



Annual Report **2024**

Financials at a Glance

	2024	2023
	Rs. Million	
Turnover	9,671	19,044
Gross profit	2,921	2,798
Financial cost - net	1,269	2,279
Net Profit	133	336
Shareholders Equity	11,231	12,166
	Rs.	
Dividend per share	1.25	4.29

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Basic Corporate Profile

Board of Directors

Mr. Javed Saifullah Khan	Chairman
Mr. Osman Saifullah Khan	Director
Mr. Humayun Saifullah Khan	Director
Mr. Assad Saifullah Khan	Director
Mr. Asif Saifullah Khan	Director
Miss. Saima Akbar Khattak	Independent Director
Mr. Rashid Ibrahim	Independent Director

Audit Committee

Mr. Rashid Ibrahim	Chairman
Mr. Osman Saifullah Khan	Member
Mr. Asif Saifullah Khan	Member

Human Resource and Remuneration Committee

Miss. Saima Akbar Khattak	Chairperson
Mr. Humayun Saifullah Khan	Member
Mr. Assad Saifullah Khan	Member

Management

Mr. Sohail H. Hydari
Chief Executive Officer

Mr. Muhammad Shakeel
Chief Financial Officer

Mr. Ghias Ul Hassan
GM Power Plant

Mr. Waseemullah
Company Secretary

Mr. Muhammad Awais Bakhtiyar
Head of Internal Audit

Auditors

Grant Thornton Anjum Rahman
302 B, 3rd Floor, Evacuee Trust Complex,
Aga Khan Road, F-5/1, Islamabad, Pakistan.
Tel: +92 51 2271906, Fax: +92 51 2273874

Legal Advisors

Mr. Muhammad Naeem Amer (MNA) Rehan
Advocate High Court

Registered/ Head Office

1st Floor, Kashmir Commercial Complex,
Fazal-ul-Haq Road Block E, Blue Area,
Islamabad, Pakistan.
Tel: +92-51-2271378-83
Fax: +92-51-2277670
Email: info.spl@saifgroup.com

Plant Location

Chak 56/5L, Qadarabad,
Multan Road, District Sahiwal,
Punjab, Pakistan.

Website

<http://www.saifpower.com>

Share Registrar

THK Associates (Private) Ltd.
Plot No. 32-C, Jami Commercial
Street 2, DHA Phase VII, Karachi.
Tel: +92-21- 111 000 322,
Email: sfc@thk.com.pk

Banks & Financial Institutions

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
First Habib Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Bank Makramah Limited (formaly Summit Bank)
The Bank of Punjab
United Bank Limited

Vision

Let us light homes whatever it takes
And let us be an efficient, flexible but also a humble resource
within the power generation industry

Mission

Be looked up as an honest and reliable supplier
Strive to perform at our best under a professional, effective,
transparent and cordial corporate culture
Add value to stakeholders' interests

Sharing & Team Work

Core Values

It is our objective to ensure that we:

Ethics

- ☞ Adhere to high ethical standards and transparency in the conduct of our business
- ☞ Take ownership of our actions
- ☞ Give top most priority to Company's image and integrity as a legal entity
- ☞ Do not allow our directors or employees to be placed in a situation of conflict of interest

People

- ☞ Encourage and promote open communication and free enterprise
- ☞ Give attention to the health, safety and well being of our employees and provide a safe and secure environment
- ☞ Inculcate team work and sharing

Quality, Compliance and Business Excellence

- ☞ Strive to bring excellence within our performances and scope of work while observing all applicable laws
- ☞ Never trespass or deviate from our approved operational and financial systems
- ☞ Concentrate fully on maximizing shareholders' returns through good governance and through proper application of all management functions

Corporate Social Responsibility (CSR)

CSR is a relationship with all of our stakeholders.

Our Employment Practices ensure competitive salaries and wages along with benefits including healthcare. All of our employees are entitled to OPD and hospital beds at Kulsum International Hospital (run by Saif Group) at nominal rates.

Along with General Electric, USA who are our O&M Contractors, the company provides highest standards of occupational health and safety all around our plant premises.

We are committed to the community around us and, therefore, we comply with all applicable regulations in this area. Every year, young boys with relevant qualifications from our neighbourhood community get internships which serve as a platform for them considering the fact they are able to work along GE experienced personnel and, under the guidance of our own senior management.

Besides the above, the owner/directors provide substantial services in their own local areas as follows:

Saifullah Foundation for Sustainable Development (SFSD) was established as an independent non-political, non-profit NGO registered under Khyber Pakhtunkhwa Social Welfare Agencies (Registration and Control Ordinance, 1961). Begum Kulsum Saifullah Khan (Hilal-e-Imtiaz), the founding Chairperson, was the inspiration behind its establishment. SFSD manages;

- Saifullah Khan Trust
- Akbar Kare Institute

SAIFULLAH KHAN TRUST (SKT)

SKT focuses on promotion of skill based education and, financial help to bright students in the shape of stipends. Around 300 students receive stipends each year. FM – 88 radio station was set up in 2004 in Lakki District for awareness oriented program and for entertainment. Both of these objectives are being achieved and FM 88 has gained huge popularity. Clean water facility has been provided to the village of Lawang Khel with a population of 2000 people. Earlier these villagers did not have access to clean drinking water despite an existing water supply scheme which had not functioned for 10 years.

AKBAR KARE INSTITUTE (AKI)

AKI is a therapy centre for all children of Khyber Pakhtunkhwa (K.P.K), Pakistan who have Motor Developmental Delay primarily due to Cerebral Palsy. Cerebral palsy is a disorder of movement, muscle tone or posture that is caused by injury or abnormal development in the immature brain, most often before birth.

As often happens with innovative new projects in the developing world, AKI was inspired by the personal experiences of one woman and her family. Costs and expenses have been met by the founding family through their organization, the Saifullah Foundation for Sustainable Development (SFSD). All services, aids, and referrals are free and no expense is passed onto the client families.

Operational Analysis

Comparison of Plant Operation For Year 2024 & 2023

Parameters	Units	2024	2023
Plant Operation Hours on Gas Fuel	Hrs.	1,165	3,653
Plant Operation Hours on HSD Fuel	Hrs.	-	-
Utilization Factor	%	9	29
Load Factor	%	9	29
Complex Reliability Factor	%	100	100
Complex Start up Reliability Factor	%	100	98
Generation on HSD	MWH	-	-
Generation on Gas	MWH	147,542	440,208
Net Generation	MWH	147,542	440,208
Period Hours	Hrs.	8,784	8,760
Service Hours	Hrs.	1,165	3,653
Standby Hours	Hrs.	7,139	3,763
Available Hours	Hrs.	8,304	7,416
Planned Outage Hours	Hrs.	480	1,344
Unplanned Outage Hours	Hrs.	26	2
Total Outage Hours	Hrs.	506	1,346
Availability Factor	%	94	85

Chairman's Review Report

Dear Shareholders

I am pleased to present the Annual Report of your Company for the financial year ended December 31, 2024.

Net Profit of your Company for the year ended December 31, 2024 stands at Rs. 133.34 million. During the year, under the amendment agreement, the Energy Task Force (constituted by the Prime Minister of Pakistan) arranged that the late payment interest amounting to Rs. 1,360.17 million be waived. The Company agreed to waive one time late payment interest verified till October 31, 2024 and the same has been charged to profit and loss account for the year. Details of financial, operational performance and other information have been described in detail in Directors' Report to the shareholders.

The Board has put in place mechanism for annual evaluation of the performance of the Board of Directors. Accordingly, the Board has completed its annual self-evaluation for the year 2024 and I am pleased to report that the overall performance has remained satisfactory. The Board and its committees consist of members possessing extensive experience and diverse knowledge. This composition fosters an efficient decision-making process, ensures the establishment of appropriate policies that elevate professional standards and corporate values, and aids in shaping the Company's vision

The Board reviews the quality and appropriateness of financial statements of the Company; reporting and transparency of disclosures; Company's accounting policies; corporate objective plans and, other reports.

On behalf of the Board, I would like to place on record appreciation for the continued support of lender banks, suppliers, contractors, regulatory authorities, various government functionaries and acknowledge with thanks the contributions made by the management and employees. At the same time, I would also like to acknowledge the trust shown by our shareholders in the Company.

April 04, 2025
Islamabad



Javed Saifullah Khan
Chairman

چیئرمین کی جائزہ رپورٹ

محترم شیئر ہولڈرز،

مجھے آپ کی کمپنی کی 31 دسمبر 2024 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کا خالص منافع 133.34 ملین روپے ہے۔ سال کے دوران، ترمیمی معاہدے کے تحت، انرجی ٹاسک فورس (وزیراعظم پاکستان کی طرف سے تشکیل دی گئی) نے اس بات کا اہتمام کیا کہ دیر سے ادائیگی سود کی رقم 1,360.17 ملین روپے معاف کیے جائیں۔ کمپنی نے 31 اکتوبر 2024 تک تصدیق شدہ ایک بار تاخیر سے ادائیگی کے سود کو معاف کرنے پر اتفاق کیا اور اسی سال کے لیے منافع اور نقصان کے اکاؤنٹ میں چارج کیا گیا ہے۔ مالی، آپریشنل کارکردگی اور دیگر معلومات کی تفصیلات شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ میں تفصیل سے بیان کی گئی ہیں۔

بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کا سالانہ جائزہ لینے کے لیے ایک طریقہ کار وضع کیا ہے۔ اسی مناسبت سے، بورڈ نے سال 2024 کے لیے اپنی سالانہ خود تشخیص مکمل کر لی ہے اور مجھے یہ بتانے ہوئے خوشی ہو رہی ہے کہ مجموعی کارکردگی تسلی بخش رہی ہے۔ بورڈ اور اس کی کمیٹیاں وسیع تجربے اور متنوع علم کے حامل اراکین پر مشتمل ہیں۔ یہ ترکیب ایک موثر فیصلہ سازی کے عمل کو فروغ دیتی ہے، مناسب پالیسیوں کے قیام کو یقینی بناتی ہے جو پیشہ ورانہ معیارات اور کارپوریٹ اقدار کو بلند کرتی ہیں، اور کمپنی کے وژن کو تشکیل دینے میں معاون ہوتی ہیں۔

بورڈ کمپنی کے مالی بیانات کے معیار اور مناسبت کا جائزہ لیتا ہے۔ رپورٹنگ اور انکشافات کی شفافیت؛ کمپنی کی اکاؤنٹنگ پالیسیاں؛ کارپوریٹ مقصدی منصوبے اور دیگر رپورٹس۔

بورڈ کی جانب سے، میں قرض دینے والے بینکوں، سپلائرز، ٹھیکیداروں، ریگولیٹری اتھارٹیز، مختلف سرکاری اہلکاروں کی مسلسل حمایت کے لیے ریکارڈ پر تعریف کرنا چاہتا ہوں اور انتظامیہ اور ملازمین کی جانب سے کیے گئے تعاون کا شکریہ کے ساتھ اعتراف کرنا چاہتا ہوں۔ اس کے ساتھ ساتھ، میں کمپنی میں ہمارے شیئر ہولڈرز کی طرف سے دکھائے گئے اعتماد کو بھی تسلیم کرتا ہوں۔



جاوید سیف اللہ خان

چیئرمین

04 اپریل 2025 ء

اسلام آباد:

REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

The Board of Directors is pleased to present the Annual Report of Saif Power Limited (the “Company”) along with its audited Financial Statements for the year ended December 31, 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is to own, operate & maintain a combined cycle power plant and undertake the business of power generation and sale of electricity to Central Power Purchasing Agency Guarantee Limited (CPPA-G). The Company is listed on Pakistan Stock Exchange Limited.

OPERATIONS AND FINANCIAL PERFORMANCE

The Company continues to follow best practices to ensure highest Reliability, Availability and best Operational Performance. During the year, reliability factor was 99.69% as compared to 99.98% in 2023 and availability factor was 94.24% as compared to 84.64% in 2023 (due to schedule, major maintenance of steam turbine in 2023). Despatch level was 8.23% as compared to 24.61% last year.

During the year, the Board of Directors of the Company approved the execution of the Amendment Agreement with the Government of Pakistan (‘GoP’), Central Power Purchasing Agency (Guarantee) Limited (‘CPPA-G’) and the Energy Task Force (constituted by the Prime Minister of Pakistan) resulting in conversion of existing tariff to ‘Hybrid Take and Pay’ model, with effect from November 01, 2024 subject to fulfilment of certain terms and conditions and approvals specified in the amended agreement from Competent and Regulatory Authorities. Subsequent to the year end, the Amendment Agreement has been formally executed, and the Company has duly received payment against outstanding receivables as of October 31, 2024 amounting to Rs. 5,207 million.

Under the amendment agreement, the Energy Task Force (constituted by the Prime Minister of Pakistan) arranged that late payment interest amounting to Rs. 1,360 million be waived. The Company agreed to waive off one-time late payment interest verified till October 31, 2024 and the same has been charged to profit and loss account for the year. GoP in return has agreed to facilitate waiver of late payment interest claims of Sui Northern Gas Pipelines Limited (SNGPL) and in the event of failure, CPPA-G shall pay to the Company. Resultantly, the Company earned a net profit of Rs. 133 million, resulting in earnings per share (EPS) of Rs. 0.35 as compared to Rs. 336 million and EPS Rs. 0.87 in 2023. If this late payment interest had not been waived profit for the year would have increased by Rs. 1,360 million resulting in net profit for the year amounting to Rs. 1,494 million. The revenue of the Company has decreased due to lower generation demand from Power Purchaser as compared to last year, correspondingly decreasing the cost of raw materials.

REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

During the year, Rs. 86 million has been transferred from unappropriated profit to maintenance reserves through statement of changes in equity for next overhaul accumulating the maintenance reserve to Rs. 299 million at the year end.

