95,948
	- lease liabilities	-	40
	Bank and other charges	2,666	12,733
		3,779,769	6,252,898

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
27	Levy - final tax		
	Levy - final tax	1,619,428	-
	Super tax on levy - final tax	558,422	-
	27.1	2,177,850	-

27.1 This represents final tax (2023: Nil) applicable to the Company under sections 5 and 5AA (2023: Nil) of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

	Note	2024 (Rupees in thousand)	2023
28	Income tax		
	Current tax		
	- Current year	-	1,421,184
	- Prior year	32	79,120
	28.3	32	1,500,304
	Deferred tax	(952,314)	1,360,247
		(952,282)	2,860,551

		2024 % age	2023 % age
28.1	Tax charge reconciliation		
	Numerical reconciliation between the applicable tax rate and the average effective tax rate		
	Tax at applicable rate	29.00	29.00
	Super tax	10.00	10.00
	Impact of income subject to levy - final tax	(65.28)	-
	Impact of prior period tax adjustments	-	1.16
	Impact of change in tax rates	(1.70)	1.81
	Others	(0.35)	(0.02)
	Average effective tax rate	(28.33)	41.95

		2024 (Rupees in thousand)	2023
28.2	Tax recognised directly in other comprehensive income		
	Defined benefit obligation	(46,997)	83,729
		(46,997)	83,729

28.3 This represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

29 Remuneration of Chief Executive, Directors 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	
		2024	2023	2024	2023
		(Rupees in thousand)			
Managerial remuneration		68,681	68,681	351,304	449,332
Bonus	29.1.1	-	34,341	-	114,834
Reimbursable expenses		6,800	4,718	51,983	61,063
Contribution to provident & pension funds and other retirement benefit plans		6,868	6,868	24,978	31,038
Leave passage		6,868	6,868	16,483	24,860
Other perquisites	29.1.2	5,717	5,639	21,845	25,152
		94,934	127,115	466,593	706,279
Number of persons (during the year)		1	1	53	69

29.1.1 The accrual for bonus recorded in previous year was reversed in the current year, since it was not paid.

29.1.2 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 fee to 7 directors (2023: 7 directors) is Rs. 58 million (2023: Rs. 45 million) and Nil (2023: Rs. 3 million) against club memberships.

A company maintained vehicle is provided to the Chairman of the Board of Directors.

No other perquisite is provided to the directors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

30 Transactions with related parties

The related parties comprise associated undertakings, key management personnel, directors 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, including directors, is disclosed in note 28. Other significant transactions with related parties are as follows:

Relationship with the Company	Percentage of shareholding	Nature of transaction	2023 (Rupees in thousand)	2022
i. Associated undertakings				
CPPA-G	-	Sale of electricity	-	25,435,312
CPPA-G	-	Purchase of electricity	557,094	453,423
CPPA-G	-	Interest income on late payment	3,052,593	7,153,789
CPPA-G	-	True-up income	-	45,476
CPPA-G	-	Provision for doubtful debts	157,935	117,263
CPPA-G	-	Debts written off	-	104,819
WAPDA	40.25%	Purchase of services	630	1,900
WAPDA	40.25%	Dividend paid	3,365,956	2,657,333
KAPCO Employees Empowerment Trust	5.48%	Dividend paid	458,398	361,893
Central Depository Company	-	Purchase of services	2,595	2,626
ii. Post retirement benefit plans				
KAPCO Employees provident fund trust	-	Contributions paid	35,830	55,631

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 benefits plans along with basis of their relationship with the Company with whom the Company had entered into transactions during the current year;

Name of related parties	Direct shareholding	Relationship
WAPDA	40.25%	Associated undertaking
KAPCO Employees Empowerment Trust	5.48%	Common management
CPPA-G	-	Associated undertaking
Central Depository Company	-	Common directorship
Post retirement benefit plans:		
- KAPCO Employees provident fund trust	-	Post employment benefits plan

	2024 MWh	2023 MWh
31 Capacity and production		
Annual generation capacity [based on 8,760 hours (2023: 8,760 hours)]	11,756,064	11,756,064
Actual energy delivered	-	587,845

As explained in note 2.2 to the financial statements, there was no offtake of electricity by the Power Purchaser, hence actual energy delivered during the year is Nil (2023: 588 GWh).