Key Financial and Operating Data of last five years is as follows:

FOR THE YEAR ENDING DECEMBER	2024	2023	2022	2021	2020
	-----Rupees in million-----				
Turnover	9,671	19,044	22,870	16,394	8,925
Waiver of delay payment under the amendment agreement with GoP	1,360	-	-	-	-
Allowance for expected credit loss on financial assets	252	-	-	-	-
Net Profit	133	336	1,951	1,959	2,372 *
Property, Plant and Equipment	10,213	10,863	11,302	11,711	12,232
Investment in subsidiary	-	-	-	789	785
Net worth	11,231	12,166	13,867	16,552	15,932
Long term loan to associated Company	1,000	492	-	-	-
Running finance facility to associated Company	1,462	-	-	-	-
Short term borrowing	7,532	11,669	15,527	7,668	6,974
Earnings per share – (in rupees)	0.35	0.87	5.05	5.07	6.14
Dispatch level- (percentages)	8.23%	24.61%	34.53%	41.90%	25.80%
Capacity Made Available-GWHs	1,786	1,789	1,786	1,785	1,786

* The long term loan was paid off entirely in March 2020

PENDING ISSUES

(a) In the case against M/s Sui Northern Gas Pipelines Limited (SNGPL), after the arbitration award in Company's favour for an amount of Rs. 270.66 million (disputed amount of Rs. 239.68 million & related costs of Rs. 30.98 million), the Company filed a petition in the Civil Court Lahore to obtain the enforcement Decree in lieu of the Arbitration award. The Company has already adjusted the awarded amount as above against payables to SNGPL.

SNGPL enforced another arbitration saying that the Company could not adjust without a decree from the court. The arbitration tribunal has agreed with SNGPL in its decision dated April 22, 2022. SNGPL has filed a petition in the Lahore High Court. During the year 2023, Civil Court Lahore issued decree in favour of the Company. The Honourable Court, whilst making the Award a rule of Court, modified the Award to the extent that the interest awarded by the Arbitrator would not run from August 18,

2014 and the date of Award, respectively, but from the date of Honourable Court's Order date. This modification was upheld by Lahore High Court. This modification of interest date in Award made is against the arbitration rules. The Company has challenged this modification in Supreme Court of Pakistan which is pending adjudication. Company is confident that ultimately the money will be retained by the Company.

(b) Details of other tax related contingencies are disclosed in note 11.1 of these annual financial statements.

CREDIT RATING

PACRA's rating for the Company is 'AA-' in the long term and 'A1' in the short term while the 'Outlook' has been determined as 'Stable', which denotes a low expectation of credit risk and indicate adequate capacity for timely payment of financial obligations. There has been no change from last year.

CORPORATE SOCIAL RESPONSIBILITY, SAFETY, HEALTH AND QUALITY

Your Company works with all stakeholders to ensure that it complies with all applicable regulations; contributes to community development; provides the highest standards of safety, health and environment; offers competitive wages and benefits to its employees. The parent Company provides necessary support in this regard with a centralized process.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

Your Company maintains a tight control on all type of emissions from the Plant and ensures that under no circumstances any value of the emission exceeds beyond the limits provided in the Environmental Protection Agency (EPA) guidelines.

PRINCIPAL RISKS & UNCERTAINTIES

The Company has ensured that appropriate controls exist to cater for any unforeseen risks & uncertainties. Most of the financial risks are covered through tariffs. However, liquidity risk remains as one of the uncertainties for reliable operations of the Company. This risk, as highlighted above, has been mitigated by arranging adequate credit lines from banks. Financial risk management is also disclosed in notes to the financial statements. Operational risks have been mitigated primarily through outsourcing plant operations to M/s GE Vernova International LLC (formely General Electric Inc.) (who are both the original supplier and the O&M contractor) and through a comprehensive and effective insurance policy.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company complies with the highest standards of Corporate Governance and, internal controls are sound in design and have been effectively implemented and monitored.

INTERNAL AUDIT AND CONTROL

The independent internal audit function headed by a qualified person reporting to the Audit Committee is in operation. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of internal control system, safeguarding of assets, accuracy and completeness of accounting records and ensuring compliance with all applicable laws and regulations with regards to financial reporting framework.

REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

DIVIDEND

The Board has recommended a final dividend of Nil (Rs. Nil per share) for the year ended December 31, 2024. Total dividend for the year is 12.5% (Rs. 1.25 per share) as compared to 42.9% (Rs. 4.29 per share) for previous year. The dividend was paid from the amount of capacity payments received from CPPA / GOP.

LOAN TO SAIF TEXTILE MILLS LIMITED, an associated Company

- a) The Company has provided an unsecured long term loan maximum up to Rs. 1 billion, in one or more tranches, either directly or through Corporate Guarantee through any interested lender, after recommendation from Board of Directors and shareholders. The loan is approved for a period of 9 (nine) years including 2 (two) years grace period. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher, payable in quarterly instalments. Principal shall be repaid after end of grace period in equal quarterly instalments spread over the remaining loan period starting from September 2025.
- b) During the year, Board of Directors in their meeting held on March 21, 2024, have recommended to the shareholders for their approval to provide unsecured running finance facility maximum up to Rs. 1.5 billion which was duly approved by shareholders in their meeting held on April 15, 2024. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher, payable in quarterly instalments. The running finance facility is renewable every year by mutual consent and approval of the shareholders.

In accordance with IFRS 09, the Company has recognized the necessity to provide an allowance for expected credit losses on financial assets. This provision reflects our commitment to prudent financial management and adherence to international accounting standards. Consequently, we have made a provision for the expected credit losses on the loan extended to Saif Textile Mills Limited as of the year-end. This measure ensures that our financial statements accurately represent the potential risks associated with our financial assets, thereby maintaining the integrity and reliability of our financial reporting.

INVESTMENT IN SAIF CEMENT LIMITYED ('SCL') – subsidiary company

The Board of Directors of the Company recommended the voluntary winding up of SCL and liquidator was appointed under section 353 of the Companies Act 2017.

At the end of the year, SCL distributed surplus funds and its equity among all shareholders in proportion to their respective shareholding during its winding up. Net assets of SCL amounts to Rs. 7.9 million pertaining to tax matter that is pending adjudication in Peshawar High Court which is retained by SCL and its distribution is contingent upon favourable decision in favour of the Company.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Board of Directors

The activities of the Board are based on the requirements and duties laid down under relevant laws and Memorandum and Articles of Association of the Company. This compliance assists the Board in safeguarding the interests of all the stakeholders. The Board of Directors provides oversight in the governance, management and control of the Company and help in setting the goals, objectives and

strategies of the Company and to formulating the policies and guidelines towards achieving such goals and objectives.

The total number of directors are seven as per the following:

A	Male:	5
B	Female:	2

The composition of board is as follows:

A	Independent Director	2
B	Other Non-executive Director	5

The Chairperson of the Board is a non-executive director. The positions of Chairperson and CEO are held by separate individuals with clearly defined roles and responsibilities. As required by Companies Act, 2017 and listed companies code of corporate governance, all directors are provided with sufficient information of their duties and responsibilities under respective laws and the Company's Memorandum and Articles of Association.

- The financial statements of the Company, prepared by the management of the Company, present its state of affairs fairly, including the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS) and Islamic Financial Accounting Standards (IFAS), as applicable in Pakistan, and subject to waivers from the competent authority, have been followed in preparation of financial statements and, any departures therefrom (if any) have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon Company's ability to continue as a going concern;
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses;
- There has been no trading of shares by CEO, CFO, Company Secretary and their spouses. Shareholding of directors is annexed to this report; and
- Information about outstanding taxes and levies is given in the notes to the financial statements.

REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

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

Name of Directors	Status	Meetings attended
Mr. Javed Saifullah Khan - Chairman	Elected	05/05
Mrs. Hoor Yousafzai *	Elected	03/05
Mr. Osman Saifullah Khan	Elected	04/05
Mr. Assad Saifullah Khan	Elected	05/05
Mr. Asif Saifullah Khan	Appointed	05/05
Mr. Rashid Ibrahim	Elected	05/05
Miss. Saima Akbar Khattak	Elected	05/05
Mr. Rana Muhammad Shafi	Resigned	-

**Subsequent to the year end, Mr. Humayun Saifullah Khan has been appointed as director in place of Mrs. Hoor Yousafzai who has resigned from the Board and its Committee.*

Leave of absence was granted to Director(s) who could not attend any meeting. The current term of the directors shall stand completed in October 2026 when fresh elections will be held for appointment of directors through general meeting of the shareholders.

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

Name of Directors	Status	Meetings attended
Mr. Rashid Ibrahim	Chairman	04/04
Mr. Osman Saifullah Khan	Member	02/04
Mr. Asif Saifullah Khan	Member	04/04

During the year, one HR and Remuneration Committee was held, attendance position was as under:-

Name of Directors	Status	Meetings attended
Miss. Saima Akbar Khattak	Chairperson	01/01
Mrs. Hoor Yousafzai	Member	01/01
Mr. Assad Saifullah Khan	Member	01/01

DIRECTORS' TRAINING

The Company is compliant with the requirement of director training program provided in these Regulations. The Company encourages directors training program even though meeting the exemption criteria, knowledge and experience.

EVALUATION OF THE BOARD'S PERFORMANCE

The Company's Board of Directors undergoes a self-evaluation exercise against a set of parameters. This evaluation is performed primarily to assist the Board in evaluating its quality of governance as it enables the Board members to perform their roles and responsibilities more effectively towards progress of your Company.

The result of the Board's self-assessment of its overall performance was satisfactory against the set criteria.

DIRECTORS' REMUNERATION

Non-Executive directors and independent directors are entitled for fixed fee for attending the meeting of the Board and its committee, as determined by the Board from time to time. All directors of the Company are non-Executive directors.

Remuneration paid to Directors and Chief Executive has been disclosed in note no. 32 of the Financial Statements.

CHAIRMAN'S REVIEW

The accompanied Chairman's review deals with overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's objectives. The directors endorse the contents of the Chairman's Review.

RELATED PARTY TRANSACTIONS

Transaction undertaken with related parties are carried out on arm's length basis during the year and have been ratified / recommended by the Audit Committee and approved by the Board.

PATTERN OF SHAREHOLDING

The statement of pattern of shareholding as on December 31, 2024 is enclosed with the report.

SUSTAINABILITY AND DE&I MEASURES

The Board is committed to addressing sustainability risks, including Environmental, Social, and Governance (ESG) factors, in line with SECP guidelines. We promote Diversity, Equity, and Inclusion (DE&I) and continue to enhance gender equality across the organization.

AUDITORS

The Company wishes to place on record its appreciation for the services rendered by the Company's retiring auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants, who have completed the audit of financial statements of the Company for the year ended December 31, 2024.

The Board of Directors, as desired by the shareholders and recommended by the Audit Committee, has proposed the appointment of M/s KPMG Taseer Hadi & Co., Chartered Accountants as external auditors of the Company for the year ending December 31, 2025.

ACKNOWLEDGEMENT

The Directors of your company would like to show their appreciation to its customer, suppliers, financial institutions and to all other stakeholders for their cooperation and support during the year.

The Directors of your Company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company and hope that they will continue to do so in the future.

The Board would like to record its appreciation for the invaluable contributions rendered by the outgoing director.

For and on behalf of the Board



Sohail H. Hydari
Chief Executive Officer



Asif Saifullah Khan
Director

Islamabad: April 04, 2025

پائیداری اور ڈی اینڈ آئی کے اقدامات

بورڈ SECP کے رہنما خطوط کے مطابق ماحولیاتی، سماجی، اور گورننس کے (ESG) عوامل سمیت پائیداری کے خطرات سے نمٹنے کے لیے پرعزم ہے۔ ہم تنوع، مساوات، اور شمولیت (DE&I) کو فروغ دیتے ہیں اور پوری تنظیم میں صنفی مساوات کو بڑھانا جاری رکھتے ہیں۔

آڈیٹرز:

کمپنی کے ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، جنہوں نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ مکمل کر لیا ہے، کی خدمات کے لیے اپنی تعریف کو ریکارڈ پر رکھنا چاہتی ہے۔ حصص یافتگان کی خواہش کے مطابق اور آڈٹ کمیٹی کی سفارش کے مطابق بورڈ آف ڈائریکٹرز نے KPMG ٹائپر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر تقرری کی تجویز پیش کی ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز اپنے کسٹمر، سپلائرز، مالیاتی اداروں، ریگولیٹرز اور دیگر تمام اسٹیک ہولڈرز کے لیے تعریفی کلمات کہنا چاہتے ہیں جنہوں نے اس سال اپنا تعاون اور حمایت پیش کی۔

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے ملازمین کی طرف سے مسلسل پیش کی گئی خدمات، وفاداری اور کوششوں کے لیے گہری تعریف کا اظہار کرنا چاہتے ہیں اور امید کرتے ہیں کہ وہ مستقبل میں بھی ایسا ہی کریں گے۔

بورڈ سبکدوش ہونے والے ڈائریکٹر کی طرف سے دی گئی انمول شراکت کے لیے اپنی تعریف ریکارڈ کرنا چاہے گا۔

بورڈ آف ڈائریکٹرز کی جگہ اور بورڈ کی نیابت سے:

آصف سیف اللہ خان
ڈائریکٹر

سہیل ایچ. حیدری
چیف ایگزیکٹو آفیسر

اسلام آباد: 04 اپریل 2025

ڈائریکٹرز کی ٹریننگ:

کمپنی ان ضوابط میں فراہم کردہ ڈائریکٹر ٹریننگ پروگرام کی ضرورت کے مطابق ہے۔ کمپنی مستثنیٰ کے معیار، علم اور تجربے پر پورا اترنے کے باوجود ڈائریکٹرز کے تربیتی پروگرام کی حوصلہ افزائی کرتی ہے۔

بورڈ کی کارکردگی کا خلاصہ:

کمپنی کا بورڈ آف ڈائریکٹر بنیادی اصولوں کے مطابق خود تشخیصی مشق سے گزرتا ہے۔ یہ تشخیص بنیادی طور پر بورڈ کو اس کے حکمرانی کے معیار کا جائزہ لینے میں مدد کرنے کے لیے کیا جاتا ہے کیونکہ یہ بورڈ کے اراکین کو آپ کی کمپنی کی ترقی کے لیے اپنے کردار اور ذمہ داریوں کو زیادہ مؤثر طریقے سے انجام دینے کے قابل بناتا ہے۔

بورڈ کی اپنی مجموعی کارکردگی کے خود جائزہ کا نتیجہ مقررہ معیار کے خلاف تسلی بخش تھا۔

ڈائریکٹرز کے لیے معاوضہ:

نان ایگزیکٹو ڈائریکٹرز اور انڈیپنڈنٹ ڈائریکٹر بورڈ اور اس کی کمیٹی کے اجلاس میں شرکت کے لیے مقررہ فیس کے حقدار ہیں، جیسا کہ بورڈ وقتاً فوقتاً طے کرتا ہے۔ کمپنی کے تمام ڈائریکٹرز نان ایگزیکٹو ڈائریکٹرز ہیں۔

ڈائریکٹرز اور چیف ایگزیکٹو کو ادا کیے گئے معاوضے کا انکشاف مالیاتی بیانات کے نوٹ نمبر 31 میں کیا گیا ہے۔

چیئرمین کا جائزہ

ہمراہ چیئرمین کا جائزہ بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے ذریعے ادا کیے گئے کردار کی تاثیر سے متعلق ہے۔ ڈائریکٹرز چیئرمین کے جائزے کے مندرجات کی توثیق کرتے ہیں۔

متعلقہ پارٹی (RELATED PARTY) کالین دین

سال کے دوران متعلقہ فریقوں کے ساتھ ہونے والا لین دین بنا کسی تعلق داری کے کیا جاتا ہے اور آڈٹ کمیٹی کے ذریعے اس کی توثیق/سفرارش کردی جاتی ہے اور بورڈ کے ذریعے اس کی منظوری دی جاتی ہے۔

شیئر ہولڈنگ پیٹرن:

31 دسمبر 2024 تک شیئر ہولڈنگ کے پیٹرن کا بیان رپورٹ کے ساتھ منسلک ہے۔

- اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے، اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی اچھے سے نگرانی کی گئی ہے۔
- حالیہ تشویش (going concern) کے طور پر جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز، کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر واقف ہیں۔ ڈائریکٹرز کو واقفیتی کورسز کے ذریعے ان کے فرائض اور ذمہ داریوں کے بارے میں آگاہ کیا گیا تھا۔
- سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کی شریک حیات کی طرف سے حصص کی کوئی تجارت نہیں ہوئی ہے۔ ڈائریکٹرز کی شیئر ہولڈنگ اس رپورٹ کے ساتھ منسلک ہے۔
- مالی بیانات کو دی گئی ہدایات میں بقایا ٹیکسوں اور محصولات کے بارے میں معلومات دی گئی ہیں۔

اس سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ حاضری کی صورتِ حال درج ذیل رہی:

ڈائریکٹر کا نام	سٹیٹس	شرکت کردہ اجلاس کی تعداد
محترم جاوید سیف اللہ خان- چیئرمین	منتخب	05/05
محترمہ حور یوسف زئی*	منتخب	03/05
محترم عثمان سیف اللہ خان	منتخب	04/05
محترم اسد سیف اللہ خان	منتخب	05/05
محترم آصف سیف اللہ خان	مقرر	05/05
محترمہ صائمہ اکبر خٹک	منتخب	05/05
محترم راشد ابراہیم	منتخب	05/05
رانا محمد شفیع	مستعفی	-

*اس کے بعد سال کے آخر میں، محترم ہمایوں سیف اللہ خان کو محترمہ حور یوسف زئی کی جگہ ڈائریکٹر مقرر کیا گیا ہے جنہوں نے بورڈ اور اس کی کمیٹی سے استعفیٰ دے دیا ہے۔

غیر حاضری کی چھٹی ان ڈائریکٹر (ز) کو دی گئی جو کسی میٹنگ میں شرکت نہیں کر سکے۔ ڈائریکٹرز کی موجودہ مدت اکتوبر 2026 میں مکمل ہو جائے گی جب ہمس کنندگان کی جنرل میٹنگ کے ذریعے ڈائریکٹرز کی تقرری کے لیے نئے انتخابات کرائے جائیں گے۔

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل رہی۔

ڈائریکٹر کا نام	سٹیٹس	شرکت کردہ اجلاس کی تعداد
محترم راشد ابراہیم چار	چیئرمین	04/04
محترم عثمان سیف اللہ خان	ممبر	02/04
محترم آصف سیف اللہ خان	ممبر	04/04

سال کے دوران، ایک HR اور معاوضہ کمیٹی کا انعقاد کیا گیا، حاضری حسب ذیل رہی۔

ڈائریکٹر کا نام	سٹیٹس	شرکت کردہ اجلاس کی تعداد
محترمہ صائمہ اکبر خٹک	چیئر پرسن	01/01
محترمہ حور یوسف زئی	ممبر	01/01
محترم اسد سیف اللہ خان	ممبر	01/01

سال کے آخر میں، SCL نے اپنے اختتام کے دوران تمام شیئر ہولڈرز میں ان کے متعلقہ حصص کے تناسب سے فاضل فنڈز اور اس کی ایکویٹی تقسیم کی۔ SCL کے خالص اثاثے 7.9 ملین روپے ہیں۔ ٹیکس کے معاملے سے متعلق جو پشاور ہائی کورٹ میں زیر التوا ہے جیسے SCL نے برقرار رکھا ہے اور اس کی تقسیم کمپنی کے حق میں سازگار فیصلے پر منحصر ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

بورڈ آف ڈائریکٹرز

بورڈ کی سرگرمیاں ان ضروریات اور فرائض پر مبنی ہیں جو کہ متعلقہ قوانین اور کمپنی کے آرٹیکل آف ایسوسی ایشن اور میمورینڈم کے مطابق طے ہیں۔ یہ تعمیل تمام حصص کنندگان کے مفادات کی حفاظت میں بورڈ کی مدد کرتی ہے۔ بورڈ آف ڈائریکٹرز کمپنی کی گورننس، انتظام اور کنٹرول میں نگرانی فراہم کرتا ہے نیز کمپنی کے اہداف و مقاصد اور حکمت عملی کو ترتیب دینے میں مدد کرتا ہے اس کے علاوہ ان اہداف و مقاصد کو حاصل کرنے کے لیے پالیسیاں اور ہدایات تشکیل دینے میں مدد دیتا ہے۔

ڈائریکٹرز کی کل تعداد سات ہے جو کہ اس طرح ہے:

اے	مرد حضرات	5
بی	خواتین	2

بورڈ کی تشکیل مندرجہ ذیل ہے:

اے	آزاد ڈائریکٹر	2
بی	دیگر غیر ایگزیکٹو ڈائریکٹر	5

بورڈ کی چیئر پرسن ایک غیر ایگزیکٹو ڈائریکٹر ہے۔ چیئرمین اور چیف ایگزیکٹو آفیسر کے عہدوں پر الگ الگ افراد فائز کیے جاتے ہیں، جن کے فرائض اور ذمہ داریاں واضح طور پر بیان کی گئی ہیں۔ جیسا کہ کارپوریٹ گورننس کی درج کردہ قوانین کے تحت یہ مطلوب ہے کہ، تمام ڈائریکٹرز کو متعلقہ قوانین کمپنی 2017 کمپنیوں کے کوڈ اور کمپنیز ایکٹ، کے آرٹیکل آف ایسوسی ایشن اور میمورینڈم کے مطابق ان کے فرائض اور ذمہ داریوں کے بارے میں کافی معلومات فراہم کی جائیں۔

جیسا کہ کارپوریٹ گورننس کوڈ کی طرف سے مطلوب ہے، ڈائریکٹرز یہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں:

- کمپنی انتظامیہ کی طرف سے تیار کردہ کمپنی کے مالی بیانات کمپنی کے کاموں کی حالت کو منصفانہ طور پر پیش کرتے ہیں جس میں اس کے آپریشنز، نقد رقم کے بہاؤ اور ایکوٹی میں تبدیلیوں کے نتائج شامل ہیں۔
- کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا جا چکا ہے۔
- ان مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کر دیا گیا ہے اور اکاؤنٹنگ اندازہ جات کی بنیاد معقول اور منصفانہ فیصلہ پر رکھی گئی ہے۔
- مالی بیانات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسا کہ پاکستان میں قابل اطلاق ہیں اور مجاز اتھارٹی سے چھوٹ کے تابع ہیں، کی پیروی کی گئی ہے اور، ان سے الگ ہونے کی صورت (اگر ایسی صورت ہے تو) میں مناسب طور پر اس کا انکشاف اور وضاحت کی گئی ہے۔

اندرونی آڈٹ اور کنٹرول:

آڈٹ کمیٹی کو اطلاع دینے والے اہل فرد کی سربراہی میں مستقل اندرونی آڈٹ کا کام جاری ہے۔ کمپنی کے اندر اندرونی آڈٹ کی گنجائش واضح طور پر بیان کی گئی ہے جس میں اندرونی کنٹرول سسٹم کا جائزہ اور اس کی جانچ پڑتال، اثاثوں کی حفاظت، اکاؤنٹنگ ریکارڈوں کی درستگی اور تکمیل سب شامل ہیں۔

ڈیویڈنڈ (تقسیم شدہ منافع):

بورڈ نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے صفر فائل ڈیویڈنڈ کی سفارش کی ہے۔ پچھلے سال کے لیے 42.9 فیصد (4.29 روپے فی حصص) کے مقابلے سال کے لیے کل ڈیویڈنڈ 12.5 فیصد (فی حصص 1.25 روپے) ہے۔ ڈیویڈنڈ CPPA/GOP سے موصول ہونے والی صلاحیت کی ادائیگی کی رقم سے ادا کیا گیا تھا۔

سیف ٹیکسٹائل ملز لمیٹڈ، ایک منسلک کمپنی کو قرض:

الف) کمپنی نے بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز کی سفارش کے بعد، ایک یا زیادہ قسطوں میں، یا تو براہ راست یا کسی بھی دلچسپی رکھنے والے قرض دہندہ کے ذریعے کارپوریٹ گارنٹی کے ذریعے، زیادہ سے زیادہ 1 ارب روپے تک کا غیر محفوظ طویل مدتی قرض فراہم کیا ہے۔ قرض 9 (نو) سال کی مدت کے لیے منظور کیا جاتا ہے جس میں 2 (دو) سال کی رعایتی مدت بھی شامل ہے۔ یہ قرض متعلقہ مدت کے لیے کمپنی یا KIBOR کی قرض لینے کی لاگت سے 0.1% سے زیادہ کی شرح سے سود رکھتا ہے، جو بھی زیادہ ہو، سہ ماہی قسطوں میں قابل ادائیگی۔ پرنسپل کی ادائیگی رعایتی مدت کے اختتام کے بعد ستمبر 2025 سے شروع ہونے والی بقیہ قرض کی مدت میں مساوی سہ ماہی اقساط میں کی جائے گی۔

ب) سال کے دوران، بورڈ آف ڈائریکٹرز نے 21 مارچ 2024 کو ہونے والی اپنی میٹنگ میں، حصص کنندگان کو ان کی منظوری کے لیے سفارش کی کہ وہ زیادہ سے زیادہ 1.5 ارب روپے تک غیر محفوظ قرض کی سہولت فراہم کریں۔ جس کی 15 اپریل 2024 کو منعقدہ میٹنگ میں شیئر ہولڈرز نے باضابطہ طور پر منظوری دی تھی۔ یہ قرض کمپنی متعلقہ مدت کے لیے قرض لینے کی لاگت سے 0.1% زیادہ اور اس سے زیادہ KIBOR کی شرح سے سود جو بھی زیادہ ہو، سہ ماہی قسطوں میں قابل ادائیگی۔ رننگ فنانس کی سہولت ہر سال حصص یافتگان کی باہمی رضامندی اور منظوری سے قابل تجدید ہوتی ہے۔

IFRS 09 کے مطابق، کمپنی نے مالیاتی اثاثوں پر متوقع کریڈٹ نقصانات کے لیے الاؤنس فراہم کرنے کی ضرورت کو تسلیم کیا ہے۔ یہ فراہمی دانشمندانہ مالیاتی انتظام اور بین الاقوامی اکاؤنٹنگ معیارات پر عمل کرنے کے لیے ہماری وابستگی کی عکاسی کرتی ہے۔ نتیجتاً، ہم نے سال کے آخر تک سیف ٹیکسٹائل ملز لمیٹڈ کو دیے گئے قرض پر متوقع کریڈٹ نقصانات کا انتظام کیا ہے۔ یہ اقدام اس بات کو یقینی بناتا ہے کہ ہمارے مالی بیانات ہمارے مالیاتی اثاثوں سے وابستہ ممکنہ خطرات کی درست نمائندگی کرتے ہیں، اس طرح ہماری مالیاتی رپورٹنگ کی سالمیت اور بھروسے کو برقرار رکھا جاتا ہے۔

سیف سینٹ لمیٹڈ ذیلی کمپنی میں سرمایہ کاری:

کمپنی کے بورڈ آف ڈائریکٹرز نے SCL کو رضاکارانہ طور پر ختم کرنے کی سفارش کی اور کمپنیز ایکٹ، 2017 کے سیکشن 353 کے تحت لیکویڈیٹر کا تقرر کیا گیا۔

کے خلاف ہے۔ کمپنی نے اس ترمیم کو سپریم کورٹ آف پاکستان میں چیلنج کیا ہے جس کا فیصلہ زیر التواء ہے۔ کمپنی کو یقین ہے کہ بالآخر رقم کمپنی کے پاس ہی رہے گی۔

(b) ٹیکس سے متعلق دیگر غیر متوقع حالات کی تفصیلات ان سالانہ مالیاتی بیانات کے نوٹ 11.1 میں ظاہر کردی گئی ہیں۔

کریڈٹ ریٹنگ:

کمپنی کے لیے PACRA کی ریٹنگ طویل مدت میں 'AA-' اور مختصر مدت میں 'A1' ہے جبکہ آؤٹ لک کو 'مستحکم' کے طور پر متعین کیا گیا ہے، جو کریڈٹ رسک کی کم توقع کو ظاہر کرتا ہے اور مالی ذمہ داریوں کی بروقت ادائیگی کے لیے مناسب صلاحیت کی نشاندہی کرتا ہے۔ اس میں پچھلے سال سے کوئی تبدیلی نہیں ہے۔