32 Rates of exchange

Liabilities in foreign currencies as on June 30, 2024 have been translated into Rupees at USD 0.3587 (2023: USD 0.3483), EURO 0.3351 (2023: EURO 0.3182) and GBP 0.2842 (2023: GBP 0.2737) equal to Rs. 100.

	Note	2024 (Rupees in thousand)	2023
33 Cash generated from operations			
Profit before income tax		3,361,336	6,819,308
Adjustments for:			
- Depreciation on property, plant and equipment	21, 22 & 23	5,683	319,233
- Amortization on intangible assets	21	-	1,720
- Depreciation on right of use assets	23	-	22
- Gain on disposal of property, plant and equipment	25	(43)	(518)
- Interest / profit on PIBs and Sukuks	25	(6,594,750)	(8,460,080)
- Income from mutual funds	25	(3,681,801)	-
- Income on bank deposits	25	(283,735)	(117,181)
- Bad debts written off	23	-	97,542
- Exchange loss	24	-	112,841
- Provision for doubtful debts	23	157,935	117,263
- Provision for net realizable value (NRV) against furnace oil	22	1,729,000	-
- Staff retirement benefits accrued	21 & 22	(215,295)	64,634
- Finance cost	26	3,779,769	6,252,898
- Fair value (gain) / loss on PIBs and Sukuks	24 & 25	(815,182)	1,032,052
- Amortisation of contract liability		-	(4,613,061)
- Provision for Workers' Profit Participation Fund	24	276,960	141,111
- Provision for Workers' Welfare Fund	24	110,784	56,444
- Final tax - levy	27	2,177,850	-
Profit before working capital changes		8,511	1,824,228
Effect on cash flow due to working capital changes:			
- Increase in stores and spares		(26,219)	(229,418)
- Increase in stock-in-trade		-	(5,329,515)
- Decrease in trade debts		15,587,378	33,597,186
- (Increase) / decrease in loans, advances, deposits, prepayments and other receivables		(150,883)	2,152,879
- Decrease in trade and other payables		(768,967)	(9,249,913)
		14,641,309	20,941,219
		14,649,820	22,765,447

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees in thousand)	2023
34	Cash and cash equivalents		
	Cash and bank balances	2,784,292	1,919,781
	Finances under mark up arrangements - secured	(9,944,193)	(22,153,719)
		(7,159,901)	(20,233,938)

35 Reconciliation of liabilities arising from financing activities

	July 1, 2023	Accruals / Dividend declared	Payments	June 30, 2024
	(Rupees in thousand)			
Unclaimed dividend	1,056,126	8,362,406	(8,257,598)	1,160,934

	July 1, 2022	Accruals / Dividend declared	Payments	June 30, 2023
	(Rupees in thousand)			
Leases	3,434	-	(3,434)	-
Unclaimed dividend	971,233	6,601,899	(6,517,006)	1,056,126

36 Earnings per share

36.1 Basic earnings per share

Profit for the year	Rupees in thousand	4,313,618	3,958,757
Weighted average number of ordinary shares	Numbers	880,253,228	880,253,228
Earnings per share	Rupees	4.90	4.50

36.2 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, 2024 and June 30, 2023 which would have any effect on the basic earnings per share.