کارپوریٹ کی سماجی ذمہ داری، حفاظت، صحت اور معیار:

آپ کی کمپنی تمام اسٹیک ہولڈرز کے ساتھ اس بات کو یقینی بنانے کے کام کرتی ہے کہ یہ کمپنی تمام قابل اطلاق قوانین پر عمل پیرا ہوتی ہے؛ کمیونٹی کی ترقی کے لئے حصہ ڈالتی ہے؛ حفاظت، صحت اور ماحول کے اعلیٰ ترین معیارات فراہم کرتی ہے؛ اپنے ملازمین کو مسابقتی تنخواہ اور فوائد مہیا کرتی ہے۔ پیرنٹ کمپنی ایک مرکزی عمل کے ساتھ اس سلسلے میں ضروری مدد فراہم کرتی ہے۔

ماحول پر کمپنی کے کاروبار کا اثر:

آپ کی کمپنی پلانٹ کے ہر قسم کے اخراج پر سخت کنٹرول رکھتی ہے اور اس بات کو یقینی بناتی ہے کہ کسی بھی حالت میں اخراج کی مقدار "انوائرمینٹل پروٹیکشن ایجنسی (APE)" کی ہدایات میں دی گئی حد سے تجاوز نہ کرے۔

بنیادی خطرات اور غیر یقینی صورتحال:

کمپنی نے اس بات کو یقینی بنایا ہے کہ کسی بھی غیر متوقع خطرات اور غیر یقینی صورتحال سے نمٹنے کے لیے مناسب کنٹرول موجود ہیں۔ بیشتر مالی خطرات ٹیرف کے ذریعے پورے کیے جاتے ہیں۔ تاہم، لیکویڈٹی کا خطرہ، کمپنی کے قابل بھروسہ کاموں کے لیے، غیر یقینی صورتحال میں سے ایک ہے۔ اس خطرے کو، جیسا کہ اوپر بیان کیا گیا ہے، مختلف بینکوں سے مناسب حد تک کریڈٹ لائنز کا بندوبست کر کے کم کیا گیا ہے۔ مالی بیانات کے حوالے سے دی گئی ہدایات میں فنانشل رسک مینجمنٹ کا انکشاف بھی کیا جاتا ہے۔ جنرل الیکٹرک (جو کہ دونوں یعنی اصل سپلائر اور پلانٹ کا ٹھیکیدار بھی ہے) کو پلانٹ آپریشن کے آؤٹ سورسنگ (بیرونی سپلائر سے لے کر) کے ذریعہ اور ایک جامع اور موثر انشورنس پالیسی O&M اختیار کرتے ہوئے آپریشنل رسک کو کافی حد تک کم کیا گیا ہے۔

اندرونی مالیاتی کنٹرول کا مناسب معیار:

آپ کی کمپنی کارپوریٹ گورننس کے اعلیٰ معیار کے مطابق ہے اور اندرونی کنٹرول ڈیزائن میں مضبوط ہے نیز مؤثر طور پر اس کا نفاذ اور نگرانی کی گئی ہے۔

اگر اس تاخیر سے ادائیگی کا سود معاف نہ کیا جاتا تو سال کے لیے منافع میں 1,360 ملین روپے کا اضافہ ہوتا۔ جس کے نتیجے میں سال کے لیے خالص منافع 1,494 ملین روپے کا ہوتا۔ گزشتہ سال کے مقابلے پاور پراجیکٹرز کی جانب سے کم پیداواری طلب کی وجہ سے کمپنی کی آمدنی میں کمی آئی ہے، اسی طرح خام مال کی قیمت میں بھی کمی آئی ہے۔

سال کے دوران، 86 ملین روپے غیرمناسب منافع سے دیکھ بھال کے ذخائر میں منتقل کر دینے کے بعد اگلے اوور ہال کے لیے ایکویٹی میں تبدیلیوں کے بیان کے ذریعے دیکھ بھال کے ذخائر کو جمع ہو کر سال کے آخر میں 299 ملین روپے تک پہنچا دیا گیا۔

پچھلے پانچ سالوں کے اہم مالیاتی اور آپریٹنگ اعداد و شمار اس طرح ہیں:

دسمبر میں ختم ہونے والے سال کے لیے	2024 ء	2023 ء	2022 ء	2021 ء	2020 ء
کاروبار	9,671	19,044	22,870	16,394	8,925
GOP کے ساتھ ترمیمی معاہدے کے تحت ادائیگی میں تاخیر شدہ سود کی چھوٹ	1,360	-	-	-	-
مالیاتی اثاثوں پر متوقع کریڈٹ نقصان کے لیے الاؤنس	252	-	-	-	-
خالص منافع	133	336	1,951	1,959	*2,372
پراپرٹی، پلانٹ اور آلات	10,213	10,863	11,302	11,711	12,232
ذیلی کاروبار میں سرمایہ کاری	-	-	-	789	785
خالص مالیت	11,231	12,166	13,867	16,552	15,932
قلیل مدتی فنانشنگ	1,462	-	-	-	-
طویل مدتی قرض	1,000	492	-	-	-
مختصر مدت کے قرضوں کے حصول	7,532	11,669	15,527	7,668	6,974
فی حصص آمدنی - (روپوں میں)	0.35	0.87	5.05	5.07	6.14
ترسیل کا لیول - (فیصد میں)	8.23	24.61	34.53	41.90	25.80
دستیاب صلاحیت - GWHS	1,786	1,789	1,786	1,785	1,786

* طویل مدتی قرض مارچ 2020ء میں پوری طرح ادا کیا گیا تھا۔

زیر التواء مسائل:

میسرز سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے خلاف مقدمے میں، کمپنی کے حق میں ثالثی کے فیصلے کے بعد 270.66 ملین روپے کی رقم (متنازعہ رقم 239.68 ملین روپے اور متعلقہ اخراجات 30.98 ملین روپے)، کمپنی نے ثالثی کے ایوارڈ کے عوض قابل نفاذ حکم نامہ حاصل کرنے کے لیے سول کورٹ لاہور میں درخواست بھی درج کر رکھی ہے۔ کمپنی نے سوئی ناردرن گیس پائپ لائن کو قابل ادا رقم کے معاملے میں یہ رقم پہلے ہی ایڈجسٹ کر دی ہے۔

سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) نے ثالثی نافذ کرتے ہوئے کہا کہ کمپنی عدالت کے حکم نامے کے بغیر ایڈجسٹ نہیں کر سکتی۔ ثالثی ٹریبونل نے 22 اپریل 2022 کے اپنے فیصلے میں سوئی ناردرن گیس پائپ لائنز لمیٹڈ سے اتفاق کیا ہے۔ سوئی ناردرن گیس پائپ لائنز لمیٹڈ نے لاہور ہائی کورٹ میں درخواست دائر کی ہے۔ سال 2023 کے دوران سول کورٹ لاہور نے کمپنی کے حق میں حکم نامہ جاری کیا۔ معزز عدالت نے، ایوارڈ کو عدالت کا اصول بنانے ہوئے، ایوارڈ میں اس حد تک ترمیم کی کہ ثالث کی طرف سے دیا جانے والا سود بالترتیب 18 اگست 2014 اور ایوارڈ کی تاریخ سے نہیں بلکہ معزز عدالت کے حکم کی تاریخ سے چلے گا، اس ترمیم کو لاہور ہائی کورٹ نے برقرار رکھا۔ ایوارڈ میں سود کی تاریخ میں یہ ترمیم ثالثی کے قوانین

ممبران کے لیے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کو سیف ہاور لمیٹڈ ("کمپنی") کی 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی ایک ملکیتی کمبائنڈ سائیکل پاور پلانٹ کو چلانا اور قابل عمل رکھنا ہے تاکہ نیز بجلی پیدا کر کے سینٹرل پاور پراجیکٹ ایجنسی گارنٹی لمیٹڈ (CPPA-G) کو فروخت کرنا ہے۔ کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں رجسٹرڈ ہے۔

کارکردگی اور مالیاتی کارکردگی

کمپنی اعلیٰ ترین اعتبار، دستیابی اور بہترین آپریشنل کارکردگی کو یقینی بنانے کے لیے بہترین طریقوں پر عمل پیرا ہے۔ سال کے دوران، 2023 میں 99.98 فیصد کے مقابلے میں قابل اعتماد عنصر 99.69 فیصد تھا اور 2023 میں 84.64 فیصد کے مقابلے میں دستیابی کا عنصر 94.24 فیصد تھا (سال 2023 میں دستیابی کا عنصر کی کمی سٹیم ٹربائن کا طے شدہ بڑے مرمتی کام کی وجہ سے)۔ بجلی کی ترسیل کی سطح گزشتہ سال کے 24.61 فیصد کے مقابلے میں 8.23 فیصد تھی۔

سال کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز نے حکومت پاکستان (GOP)، سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) اور انرجی ٹاسک فورس (وزیراعظم پاکستان کی طرف سے تشکیل دی گئی) کے ساتھ ترمیمی معاہدے پر عمل درآمد کی منظوری دی جس کے نتیجے میں 'موجودہ ٹیرف 1 نومبر کے ساتھ' ہائبرڈ ٹیک اینڈ پے' ماڈل میں تبدیل ہو جائے گا۔ 2024 قابل اور ریگولیٹری اتھارٹیز سے ترمیم شدہ معاہدے میں مخصوص شرائط و ضوابط اور منظوریوں کی تکمیل سے مشروط ہے۔ سال کے اختتام کے بعد، ترمیمی معاہدے کو باضابطہ طور پر عمل میں لایا گیا ہے، اور کمپنی نے 31 اکتوبر 2024 تک بقایا جات کی ادائیگی وصولی کی ہے جس کی رقم 5,207 ملین روپے ہے۔

ترمیمی معاہدے کے تحت، انرجی ٹاسک فورس (وزیراعظم پاکستان کی طرف سے تشکیل دی گئی) نے اس بات کا انتظام کیا 1,360 ملین روپے معاف کیے جائیں۔ کمپنی نے 31 اکتوبر 2024 تک تصدیق شدہ یکوقتی تاخیر سے ادائیگی کی سود کی رقم معاف کرنے پر اتفاق کیا اور اسی سال کے لیے نفع اور نقصان کے اکاؤنٹ میں چارج کیا گیا ہے۔

اس کے بدلے میں GoP نے سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے دیر سے ادائیگی کے سود کے دعووں کی معافی میں سہولت فراہم کرنے پر اتفاق کیا ہے اور ناکامی کی صورت میں CPPA-G کمپنی کو ادائیگی کرے گا۔ نتیجتاً، کمپنی نے 133 ملین روپے کا خالص منافع کمایا۔ جس کے نتیجے میں، فی حصص آمدنی EPS 0.35 روپے ہے اور اس کے برعکس 2023 میں خالص منافع 336 ملین روپے اور EPS 0.87 روپے تھی۔

Gender Pay Gap Statement

Gender Pay Gap Statement under Circular No. 10 of 2024

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

(i) Mean gender pay gap:	97.23% *
(ii) Median gender pay gap:	96.92% *
(iii) Any other data/ details as deemed relevant.	-

The Board is committed to formulate a gender diversity policy for recruitment, gender pay gap analysis, retention and development of female employees.

* The location of the plant site and nature of plant operations has usually attracted fewer or no female applicants, hence the Company has only 3 (three) female employee as at December 31, 2024.



Mr. Sohail H. Hydari
Chief Executive Officer

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Saif Power Limited

Year ended December 31, 2024

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

1. The total number of directors are seven as per the following:

a	Male:	5
b	Female:	2

2. The composition of board is as follows:

Independent Director*	Mr. Rashid Ibrahim Miss. Saima Akbar Khattak
Non-executive directors	Mr. Javed Saifullah Khan Mrs. Hoor Yousafzai ** Mr. Osman Saifullah Khan Mr. Assad Saifullah Khan Mr. Asif Saifullah Khan

* Fractional requirement for independent directors has not been rounded up to one as fraction below 0.5 has been considered as zero. Furthermore, both the independent directors have requisite competencies, skill, knowledge and experience to discharge their duties competently as per laws and regulations; therefore not warrant the appointment of third independent director.

** Subsequent to the year end, Mr. Humayun Saifullah Khan has been appointed as director in place of Mrs. Hoor Yousafzai who has resigned from the Board and its Committee.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Four directors had attended training program in preceding years and three directors are meeting the exemption criteria, hence are exempt from Directors' training program;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
- a) **Audit Committee (Name of members and Chairman)**
- Mr. Rashid Ibrahim Chairman
 - Mr. Osman Saifullah Khan Member
 - Mr. Asif Saifullah Khan Member
- b) **HR and Remuneration Committee (Name of members and Chairman)**
- Miss. Saima Akbar Khattak Chairperson
 - Mr. Humayun Saifullah Khan Member
 - Mr. Assad Saifullah Khan Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a) Audit Committee -Quarterly
- b) HR and Remuneration Committee -On required basis
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. With reference to explanation for non-compliance of the non-mandatory requirements of the regulations 29 and 30, the responsibility of Nomination Committee and the Risk Management Committee are fulfilled by the Board and the Audit Committee, respectively. Therefore establishment of above mentioned committees are not required.
20. During the year, the Securities and Exchange Commission of Pakistan has inserted new regulation 10A and certain amendments to Regulation 10 & 35 of the Regulations, 2019 through its notification (S.R.O. (1)/2024) dated June 12, 2024. Currently, the management is assessing these amendments and these will be complied, as applicable, in due course.



Sohail H. Hydari
Chief Executive Officer



Asif Saifullah Khan
Director

Islamabad
March 27, 2025

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Saif Power Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by Board of Directors of Saif Power Limited (the Company) for the year ended December 31, 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 provision 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 controls, the Company's corporate governance procedures and risks.