37 Financial risk management

37.1 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:

	2024	2023
Trade and other payables - USD	130	1,546,364
Trade and other payables - GBP	6,000	81,000
Trade and other payables - Euro	360,000	408,600

The following exchange rates were applied during the year:

	Average rate		Year-end spot rate	
	2024	2023	2024	2023
	(Rupees)			
USD 1	283.09	250.14	278.80	287.10
GBP 1	357.02	303.06	351.85	365.40
EUR 1	306.90	264.00	298.41	314.27

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. 3 million (2023: Rs. 18 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 reporting date, the interest rate profile of the Company's interest bearing financial instruments is:

	2024	2023
	(Rupees in thousand)	
Financial assets		
Floating rate instruments		
Bank balances - savings accounts	2,601,829	934,340
Investments at fair value	47,425,903	50,101,538
Trade debts - overdue other than late payment invoices	1,369,253	18,064,680
Financial liabilities		
Floating rate instruments		
Finances under mark-up arrangements - secured	9,944,193	22,153,719

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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 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. 102 million (2023: Rs. 206 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

If interest rates on investments and late payments on trade debts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after tax would have been Rs. 251 million (2023: Rs. 502 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

(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 has short term investments in mutual fund that are carried at fair value through profit or loss ('FVPL'). Therefore, the Company is exposed to other price risk due to macroeconomic factors. As at June 30, 2024, if the market value of Company's investment in units held in mutual fund had been 1% higher / lower, with all other variables held constant, the impact would have been Rs. 379 million (2023: Nil).

(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:

	2024	2023
	(Rupees in thousand)	
Long term loans and deposits	7,752	9,351
Trade debts	10,866,072	26,611,385
Investments at fair value	47,425,903	50,101,538
Loans, advances, deposits, prepayments and other receivables		
Profit from investments	-	1,003,971
Claims recoverable from CPPA-G as pass through items:		
- Workers' Welfare Fund	-	79,942
- Workers' Profit Participation Fund	-	199,854
Security deposits	2,251	1,890
Other receivables	10,285	8,515
Balances with banks	2,784,196	1,919,598
	61,096,459	79,936,044

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 CPPA-G is mitigated by guarantee from the Government of Pakistan under the Facilitation Agreement. Age analysis of trade receivable balances is as follows:

	2024	2023
	(Rupees in thousand)	
Not yet due	3,192,275	4,652,662
Due upto 90 days	267,728	1,237,298
Due past 90 to 180 days	1,247,752	541,968
Due past 181 to 365 days	2,994,528	18,923,414
Due past 365 days	3,781,466	1,715,785
	11,483,749	27,071,127
Provision for doubtful debts	(617,677)	(459,742)
	10,866,072	26,611,385

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	2024	2023
	Short term	Long term		(Rupees in thousand)	
Trade Debts - secured					
CPPA-G	Not Available			10,866,072	26,611,385
Investments at fair value *					
National Bank of Pakistan	A1+	AAA	PACRA	-	50,101,538
-NBP Fixed Term Munafa Plan IX	AM1	Not available	PACRA	7,492,461	-
-ABL Fixed Rate Plan III	AM1	Not available	PACRA	6,419,935	-
-ABL Fixed Rate Plan IV	AM1	Not available	PACRA	2,115,007	-
-UBL Fixed Return Plan III (G)	AM1	Not available	VIS	5,351,800	-
-HBL Mehfooz Munafa Fund Plan I	AM1	Not available	VIS	5,367,407	-
-MCB Pakistan Fixed Return Plan XIX	AM1	Not available	PACRA	3,181,732	-
-MCB Alhamra Daily Dividend Fund	AA-(f)	Not available	PACRA	483	-
-Meezan Paidar Munafa Plan	AM1	Not available	VIS	8,643,997	-
-Alfalah Stable Return Plan 4	AM1	Not available	VIS	3,121,755	-
-Faysal Islamic Mehdoon Muddat Plan I	AM2++	Not available	VIS	3,131,454	-
-NBP Cash Plan II	AM1	Not available	PACRA	1,063,091	-
-NBP Money Market Fund	AA(f)	Not available	PACRA	505,458	-
-JS Fixed Term Munafa Plan 4	AM2+	Not available	PACRA	1,031,323	-
				47,425,903	50,101,538