The Regulation 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 and also ensure compliance with the requirement of section 208 of the Companies Act, 2017. 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 the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the requirement contained in the Regulations as applicable to the Company for the year ended December 31, 2024.



Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

April 07, 2025

UDIN: CR202410209F9WznXflu

INDEPENDENT AUDITORS' REPORT

To the Members of Saif Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Saif Power Limited (the Company), which comprise the statement of financial position as at December 31, 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 December 31, 2024 and of the profit, the 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.

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.

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Revenue Recognition (Refer to note 21 to the annexed financial statements)</p> <p>The Company has generated net revenue from sale of electricity to Central Power Purchasing Agency- Guarantee (CPPA-G) amounting to Rs. 9.670 billion for the year ended December 31, 2024.</p> <p>We considered revenue recognition as a key audit matter due to existence of presumed risk of fraud in revenue recognition and revenue being one of the key performance indicator of Company.</p>	<p>Our audit procedures in relation to the matter, amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of business processes related to revenue recognition and understanding of relevant internal controls over the Company's system which governs revenue recognition; • Evaluated the appropriateness of Company's accounting policies related to revenue in accordance with applicable accounting standards; • Tested revenue recorded during the year with underlying supporting documents i.e. invoices, agreements, tariff notifications and acknowledgements;

Sr No.	Key audit matters	How the matters were addressed in our audit
		<ul style="list-style-type: none"> Performed cut off procedures to ensure revenue has been recorded in the correct accounting period; and Assessed the adequacy of related disclosures in the financial statements in accordance with applicable accounting and reporting standards and Companies Act, 2017 (XIX of 2017).
2.	<p>Valuation of expected credit loss on loans to associated company</p> <p><i>(Refer to note 14 to the annexed financial statements)</i></p> <p>The Company has provided long term loan to its associate company, amounting to Rs.999,981,000 and a running finance facility amounting to Rs.1,461,782,216 as at December 31, 2024 and has a receivable balance against markup amounting to Rs.151,450,447 and Rs.162,895,954 respectively as at December 31, 2024.</p> <p>The valuation of the expected credit loss (ECL) for these loans involves significant management judgment, particularly in estimating the probability of default, loss given default, and forward-looking economic factors. Given the materiality of the loans to the financial statements and the complexity of the ECL calculation, we identified this as a key audit matter.</p>	<p>Our audit procedures in relation to the matter, amongst others included the following:</p> <ul style="list-style-type: none"> Evaluated the Company's ECL model and tested the mathematical accuracy of the calculations. Reviewed management's assumptions, including the probability of default and loss given default, by comparing them to historical data, industry benchmarks, and external economic forecasts. Assessed the financial position of the associate company by reviewing its financial statements and external credit ratings. Performed sensitivity analysis to evaluate the impact of changes in key assumptions on the ECL. Reviewed loan agreements and correspondence with the associate company to understand the terms and conditions of the loans. Assessed the adequacy of related disclosures in the financial statements in accordance with applicable accounting and reporting standards and Companies Act, 2017 (XIX of 2017).

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 auditors' 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 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 accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017

(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by 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 Waqas Waris.



Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

April 07, 2025

UDIN: AR2024102091F0IRkrMc

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	2024	2023
		Rupees	
Share capital and reserves			
Share capital	4	3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		7,067,016,526	8,087,810,847
Maintenance reserve	5	299,363,804	213,728,363
Total equity		11,231,098,120	12,166,257,000
Liabilities			
Lease liabilities	6	62,103,243	9,436,235
Non-current liabilities		62,103,243	9,436,235
Trade and other payables	7	566,728,416	411,968,780
Short term borrowings	8	7,532,097,498	11,669,326,413
Subordinated loan	9	400,425,023	730,519,567
Markup accrued	10	1,059,656,598	1,390,558,249
Unclaimed and unpaid dividend		26,582,714	118,163,748
Current portion of lease liabilities	6	28,518,258	6,801,757
Current liabilities		9,614,008,507	14,327,338,514
Total liabilities		9,676,111,750	14,336,774,749
Total equity and liabilities		20,907,209,870	26,503,031,749
Contingencies and commitments			
	11		
Assets			
Property, plant and equipment	12	10,212,779,928	10,862,567,248
Right of use assets	13	100,268,711	24,098,636
Long term loan to associated company	14	748,983,762	492,300,000
Non-current assets		11,062,032,401	11,378,965,884
Running finance facility to associated company	14	1,422,405,811	-
Current portion of long term loan to associated company	14	64,248,643	-
Markup receivable on loans to associated company	14	288,019,890	13,882,386
Stock in trade - HSD		399,899,817	399,899,817
Trade and other receivables	15	7,519,500,271	9,823,457,677
Advances, deposits and prepayments	16	125,338,315	130,163,250
Advance income tax	17	22,540,381	9,771,832
Short term investments	18	-	3,956,220,043
Bank balances	19	3,224,341	1,492,220
		9,845,177,469	14,334,887,225
Assets classified as held for sale	20	-	789,178,640
Current assets		9,845,177,469	15,124,065,865
Total assets		20,907,209,870	26,503,031,749

The annexed notes from 1 to 40 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Director

STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
Turnover - net	21	9,670,864,055	19,043,730,581
Cost of sales	22	(6,749,875,406)	(16,245,697,172)
Gross profit		2,920,988,649	2,798,033,409
Other income	23	528,589,981	22,478,094
Administrative expenses	24	(330,758,828)	(219,213,293)
Finance cost - net	25	(1,296,342,485)	(2,265,194,595)
Profit from operations		1,822,477,317	336,103,615
Provision against delay payment receivable from CPPA-G	15	(1,360,167,631)	-
Allowance for expected credit loss on financial assets	14	(252,451,511)	-
Profit before levy and income tax		209,858,175	336,103,615
Levy	26	(76,254,969)	-
Profit before income tax		133,603,206	336,103,615
Income tax	27	(265,926)	-
Profit for the year		133,337,280	336,103,615
Earnings per share - basic and diluted	28	0.35	0.87

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
Profit for the year		133,337,280	336,103,615
Other comprehensive (loss) / income for the year			
<i>Items that will not be reclassified to profit or loss</i>			
<i>Remeasurement of defined benefit liability</i>	7.3.2	(5,702,517)	7,482,658
Total comprehensive income for the year		127,634,763	343,586,273

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
Cash flows from operating activities			
Profit before levy and income tax		209,858,175	336,103,615
Adjustments for non-cash income and expenses:			
Provision for staff retirement benefits - gratuity	7.3.2	12,474,877	11,366,862
Provision against delay payment receivable from CPPA-G	15.1	1,360,167,631	-
Allowance for expected credit loss on financial assets	14.4	252,451,511	-
Depreciation - property, plant and equipment	12.2	640,022,578	635,308,463
Depreciation - right of use assets	13	16,670,546	11,800,455
Finance cost	25	1,296,342,485	2,265,194,595
Profit on deposit accounts	23	(291,247)	(1,112,644)
Dividend income	23	(508,366,455)	-
Return on investments	23	(7,324,647)	(18,344,803)
Gain on disposal of property, plant and equipment - net	23	(562,895)	(2,677,907)
Exchange gain - net	23	(11,690,647)	-
		<u>3,259,751,912</u>	<u>3,237,638,636</u>
Changes in working capital:			
Stock in trade		-	311,733
Markup receivable on loans to associated company	14	(300,464,015)	(13,882,386)
Trade and other receivables	15	943,789,775	2,329,648,583
Advances, deposits and prepayments	16	4,824,935	(40,567,285)
Trade and other payables	7	125,746,042	106,177,316
Cash generated from operations		<u>4,033,648,649</u>	<u>5,619,326,597</u>
Income taxes paid		(89,289,444)	(1,698,908)
Finance cost paid		(1,628,987,904)	(1,943,755,668)
Payment to staff retirement fund	7.3.2	(10,523,297)	(6,805,257)
Net cash generated from operating activities		<u>2,304,848,004</u>	<u>3,667,066,764</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(4,855,244)	(736,000)
Acquisition of right of use asset		(5,043,009)	-
Markup received on loans to associated company		49,310,413	-
Proceeds from sale of property, plant and equipment		6,804,258	6,501,945
Disbursement of long term loan to associated company	14	(507,681,000)	(492,300,000)
Running finance facility to associated company - net	14	(1,461,782,216)	-
Funds received from Saif Cement - against investment	20	789,178,640	-
Dividend received from Saif Cement	23	508,366,455	-
Insurance claim received		456,640	63,000
Profit on deposit accounts	23	291,247	1,112,644
Return on investments - receipt	23	7,324,647	32,227,189
Net cash used in investing activities		<u>(617,629,169)</u>	<u>(453,131,222)</u>
Cash flows from financing activities			
Repayment of subordinated loan	9	(321,715,921)	(312,446,433)
Dividend paid		(1,154,374,677)	(2,315,024,197)
Short term borrowings - net	8	(4,137,228,915)	(3,857,219,675)
Lease liabilities paid	6	(28,387,244)	(17,573,875)
Net cash used in financing activities		<u>(5,641,706,757)</u>	<u>(6,502,264,180)</u>
Net decrease in cash and cash equivalents		<u>(3,954,487,922)</u>	<u>(3,288,328,638)</u>
Cash and cash equivalents at beginning of the year		<u>3,957,712,263</u>	<u>7,246,040,901</u>
Cash and cash equivalents at end of the year	35	<u>3,224,341</u>	<u>3,957,712,263</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Share capital	Unappropriated profit - revenue reserve	Maintenance reserve	Total equity
	Rupees			
Balance as at January 01, 2023	3,864,717,790	9,001,248,625	1,001,140,025	13,867,106,440
Profit for the year	-	336,103,615	-	336,103,615
Other comprehensive income for the year	-	7,482,658	-	7,482,658
Total comprehensive income for the year	-	343,586,273	-	343,586,273
Transfer from unappropriated profit to maintenance reserve	-	(493,939,034)	493,939,034	-
Transfer to unappropriated profit from maintenance reserve	-	1,281,350,696	(1,281,350,696)	-
	-	787,411,662	(787,411,662)	-
Transaction with owners of the Company				
Distributions				
Final dividend - 2022 @ Rs. 2.50 per share	-	(966,179,448)	-	(966,179,448)
1st interim dividend - 2023 @ Rs. 1.29 per share	-	(498,548,595)	-	(498,548,595)
2nd interim dividend - 2023 @ Rs. 1.50 per share	-	(579,707,670)	-	(579,707,670)
Total distributions	-	(2,044,435,713)	-	(2,044,435,713)
Balance as at December 31, 2023	3,864,717,790	8,087,810,847	213,728,363	12,166,257,000
Balance as at January 01, 2024	3,864,717,790	8,087,810,847	213,728,363	12,166,257,000
Profit for the year	-	133,337,280	-	133,337,280
Other comprehensive loss for the year	-	(5,702,517)	-	(5,702,517)
Total comprehensive income for the year	-	127,634,763	-	127,634,763
Transfer to unappropriated profit from maintenance reserve	-	(85,635,441)	85,635,441	-
	-	(85,635,441)	85,635,441	-
Transaction with owners of the Company				
Distributions				
Final dividend - 2023 @ Rs. 1.50 per share	-	(579,703,919)	-	(579,703,919)
Interim dividend - 2024 @ Rs. 1.25 per share	-	(483,089,724)	-	(483,089,724)
	-	(1,062,793,643)	-	(1,062,793,643)
Balance as at December 31, 2024	3,864,717,790	7,067,016,526	299,363,804	11,231,098,120

The annexed notes from 1 to 40 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 Reporting entity

Saif Power Limited ("the Company") was incorporated in Pakistan on November 11, 2004 as a public limited company under the repealed Companies Ordinance, 1984 (which has now been replaced by the Companies Act, 2017) and commenced operations from April 30, 2010. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a combined cycle power plant having nameplate capacity of 225 MW (ISO) and sell the electricity to Central Power Purchasing Agency Guarantee Limited (CPPA-G). The Company has amended its Implementation Agreement on February 11, 2021 whereby National Transmission and Dispatch Company (NTDC) has been replaced with CPPA-G as Power Purchaser. Saif Holdings Limited, major share holder of the Company, holds 23.01% shareholding of the Company.

Geographical locations of the Company's business units are as follows:

- The registered office of the Company is situated at 1st Floor, Kashmir Commercial Complex Fazal-e-Haq Road, Block E, Blue Area, Islamabad; and
- Plant of the Company is situated at Chak 56/5L, Qadarabad Multan Road, District Sahiwal, Punjab, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement and preparation

These financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies in note 3.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee (Rs.), which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest of Rupee, unless otherwise indicated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods affected. Judgments and estimates made by management in the application of accounting and reporting standards as applicable in Pakistan that may have effect on the financial statements and estimates are discussed in ensuing paragraphs:

(a) Property, plant and equipment

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

(b) Measurement of the expected credit loss allowance

The measurement of the expected credit loss (“ECL”) allowance for financial assets requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of counter parties defaulting and the resulting losses). Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including the various formulas and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss Given Default (LGDs); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

(c) Provision against financial assets not subject to ECL model

As referred to note 2.5.1, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly / ultimately from Government of Pakistan (GoP) till 31 December 2025. Accordingly, the Company reviews the recoverability of its trade debts that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 ‘Financial Instruments: Recognition and Measurement’ at each reporting date.

The Company’s assessment of objective evidence of impairment with respect to over due amounts on account of intercorporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

(d) Taxation

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

(e) Employee benefits

Gratuity is provided for permanent employees of the Company for which liability is recognised in the Company’s financial statements. The calculation of defined benefit liability requires assumptions to be made of future outcomes, the principal ones being in respect of expected salary growth, expected mortality of active members and the discount rate used to convert future cash flows to current values. Calculations are sensitive to the changes in assumptions used.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

(f) Provision for inventory obsolescence

The Company reviews the carrying amount of stores and spares and stock in trade on regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores and spares and stock in trade.

(g) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost, if any.

Where 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, it is disclosed as contingent liability.

(h) Leases

The Company exercises judgements when determining the lease term of contract with renewal and termination options. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

(i) Other

Pursuant to decisions of the Supreme Court of Pakistan related to discretionary beneficial ownership in an overseas trusts on a prudent basis and in good faith transactions with "Orastar" have been disclosed in note 32 irrespective of the absence of significant influence and the fact that the companies are not associated under the Companies Act, 2017.

2.5 Exemptions from applicability of accounting and reporting requirements

2.5.1 IFRS 9 "Financial Instruments"

SECP through S.R.O 1177 (I)/2021 dated September 13, 2021 had notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS-9 with respect to application of expected credit loss (ECL) model shall not be applicable till June 30, 2022 provided that such companies shall follow relevant requirements of IAS-39 'Financial Instruments Recognition and measurement' in respect of above referred financial assets during the exemption period. SECP has also clarified to certain companies that financial assets due from GoP include those that are directly due from GoP and that are ultimately due from GoP in consequence of circular debt. IFRS-9 introduces the ECL model, which replaces the incurred loss model of IAS-39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets measured at amortised cost, irrespective of whether a loss event has occurred. In accordance with the exemption granted by SECP, ECL has not been assessed in respect of financial assets due directly/ ultimately from GoP i.e. trade and other receivables from CPPA-G. Impact of ECL on financial assets not covered under exemption was not material and accordingly has not been included in these financial statements. During the year, SECP through S.R.O 1784(I)/2024, has further extended the exemption till December 31, 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2.5.2 IFRS 16 “Leases”

Control of the Company’s plant due to purchase of total output by CPPA-G and other arrangement under the Power Purchase Agreement (PPA) was classified as a lease under IFRIC 4 “Determining whether an Arrangement Contains a Lease” which due to exemption available to the Company were not accounted for as a lease in prior years. After applicability of IFRS-16, the Company’s arrangement with CPPA-G falls under the definition of a lease as defined in IFRS-16, however, the SECP through S.R.O 986(1)/2019 dated September 02, 2019 has extended the earlier exemption from IFRIC-4 to all companies, which have entered into power purchase arrangements before January 01, 2019. The Company signed its PPA with CPPA-G on April 30, 2007, accordingly, requirement of lease accounting relating to the Company’s arrangement with CPPA-G are not applicable to the Company. Had IFRS-16 been applied on transactions with Power Purchaser, impact of financial statements would have been as follows:

	2024	2023
	Rupees	
Decrease in unappropriated profit at January 01,	<u>(1,809,055,786)</u>	(2,412,584,279)
Increase in profit for the year	<u>595,843,634</u>	603,528,493
Decrease in unappropriated profit at December 31,	<u>(1,213,212,152)</u>	<u>(1,809,055,786)</u>

The Company has signed a master agreement with the power purchaser pursuant to which the Company shall convert its PPA to take and pay basis, without exclusivity, when competitive trading arrangement is implemented and becomes fully operational. Accordingly, the Company will reassess whether the revised arrangement contains a lease.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land, stores held for capitalisation and capital work in progress which are stated at cost less impairment loss, if any. Cost comprises purchase price, including import duties, non-recourse purchase taxes and other related costs of bringing the asset to its present working condition and location for intended use. Exchange gains or losses on long term foreign currency loans utilised for acquisition of assets are added to / deducted from cost of respective asset in accordance with note 3.7.

Depreciation is charged to profit or loss on straight line method at the rates given in note 12, after taking into account their respective residual values if any, so as to write off the depreciable amount over their estimated useful lives whereby depreciable amount adjusted for above exchange rate movements of an asset is written off over its remaining estimated useful life. Depreciation on additions is charged when the asset is available for use and on disposals till the date that asset is derecognised.

Normal repairs and maintenance are charged to profit or loss as and when incurred whereas major improvements and modifications are capitalised. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment disposed off, and are recognised net within “other income” in profit or loss statement.

3.2 Staff retirement benefits - Defined benefit plan

The Company operates a funded gratuity scheme covering all permanent employees completing the minimum qualifying period of service, for which liability is recognised in the Company’s financial statements. The assets of the fund plan are held independently in a separate fund. Provision for gratuity is made to cover obligations under the scheme in accordance with actuarial recommendations. The latest actuarial valuation was carried out by the Company as at December 31, 2024. The details of actuarial valuation are given in note 7.3 to these financial statements. The actuarial gains and losses are recognised in other comprehensive income in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3.3 Taxation

(a) Current

The profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further, the Company is also exempt from minimum tax on turnover under clause (11 A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

(b) Deferred

Deferred tax has not been provided in these financial statements as the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

3.4 Borrowing costs

Borrowing costs on loans which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that these are regarded as adjustment to borrowing cost. All other borrowing costs are charged to profit or loss.

3.5 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle such obligations and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate.

3.6 Stock in trade

These are valued at lower of cost and net realisable value. Cost is determined using weighted average cost method. Cost of inventory comprises of the purchase price and other direct costs incurred in bringing the inventory items to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

3.7 Foreign currency transactions and translations

Foreign currency transactions are recorded in Pak Rupees at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevalent on the reporting date. Non monetary assets that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are accounted for as follows:

- (i) Exchange differences related to foreign currency loans obtained for financing of the plant and machinery are capitalised and depreciated over the remaining useful life of the related assets in accordance with SRO 24(1)/2012 of SECP.
- (ii) All other exchange differences are charged to profit or loss on net basis.

3.8 Financial instruments - Initial recognition and subsequent measurement

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be with the exception of trade debts which donot contain a significant financing component and the Company has applied the practical expedient to measure them at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk are recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to the statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Impairment of financial asset

The Company recognises loss allowance for expected credit loss (ECL) on financial assets measured at amortised cost except for financial assets due directly / ultimately from GoP which includes trade debts and other receivables in respect of which applicability of ECL model is deferred by SECP as explained in note 2.5.1. For financial assets that are subject to ECL, the Company uses general 3-stage approach to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instruments has not increased significantly since initial recognition.

The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- Other receivables;
- Advances to employees;
- Security deposits;
- Bank balances; and
- Short term investments.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.10 Finance income and finance cost

Finance income comprises profit on deposit accounts, profit on short term investment and markup on loans to associated company. Profit on deposit accounts is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on term deposit receipts is recognised on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on borrowings, interest on finance lease liabilities, bank charges, exchange loss - net and other charges on borrowings. Mark-up and other charges on borrowings other than expense incurred on qualifying assets are charged to profit or loss in the period in which they are incurred.

3.11 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand and at bank and includes short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.13 Provision for Workers' Profit Participation Fund

The Company does not account for provision for Workers Profit Participation Fund (WPPF) in its profit or loss as they are pass through items to CPPA-G under the PPA. In case the liability arises, it is recovered from CPPA-G.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3.14 Dividend

Dividend to the shareholders is recognised as liability in the period in which it is declared.

3.15 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

3.16 Revenue recognition

The Company has entered into PPA with NTDC for a period of 30 years starting from its commercial operation date i.e. April 30, 2010. Under the PPA, the Company is obligated to sell and deliver all output of the Complex in accordance with provisions of PPA. The Company's arrangement with NTDC falls under the definition of lease under IFRS-16 for which exemption is available to the Company. Accordingly, revenue in respect of capacity purchase price (CPP) is recognized when due at rates specified under the PPA and revised reference tariff determined by National Electric Power Regulatory Authority (NEPRA) and after incorporation of relevant applicable quarterly indexation. PPA also contains other performance obligations i.e. sale of electricity, insurance and operation & maintenance.

Revenue from sale of electricity is recognized when or as the Company satisfies performance obligation by transferring the promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The Company principally satisfies its performance obligation in respect of supply of electricity upon transmission of electricity and related fuel cost component of the tariff determined by National Electric Power Regulatory Authority (NEPRA) is invoiced to the customer as part of energy purchase price (EPP).

Revenue associated with the operating phase of the PPA i.e. insurance and operations & maintenance of the plant is measured based on the consideration specified in contract with customer. Revenue from contract with customer is recognized when or as the Company satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The Company principally satisfies its performance obligations of insurance, operations and maintenance over time and the amount of revenue is recognized based on the consideration specified in the PPA. Consideration for operating phase of the PPA i.e. Insurance and fixed O&M component of tariff is billed to customer as part of CPP whereas variable O&M component is billed to customer as part of EPP. The amount of revenue recognised in respect of operating phase includes the estimates of variable consideration as it is not highly probable that a significant reversal in the amount of cumulative revenue recognised will occur in future when the uncertainty associated with the variable consideration is subsequently resolved.

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

3.17 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Rates of depreciation are mentioned in note 13.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Payment associated with short-term and low value leases are recognised on straight line basis and charged to profit or loss from the period.

3.18 Assets classified as held for sale

The Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for sale in its present condition and its sale must be probable. For sale to be probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete plan must have been initiated. Assets designated as held for sale are carried at lower of carrying amount at designation and fair value less cost to sell, if fair value can reasonably be determined.

3.19 Initial application of standards, amendments or interpretations to existing accounting and reporting standards

3.19.1 Amendments to existing accounting and reporting standards that become effective during the year

There are certain amendments to existing accounting and reporting standards that are applicable for the financial year beginning on January 01, 2024 but do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3.19.2 Standards and amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2024. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements, except as follows:

IFRS 18 - Presentation and Disclosure in Financial Statements:

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit and loss;
- requires disclosure in the financial statements for certain profit and loss performance measures that are reported outside an entity's financial statements (that is management defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

These amendments;

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criteria;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
	Rupees	
4 SHARE CAPITAL		
4.1 Authorised share capital		
405,000,000 (2023: 405,000,000) ordinary shares of Rs.10 each	<u>4,050,000,000</u>	<u>4,050,000,000</u>
4.2 Issued, subscribed and paid-up capital		
386,471,779 (2023: 386,471,779) ordinary shares of Rs.10 each fully paid in cash	<u>3,864,717,790</u>	<u>3,864,717,790</u>
4.3 Saif Holdings Limited holds 88,909,517 i.e., 23.01% (December 31, 2023: 88,909,517 i.e., 23.01%) ordinary shares of Rs.10 each at the reporting date. Further, 51,420,587 (December 31, 2023: 44,425,774) and 57,063,852 (December 31, 2023: 65,698,880) ordinary shares of Rs. 10 each are held by directors and related parties respectively. Orastar Limited holds 66,022,504 (December 31, 2023: 66,022,504) ordinary shares of the Company.		
4.4 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.		

5 MAINTENANCE RESERVE

Overhauls of the complex are required at certain intervals based on Factored Fired Hours (operating hours) as per terms and details of the O&M agreement. The amount of such overhauls has been calculated on the basis of operating hours and such amount has been appropriated to Maintenance Reserve through statement of changes in equity. After completion of specific operating hours, the amount is transferred from maintenance reserve and the same amount is charged to cost of sales. Resultantly, appropriation made in prior, current and subsequent years will be netted off in the year payment is made on account of this overhaul. Thus, it is just a replacement in the years only and has zero effect in actual on the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

6 LEASE LIABILITIES	2024	2023
	Rupees	
Lease liabilities	90,621,501	16,237,992
Less: current portion	(28,518,258)	(6,801,757)
Non current portion	62,103,243	9,436,235

Movement of lease liabilities under IFRS 16 is as follows:

	Vehicles	Building	Total
	----- Rupees -----		
Balance at January 01, 2023	26,682,190	12,655,179	39,337,369
Addition during the year	-	-	-
Adjustment / disposal during the year	(3,051,093)	(2,474,409)	(5,525,502)
Interest for the year	4,991,502	461,757	5,453,259
Payments during the year	(12,384,607)	(10,642,527)	(23,027,134)
Balance at December 31, 2023	16,237,992	-	16,237,992
Addition during the year	34,840,043	60,328,915	95,168,958
Adjustment / disposal during the year	(4,356,591)	-	(4,356,591)
Interest for the year	7,028,127	4,930,259	11,958,386
Payments during the year	(16,807,244)	(11,580,000)	(28,387,244)
Balance at December 31, 2024	36,942,327	53,679,174	90,621,501

Maturity analysis of undiscounted lease payments that will be paid after the reporting date is as follows:

Note	2024	2023
	Rupees	
Less than one year	42,024,643	9,471,188
One to two years	40,934,677	7,515,939
Two to three years	23,815,215	3,732,649
Three to four years	7,830,300	868,342
Four to five years	2,648,526	-
	117,253,361	21,588,118
Amounts recognized in profit and loss		
Short term leases	11,448,032	1,000,991

7 TRADE AND OTHER PAYABLES

Creditors	7.1	438,903,080	329,186,478
Other payables		12,819,966	8,826,916
Payable to Workers' Profit Participation Fund	7.2	10,492,909	16,805,181
Payable to Saif Power Limited - Staff Gratuity Fund	7.3	32,897,798	3,884,204
Accrued liabilities		69,322,172	51,245,422
Withholding tax payable		2,292,491	2,020,579
		566,728,416	411,968,780

7.1 This includes Rs. 9 million (2023: Rs. 9 million) payable to Sui Northern Gas Pipelines Limited (SNGPL), a related party, on account of procurement of supplies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
7.2	Movement in payable to Workers' Profit Participation Fund is as follows:		
	Balance at January 01,	16,805,181	80,727,767
	Provision for the year	10,492,909	16,805,181
	Payments made during the year	(16,805,181)	(80,727,767)
	Balance at December 31,	<u>10,492,909</u>	<u>16,805,181</u>

7.3 Payable to Saif Power Limited - Staff gratuity fund

The amount recognised in the statement of financial position is as follows:

Present value of defined benefit obligation	7.3.1	178,806,119	125,147,685
Less: Fair value of plan assets	7.3.2	(145,908,321)	(121,263,481)
Net defined benefit liability		<u>32,897,798</u>	<u>3,884,204</u>

7.3.1 The movement in present value of defined benefit obligation is as follows:

Balance at January 01,		125,147,685	125,706,008
<i>Included in profit or loss</i>			
Current service cost		12,725,575	10,890,878
Interest cost		18,240,336	15,967,984
		<u>30,965,911</u>	<u>26,858,862</u>
<i>Included in other comprehensive income</i>			
<i>Remeasurement loss:</i>			
Actuarial loss		15,789,300	3,506,815
<i>Others</i>			
Benefits paid		(14,456,274)	(30,924,000)
Liability transferred from other group company		21,359,497	-
Balance at December 31,		<u>178,806,119</u>	<u>125,147,685</u>