*In case where, ratings for mutual funds were not available, asset manager ratings for the Asset Management Companies have been presented.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Cash and bank balances					
-National Bank of Pakistan	A1+	AAA	PACRA	27	26
-Habib Bank Limited	A1+	AAA	VIS	1,244,216	1,162,918
-MCB Bank Limited	A1+	AAA	PACRA	20	17
-Habib Metropolitan Bank Limited	A1+	AA+	PACRA	154	4,832
-Askari Bank Limited	A1+	AA+	PACRA	174	750,038
-Meezan Bank Limited	A1+	AAA	VIS	155	13
-Bank Al Habib	A1+	AAA	PACRA	2	7
-Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	624	1,484
-Faysal Islamic Bank	A1+	AA	PACRA	2	-
-Bank Alfalah Limited	A1+	AAA	PACRA	2,396	-
-United Bank Limited	A-1+	AAA	VIS	1,536,426	230
-BankIslami Pakistan Limited	A1	AA-	PACRA	-	33
				2,784,196	1,919,598

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

(c) Liquidity risk

Liquidity risk is the risk that 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, 2024, the Company had borrowing limits available from financial institutions at Rs. 13,993 million (2023: Rs. 38,670 million) out of this the total unavailed amount is Rs. 4,049 million (2023: Rs. 16,516 million) and Rs. 2,784 million (2023: Rs. 1,920 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, 2024:

	Carrying amount	Less than one year	One to five years	More than five years
Finances under mark-up arrangements - secured	9,944,193	9,944,193	-	-
Trade and other payables	6,948,368	6,948,368	-	-
Unclaimed dividend	1,160,934	1,160,934	-	-
	18,053,495	18,053,495	-	-

The following are the contractual maturities of financial liabilities as at June 30, 2023:

	Carrying amount	Less than one year (Rupees in thousand)	One to five years	More than five years
Finances under mark-up arrangements - secured	22,153,719	22,153,719	-	-
Trade and other payables	9,757,395	9,757,395	-	-
Unclaimed dividend	1,056,126	1,056,126	-	-
	32,967,240	32,967,240	-	-

37.2 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).

The following is categorization of assets which are disclosed at fair value as at June 30, 2024:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets:				
Investments at fair value	47,425,903	-	-	47,425,903

The following is categorization of assets which are disclosed at fair value as at June 30, 2023:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets:				
Investments at fair value	50,101,538	-	-	50,101,538

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousand)	
37.3		
Financial instruments by categories		
Financial instruments at amortized cost include:		
Financial assets as per statement of financial position		
Long term loans and deposits	7,752	9,351
Trade debts - secured	10,866,072	26,611,385
Loans, advances, deposits, prepayments and other receivables		
- Workers' Welfare Fund receivable from CPPA-G	-	79,942
- Workers' Profit Participation Fund receivable from CPPA-G	-	199,854
- Security deposits	2,251	1,890
- Other receivables	10,285	8,515
Cash and bank balances	2,784,196	1,919,598
	13,670,556	28,830,535
Financial liabilities as per statement of financial position		
Finances under mark-up arrangements - secured	9,944,193	22,153,719
Trade and other payables	6,948,368	9,757,395
Unclaimed dividend	1,160,934	1,056,126
	18,053,495	32,967,240

37.3.1 Financial assets at fair value have been shown under note 37.2.

37.4 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 balance sheet plus long term debt. The gearing ratios as at year ended June 30, 2024 and June 30, 2023 are as follows:

	2024	2023
	(Rupees in thousand)	
Total equity	61,961,431	66,083,727
Total debt	-	-
Total capital	61,961,431	66,083,727
	Percentage	
Gearing ratio	0%	0%

	2024	2023
38		
Number of employees		
Total number of employees at the end of the year are as follows:		
Regular	194	407
Contractual	5	42
	199	449
Average number of employees during the year are as follows:		
Regular	299	429
Contractual	21	57
	320	486