7.3.2 The movement in fair value of plan assets is as follows:

Balance at January 01,		121,263,481	118,900,751
<i>Included in profit or loss</i>			
Interest income		18,491,034	15,492,000
<i>Included in other comprehensive income</i>			
Return on plan assets excluding interest income		10,326,741	10,989,473
<i>Others</i>			
Contribution to gratuity fund		10,523,297	6,805,257
Benefits paid		(14,696,232)	(30,924,000)
Balance at December 31,		<u>145,908,321</u>	<u>121,263,481</u>

Breakup of plan assets is as follows:

Cash at bank		24,404	1,094,513
Cash balance in CDC account		3,807	3,343
Treasury bills		130,851,795	105,118,283
Term finance certificates		15,028,315	15,047,342
		<u>145,908,321</u>	<u>121,263,481</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
The movement in liability recognised in the statement of financial position is as follows:			
Opening liability		3,884,204	6,805,257
Expense for the year		12,474,877	11,366,862
Remeasurement loss / (gain) recognized in other comprehensive income during the year		5,702,517	(7,482,658)
Payments to the fund during the year		(10,523,297)	(6,805,257)
Liability transferred from other group company		21,359,497	-
Closing liability		32,897,798	3,884,204
Allocation of gratuity expense is as follows:			
Cost of sales	22.1	7,799,731	8,096,287
Administrative expenses	24.1	4,675,146	3,270,575
		12,474,877	11,366,862

Gratuity plan entitles a retired employee to receive gratuity equivalent to last drawn salary into eligible number of years of service. The gratuity plan is administered by a gratuity fund that is legally separated from the Company and is funded by the Company based on actuarial valuation. Employees are not required to contribute to this plan. The latest actuarial valuation was carried out on December 31, 2024 using projected unit credit method. Expected gratuity expense for the next financial year is Rs. 18,598,907. This defined benefit plan exposes the Company to the following actuarial risks:

(a) Final salary risk

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(b) Demographic risks

-Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

-Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

(c) Investment risk

The risk of the investment underperforming and being not sufficient to meet the liabilities.

Key actuarial assumptions

	2024	2023
----- Rupees -----		
Discount rate used for interest cost	15.50%	14.50%
Discount rate used for year end obligation	12.25%	15.50%
Future salary growth	11.75%	14.50%
Expected mortality for active members	As per SLIC 2001-2005 setback 1 Year	As per SLIC 2001-2005 " setback 1 Year
Average expected remaining working life time of employees	5 years	6 years

Sensitivity analysis

Reasonably possible changes at the reporting date in one of the relevant actuarial assumptions, holding other assumptions constant, the revised balances of the defined benefit obligations are shown below;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Increase	Decrease
- For the year ended 31 December 2024		
Discount rate (1% movement) - Rupees	<u>171,021,693</u>	<u>190,144,290</u>
Future salary growth (1% movement) - Rupees	<u>190,301,600</u>	<u>170,728,530</u>
- For the year ended 31 December 2023		
Discount rate (1% movement) - Rupees	<u>119,529,916</u>	<u>131,131,141</u>
Future salary growth (1% movement) - Rupees	<u>131,267,143</u>	<u>119,319,500</u>

	2024	2023
Maturity analysis	Rupees	
Within one year	34,666,635	27,167,011
Two to five years	124,003,657	98,827,625
Six to ten years	48,465,764	48,536,896
More than ten years	1,530,270,515	1,783,661,148
Weighted average duration	5 years	6 years

8 SHORT TERM BORROWINGS

Short term borrowings from banking companies

Working capital facilities - secured	8.1	5,162,505,305	6,470,186,896
Short term musharakah facilities - secured	8.2	2,369,592,193	5,199,139,517
		<u>7,532,097,498</u>	<u>11,669,326,413</u>

8.1 The Company has obtained working capital facilities amounting to Rs. 9.16 billion (2023: Rs. 13.03 billion) from several commercial banks for meeting the working capital requirements, expiring on various dates during 2025. Effective markup rates during the year on these facilities range between 15.58% to 23.12% (2023: 17.18% to 23.71%) per annum with no floor or cap and are payable in arrears on quarterly basis. The facilities are secured by way of mortgage charge on fuel stocks inventory and energy payment receivables up to Rs. 27.55 billion (2023: Rs. 22.88 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company for an amount of Rs. 1.21 billion (2023: Rs.1.21 billion).

8.2 The Company has obtained short term Islamic finance facilities from Islamic banks subject to a maximum limit of Rs. 5.8 billion (2023: Rs. 6.3 billion). Effective variable markup rate during the year on these facilities ranges between 15.46% to 23.24% (2023: 16.31% to 23.51%) per annum and are secured by pari passu / ranking charge on fuel stock and energy purchase price receivables of the Company up to Rs. 8.36 billion (2023: Rs. 9.02 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company up to Rs. 0.42 billion (2023: Rs. 0.42 billion).

8.3 The Company also has Ijarah (Direct) facility amounting to Rs. 50 million (2023: Rs. 50 million) from an Islamic bank. The facility is secured by title of Ijarah asset in the name of bank.

8.4 Letter of guarantee / credit

Letter of guarantee / stand by letter of credit amounting to Rs. 2 billion (2023: Rs. 2 billion) are available to the Company which were fully utilized at the yearend (2023: Rs. 2 billion). These facilities are secured against the ranking charge over all present and future fixed assets amounting to Rs. 2.85 billion (2023: Rs. 6.18 billion). The said guarantee is being issued in favour of Sui Northern Gas Pipeline Limited (SNGPL), a related party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

9	SUBORDINATED LOAN - unsecured	Note	2024	2023
			Rupees	
	Balance at January 01,		730,519,567	847,818,615
	Exchange (gain) / loss capitalised	9.1	(8,378,623)	195,147,385
	Repayment during the year		(321,715,921)	(312,446,433)
		9.2	400,425,023	730,519,567
	Current portion of subordinated loan		-	(730,519,567)
	Balance at December 31,		400,425,023	-

9.1 Exchange loss on subordinated loan has been capitalised in accordance with note 3.7 (i).

9.2 This represents remaining balance of US \$ 1,437,125 (2023: US \$ 2,586,829) from the original foreign currency loan of US \$ 8,946,353 obtained from Orastar Limited, incorporated under the laws of British Virgin Island (BVI). The loan is duly registered with the State Bank of Pakistan (SBP). The loan carries markup at the rate of 3 month's USD LIBOR plus 3% per annum and is payable in quarterly installments in a period of six years starting from January 01, 2019 subject to availability of surplus funds for distribution. As per loan agreement, the Company can also issue shares to Orastar Limited in lieu of repayment on mutually agreed basis.

10	MARKUP ACCRUED	2024	2023
		Rupees	
	Markup on short term financing	311,597,192	468,098,005
	Markup on subordinated loan	748,059,406	922,460,244
		1,059,656,598	1,390,558,249

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies:

11.1.1 In 2014, the tax authorities raised sales tax demand of Rs. 1,498.51 million by partially disallowing input sales tax for the tax periods 2010 to 2013 by apportioning the total claim to energy purchase price and capacity purchase price, the latter being not subject to sales tax. On appeal filed by the Company on 25 March 2014, the Appellate Tribunal Inland Revenue (ATIR) directed the taxation officer to decide the matter in line with judgment of the Honorable High Court in parallel cases. Consequently, at present, the aforesaid tax demand is no more payable. Tax Authorities, against the decision of ATIR, filed reference application under section 47 of the Sales Tax Act, 1990 before the Honorable Islamabad High Court on October 16, 2015. However, in case the matter is eventually resolved against the Company, the tax payment will be claimable under the Power Purchase Agreement. Based on the advice of the Company's tax consultants and decision of the Honorable Lahore High Court in a parallel case, the Company's management believes that the contention of tax department even after filing of reference application does not commensurate with the related statutory provisions and the issue is likely to be decided in favor of the Company.

11.1.2 In respect of Tax Years 2014 and 2015, the assessing officer amended the Company's assessments and raised tax demand amounting to Rs. 25.15 million and Rs. 9.45 million respectively by subjecting bank profit, return on investments and foreign exchange gain to tax. On 09 December 2017, the Company filed an appeal before Commissioner (Appeals), who confirmed the tax imposed in the earlier order and further ordered to charge tax on interest on delayed payment revenue. Against the order of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Commissioner (Appeals) the Company filed an appeal before ATIR which decided the case in favor of the Company on January 24, 2020. However, the tax department has filed a reference application in the Honorable Islamabad High Court against order of ATIR on July 7, 2020 which is pending adjudication.

11.1.3 For Tax Year 2015, the assessing officer raised demand of Rs. 55.6 million in March 2017 for alleged non-withholding of tax on salaries, payment for goods and service, rent and dividend. The Company filed appeal before Commissioner (Appeals) who remanded the case to the assessing officer who in turn created a demand of Rs. 13.4 million in September 2018. The Company again filed appeal before Commissioner (Appeals) against the appeal effect order on October 16, 2018. On 30 June 2021, Commissioner (Appeals) remanded the case back to assessing officer and also passed an order to reduce the tax charged on salaries by Rs. 0.25 million to the extent related thereto. The said case is pending adjudication before ATIR.

11.1.4 For Tax Year 2013, the assessing officer raised a demand of Rs. 29.09 million on account of non-payment to Workers' Welfare Fund. The Company filed appeal before Commissioner (Appeals) on July 26, 2019 who decided the matter in favor of the Company on January 15, 2020. The tax authorities have filed an appeal before ATIR against orders of Commissioner (Appeals) which is pending adjudication.

11.1.5 Sui Northern Gas Pipelines Limited (SNGPL) has claimed an amount of Rs. 129.58 million (2023: Rs. 124.52 million) on account of late payment by the Company against SNGPL's invoices of Regasified Liquefied Natural Gas (RLNG). SNGPL submitted these RLNG invoices to the Company without getting determination of RLNG tariff from Oil and Gas Regulatory Authority (OGRA). The Company has considered such SNGPL invoices to be invalid without OGRA determination and late payment surcharge claimed till determination is also invalid. Therefore, no provision for the above mentioned amount has been made in these financial statements.

11.2 Commitments:

The Company is committed to pay monthly fee and milestone payments to its O&M contractors as per terms agreed in the Operations & Maintenance (O&M) agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

12 PROPERTY, PLANT AND EQUIPMENT

	Owned assets										Total
	Freehold land	Buildings on freehold land	Plant and machinery	Office equipment	Computer and accessories	Furniture and fixtures	Motorcycle and bicycle	Vehicles	Other assets	Stores held for capitalization	
Rupees											
Cost											
Balance at January 1, 2023	43,890,600	2,352,888,758	15,283,370,062	12,824,765	6,947,810	6,883,198	327,553	15,991,566	626,230	511,038,581	18,234,729,123
Additions during the year	-	-	-	417,000	292,000	27,000	-	-	-	-	736,000
Disposals during the year	-	-	-	(123,750)	(334,500)	-	-	-	-	-	(458,250)
Effect of exchange loss (Refer note 9.1)	-	-	195,147,385	-	-	-	-	-	-	-	195,147,385
Balance at December 31, 2023	43,890,600	2,352,888,758	15,478,517,447	13,118,015	6,905,310	6,910,198	327,553	15,991,566	626,230	511,038,581	18,430,154,258
Balance at January 1, 2024	43,890,600	2,352,888,758	15,478,517,447	13,118,015	6,905,310	6,910,198	327,553	15,991,566	626,230	511,038,581	18,430,154,258
Additions during the year	-	-	-	1,678,147	1,955,418	45,000	456,188	720,491	-	-	4,855,244
Disposals during the year	-	-	(8,720,883)	(118,853)	(162,500)	(146,766)	(227,760)	-	-	-	(9,376,762)
Effect of exchange gain (Refer note 9.1)	-	-	(8,378,623)	-	-	-	-	-	-	-	(8,378,623)
Balance at December 31, 2024	43,890,600	2,352,888,758	15,461,417,941	14,677,309	8,698,228	6,808,432	555,981	16,652,057	626,230	511,038,581	18,417,254,117
DEPRECIATION											
Balance at January 1, 2023	-	1,003,220,237	5,894,253,980	10,557,922	5,784,552	5,063,846	327,553	12,745,254	626,230	-	6,932,579,574
Charge for the year	-	78,574,720	555,176,690	565,990	604,683	386,380	-	-	-	-	635,308,463
On disposals	-	-	-	(80,278)	(220,749)	-	-	-	-	-	(301,027)
Balance at December 31, 2023	-	1,081,794,957	6,449,430,670	11,043,634	6,168,486	5,450,226	327,553	12,745,254	626,230	-	7,567,587,010
Balance at January 1, 2024	-	1,081,794,957	6,449,430,670	11,043,634	6,168,486	5,450,226	327,553	12,745,254	626,230	-	7,567,587,010
Charge for the year	-	78,574,716	559,403,098	712,346	769,585	380,751	74,009	108,073	-	-	640,022,578
On disposals	-	-	(2,606,611)	(138,528)	(162,500)	-	(227,760)	-	-	-	(3,135,399)
Balance at December 31, 2024	-	1,160,369,673	7,006,227,157	11,617,452	6,775,571	5,830,977	173,802	12,853,327	626,230	-	8,204,474,189
Carrying amounts as at											
December 31, 2023	43,890,600	1,271,093,801	9,029,086,777	2,074,381	736,824	1,459,972	-	3,186,312	-	511,038,581	10,862,567,248
December 31, 2024	43,890,600	1,192,519,085	8,455,190,784	3,059,857	1,922,657	977,455	382,179	3,798,730	-	511,038,581	10,212,779,928
Rate of depreciation per annum (%)	-	3.33%	3.33%	5.8% to 10%	33.33% to 33.33%	10%	20%	20%	10%	-	10%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

12.1 DISPOSAL OF OPERATING FIXED ASSETS

Items with individual net book value exceeding Rs. 500,000/-

Asset description	Plant & machinery
Cost	8,720,883
Accumulated depreciation	2,606,611
Net book value	6,114,272
Sale proceeds	5,900,000
loss on disposal	(214,272)
Mode of disposal	Negotiation
Particulars of buyer	Enviro Science Pakistan

12.2 The depreciation charge for the year has been allocated as follows:	Note	2024	2023
		Rupees	
Cost of sales	22	637,977,814	633,751,410
Administrative expenses	24	2,044,764	1,557,053
		<u>640,022,578</u>	<u>635,308,463</u>

12.3 Particulars of the Company's immovable fixed assets

The Company's immovable fixed assets consist of buildings and civil structure on land measuring 275.35 Kanals, located at Chak 56/5L, Qadarabad Multan Road, District Sahiwal, Punjab.