39 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of better presentation. During the year, following major reclassifications were made:

Reclassification from component	Note	Reclassification to component	2023 (Rupees in thousand)
Cost of sales - Fuel cost	21	Cost of sales - Electricity import for self consumption	189,382
Cost of sales - Fuel cost	21	Cost of sales - Plant maintenance	29,897
Cost of sales - Fuel cost	21	Cost of sales - Salaries, wages and benefits	11,661
Cost of sales - Fuel cost	21	Plant maintenance and preservation costs - Electricity import for self consumption	264,041
Cost of sales - Fuel cost	21	Plant maintenance and preservation costs - Plant maintenance	6,454
Cost of sales - Fuel cost	21	Plant maintenance and preservation costs - Salaries, wages and benefits	22,793
Other income - Electricity Income	25	Cost of sales - Electricity import for self consumption	8,702
Other income - Electricity Income	25	Plant maintenance and preservation costs - Electricity import for self consumption	5,585
Finance Cost - lease liabilities	26	Finance Cost - car ijara	15,989
Cost of Sales - Salaries, wages and benefits	21	Plant maintenance and preservation costs - Salaries, wages and benefits	1,328,844
Cost of Sales - Plant maintenance	21	Plant maintenance and preservation costs - Plant maintenance	150,347
Cost of Sales - Gas turbines overhauls	21	Plant maintenance and preservation costs - Gas turbines overhauls	151,076
Cost of Sales - Repair and renewals	21	Plant maintenance and preservation costs - Repair and renewals	60,618
Cost of Sales - Plant insurance	21	Plant maintenance and preservation costs - Plant insurance	628,665
Cost of Sales - Depreciation on property, plant and equipment	21	Plant maintenance and preservation costs - Depreciation on property, plant and equipment	9,549

PROXY FORM

28th Annual General Meeting

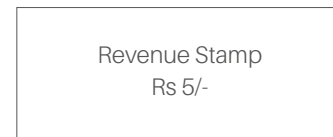
I/We _____ of _____
being a Member of Kot Addu Power Company Limited (the "Company") holding _____ shares hereby
appoint _____ of _____ and in case of his / her absence _____
of _____ who is also a Member of the Company, as my/our proxy to vote for me/us, and on my/our behalf at
the 28th Annual General Meeting of the Company to be held on Thursday, October 24, 2024 at 10:30 am at Islamabad
Serena Hotel and any adjournment thereof.

Signed this _____ day of _____ 2024

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

Witnesses:

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



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, Plot No. 32-C, Jami Commercial Street 2, Phase-VII, DHA, 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
Plot No. 32-C, Jami Commercial
Street 2, Phase-VII, DHA
Karachi 75500, Pakistan
Tel: +92 (0)21 111 000 322
Fax: +92 (0)21 35310190

میں / ہم: _____ ساکن _____
کوٹ ادو پاور کمپنی لمیٹڈ (فولیو نمبر / سی ڈی سی / اکاؤنٹ نمبر / شیئرز کا 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 28 ویں سالانہ
اجلاس عام منعقدہ 24 اکتوبر 2024ء بروز جمعرات دن 10:30 بجے بمقام اسلام آباد سیرینا ہوٹل والی میٹنگ میں شرکت کرے گا اور میری / ہماری جگہ ووٹ استعمال کرے گا۔

ریونیو
مہر

میں بطور گواہ اس _____ دن _____ 2024

دستخط کمپنی کے پاس موجود نمونہ
_____ کے دستخط کے مطابق ہونا چاہئے

دستخط منظور کنندہ:

گواہان:

1- دستخط _____
2- دستخط _____
نام _____ نام _____
پتہ _____ 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، پلاٹ نمبر C32 جامی کمرشل سٹریٹ 2، فیز 7، ڈی ایچ اے، 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 کراتا 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 شیئرز ہولڈرز اور ان کے نمائندگان سے التماس ہے کہ وہ اپنے کمپیوٹر انزڈ 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۔