13 RIGHT OF USE ASSETS

	Vehicles	Building	Total
	Rupees		
<u>COST</u>			
Balance at January 01, 2023	48,237,766	40,417,382	88,655,148
Additions during the year	-	-	-
Disposal / transferred during the year	(4,725,134)	(3,946,170)	(8,671,304)
Balance at December 31, 2023	43,512,632	36,471,212	79,983,844
Additions during the year	33,383,024	60,328,915	93,711,939
Disposal / transferred during the year	(4,356,591)	(36,471,212)	(40,827,803)
Balance at December 31, 2024	72,539,065	60,328,915	132,867,980
<u>DEPRECIATION</u>			
Balance at January 01, 2023	14,563,745	29,521,008	44,084,753
Charge for the year	7,242,122	6,792,793	14,034,915
Disposal / transferred	(1,323,037)	(911,423)	(2,234,460)
Balance at December 31, 2023	20,482,830	35,402,378	55,885,208
Charge for the year	10,492,254	6,178,292	16,670,546
Disposal / transferred during the year	(3,485,273)	(36,471,212)	(39,956,485)
Balance at December 31, 2024	27,489,811	5,109,458	32,599,269
Carrying amounts as at			
December 31, 2023	23,029,802	1,068,834	24,098,636
December 31, 2024	45,049,254	55,219,457	00,268,711
Rate of depreciation per annum (%)	10% to 20%	10% to 20%	

13.1 The Company has lease contracts for buildings and motor vehicles with lease terms ranging from 3 to 5 years in both lease contract categories. The Company's obligation under the lease contracts are secured by lessor's title to the leased asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
14 LOAN TO ASSOCIATED COMPANY			
Long term loan:	14.1		
Balance at January 01,		492,300,000	-
Disbursed during the year		507,681,000	492,300,000
Repaid during the year		-	-
		<u>999,981,000</u>	<u>492,300,000</u>
Allowance for expected credit loss		<u>(186,748,595)</u>	-
		<u>813,232,405</u>	<u>492,300,000</u>
Current portion of long term loan		<u>(64,248,643)</u>	-
Balance at December 31,		<u>748,983,762</u>	<u>492,300,000</u>
Running finance facility:	14.2		
Balance at January 01,		-	-
Disbursed during the year		3,615,985,875	-
Repaid during the year		<u>(2,154,203,659)</u>	-
		<u>1,461,782,216</u>	-
Allowance for expected credit loss		<u>(39,376,405)</u>	-
Balance at December 31,		<u>1,422,405,811</u>	-
Markup receivable on loans to associated company:	14.3		
Receivable on account of long term loan		151,450,447	13,882,386
Allowance for expected credit loss		<u>(12,683,975)</u>	-
		<u>138,766,472</u>	13,882,386
Receivable on account of running finance facility		162,895,954	-
Allowance for expected credit loss		<u>(13,642,536)</u>	-
		<u>149,253,418</u>	-
		<u>288,019,890</u>	<u>13,882,386</u>

14.1 During the year ended December 31, 2023, shareholders of the Company in their Extra Ordinary General Meeting held on September 11, 2023 approved unsecured long term loan maximum up to Rs. 1 billion in favor of Saif Textile Mills Limited (STML), an associated company. The loan is approved for a period of 9 (nine) years including 2 (two) years grace period. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, which ever is higher, payable in quarterly instalments. Principal shall be repaid after end of grace period in equal quarterly instalments spread over the remaining loan period starting from September 2025.

14.2 During the year, the Board of Directors of the Company in their meeting held on March 21, 2024 recommended to the shareholders for their approval to provide an unsecured running finance facility, in favor of Saif Textile Mills Limited (STML), an associated company, of Rs. 1.5 billion, which was approved by the shareholders of the Company in their Extra Ordinary General Meeting held on April 15, 2024. The facility carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, which ever is higher, payable in quarterly instalments. The running finance facility is renewable every year by mutual consent and approval of the shareholders.

14.3 This represents markup receivable from STML accrued during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
	Rupees	
14.4 Movement in allowance for expected credit loss is as follows:		
Balance at January 01,	-	-
Allowance for impairment the year:		
- on long term loan	186,748,595	-
- on running finance facility	39,376,405	-
- on markup receivable on long term loan	12,683,975	-
- on markup receivable running finance facility	13,642,536	-
	252,451,511	-
Balance at December 31,	252,451,511	-

14.5 Movement in gross amounts of loan to associated company is as follows:

Name of related party / Nature of receivable	Gross amount due	Past due amount	Allowance for expected credit loss	Reversal of provision for doubtful receivables / loan	Amount due written off	Net amount due	Maximum aggregate amount outstanding at any time during the year
- December 31, 2024							
Saif Textile Mills Limited							
- Long term loan	999,981,000	-	(186,748,595)	-	-	813,232,405	999,981,000
- Running finance facility	1,461,782,216	-	(39,376,405)	-	-	1,422,405,811	1,497,872,895
- Markup receivable on long term loan	151,450,447	111,986,716	(12,683,975)	-	-	138,766,472	151,450,447
- Markup receivable on running finance facility	162,895,954	106,050,621	(13,642,536)	-	-	149,253,418	162,895,954
	2,776,109,617	218,037,337	(252,451,511)	-	-	2,523,658,106	2,812,200,296
- December 31, 2023							
Saif Textile Mills Limited							
- Long term loan	492,300,000	-	-	-	-	492,300,000	492,300,000
- Running finance facility	-	-	-	-	-	-	-
- Markup receivable on long term loan	13,882,386	-	-	-	-	13,882,386	13,882,386
- Markup receivable on running finance facility	-	-	-	-	-	-	-
	506,182,386	-	-	-	-	506,182,386	506,182,386

	2024	2023
	Rupees	
15 TRADE AND OTHER RECEIVABLES		
Note		
Trade receivables from Central Power Purchasing Agency (CPPA):		
Receivable on account of periodic invoices	8,119,901,867	9,159,264,055
Provision against delay payment receivable from CPPA-G	(1,360,167,631)	-
	15.1	
	15.2	
	6,759,734,236	9,159,264,055
Receivable on account of pass through items	39,054,618	125,247,077
	15.3	
	6,798,788,854	9,284,511,132
Other receivables:		
Sales tax receivable - on account of energy invoices	719,677,574	529,921,980
Others receivables	1,033,843	9,024,565
	720,711,417	538,946,545
	7,519,500,271	9,823,457,677

15.1 Movement of provision against delay payment receivable from CPPA-G:

Balance at January 01,	-	-
Charge for the year	1,360,167,631	-
Balance at December 31,	1,360,167,631	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

15.1.1 During the year, the Company, GoP, CPPA-G and Energy Task Force (constituted by Prime Minister of Pakistan) along with other IPPs including 2002 Power Policy IPPs entered into the process of altering the contractual agreements which is expected to be completed in the 1st half of 2025. Under the amendment agreement, the Company and CPPA-G have agreed on the certain matters that are subject to fulfilment of certain terms and conditions and approvals specified in the amended agreement from Competent and Regulatory Authorities. Term and conditions includes settlement of outstanding receivables as on October 31, 2024; Return on Equity to be paid in hybrid take and pay mode; GoP to unconditionally withdraw Arbitration under Arbitration Submission Agreement on alleged excessive returns, if any, as per report on the Power Sector (as per reconciled numbers with the negotiation committee and Energy Task Force, the Company has no excessive profits). In addition to this, the Company agrees to waive of late payment interest verified till October 31, 2024. Consequently as back to back arrangement, GoP has agreed to facilitate waiver of late payment interest claims of Sui Northern Gas Pipelines Limited (SNGPL) and in the event of failure, CPPA-G shall pay to the Company.

15.2 Receivable from CPPA against periodic capacity and energy invoices, including delayed payment charges, are secured by way of guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

15.2.1 The Company considers this amount to be fully recoverable because this is secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA). As referred in note 2.5.1, SECP has exempted the applicability of expected credit loss allowance on trade debts due directly / ultimately from GoP till December 31, 2025. Trade debts include unbilled receivable amount of Rs. 0.712 billion (2023: Rs. 0.989 billion) at the year end.

15.2.2 The Company had won the original arbitration case against Sui Northern Gas Pipelines Limited (SNGPL) on March 09, 2016 for an amount of Rs. 239.68 million as SNGPL could not supply gas to the Company from March 2011 to May 2011 and Power Purchaser deducted Company's capacity amount to that extent.

Subsequently, Company set-off that amount against payables to SNGPL.

SNGPL enforced another arbitration saying that the company could not adjust without a decree from the court. The arbitration tribunal has agreed with SNGPL in its decision dated April 22, 2022. SNGPL has filed a petition in the Lahore High Court. During the year 2023, Civil Court Lahore issued decree on 16 October 2023 in favor of the Company. The Honorable Court, whilst making the Award a rule of Court, modified the Award to the extent that the interest awarded by the Arbitrator would not run from August 18, 2014 and the date of Award, respectively, but from the date of Honorable Court's Order date. This modification was upheld by Lahore High Court. This modification of interest date in Award made is against the arbitration rules. During the year, Company has challenged this modification in Supreme Court of Pakistan which is pending adjudication. The Company is confident that ultimately the money will be retained by the Company.

15.2.3 For aging of receivable from CPPA, against periodic invoices, at the reporting date, refer to note 30.5.

15.3 Under relevant provisions of the Power Purchase Agreement (PPA) signed with CPPA, payments to Workers' Profit Participation Fund (WPPF) and annual fee paid to Private Power Infrastructure Board (PPIB) are recoverable from CPPA as a pass through item.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

16 ADVANCES, DEPOSITS AND PREPAYMENTS	Note	2024	2023
		Rupees	
Advances:			
- to supplier		860,683	1,439,422
- to employees	16.1	4,223,074	483,925
		5,083,757	1,923,347
Prepayments	16.2	118,419,558	126,404,903
Security deposit		1,835,000	1,835,000
		125,338,315	130,163,250

16.1 This includes outstanding amount of unsecured loan of Rs. 2.4 million (2023: Nil) approved by the Company in favor of an employee repayable in equal monthly instalments of Rs. 60,000 starting from the month of disbursement. The maximum aggregate amount outstanding at any time during the year is Rs. 3 million (2023: Nil).

16.2 This includes Rs. 114 million (2023: Rs. 122 million) and Rs. 5 million (2023: Rs. 4 million) on account of prepayment of insurance premium and NEPRA licensing fee respectively.

17 ADVANCE INCOME TAX	Note	2024	2023
		Rupees	
Balance at January 01,		9,771,832	8,072,924
Tax paid / withheld during the year		13,034,475	1,698,908
Income tax expense for the year		(265,926)	-
Balance at December 31,		22,540,381	9,771,832

18 SHORT TERM INVESTMENTS

T-Bill investments	18.1	-	27,420,043
Term deposit receipts	18.2	-	3,928,800,000
		-	3,956,220,043

18.1 These carry interest rate of 10.46% to 22.25% (2023: 15.75% to 21.80%) per annum.

18.2 This carry interest rate of 22.45% (2023: 22.45%) per annum having maturity up to January 02, 2024.

19 BANK BALANCES	Note	2024	2023
		Rupees	
Current accounts			
- Local currency		869,770	425,888
Deposit accounts			
- Local currency		1,794,723	504,147
- Foreign currency	19.1	559,848	562,185
	19.2	2,354,571	1,066,332
		3,224,341	1,492,220

19.1 This represents an amount of USD 2,011 (2023: USD 1,994) in US Dollar deposit account.

19.2 These carry markup ranging from 14.37% to 22.55% (2023: 15.03% to 21.55%) per annum for Rupee denominated balances while 1% (2023: 1%) per annum for US Dollar denominated balances.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

20 ASSETS CLASSIFIED AS HELD FOR SALE	Note	2024	2023
		Rupees	
Asset classified as held for sale	20.1	-	789,178,640

Particulars of Investment:

Name of party: Saif Cement Limited (SCL) - subsidiary company

Place of business: APTMA House, Tehkal Payan, Jamrud Road, Peshawar.

Ownership: 96.59%

- 20.1** Investment in SCL, previously classified as “asset held for sale” based on decision of the board and shareholders to sale the assets of the SCL and distribute the cash to shareholders after liquidation of SCL. The sale transaction is completed during the year and all proceeds have been realized. During the year liquidator has been appointed on the basis of approval of Board and shareholders for voluntary winding up of SCL. At the end of the year, cash was distributed to shareholders in accordance with their respective shareholding ratios, except for an insignificant amount of Rs. 7.9 million related to a pending tax refund, which is under adjudication by the Peshawar High Court. The proceeds from the realization of this tax asset will be recognized in profit or loss when received. Since the Company has lost control over SCL and no longer has power over the only subsidiary due to the appointment of the liquidator, the Company has not prepared consolidated financial statements.

21 TURNOVER - NET	Note	2024	2023
		Rupees	
Gross energy purchase price		5,373,842,654	15,501,811,764
Less: sales tax		(862,883,117)	(2,359,567,624)
		<u>4,510,959,537</u>	<u>13,142,244,140</u>
Capacity purchase price		5,159,904,518	5,901,486,441
		<u>9,670,864,055</u>	<u>19,043,730,581</u>

22 COST OF SALES

Raw material consumed		4,302,307,120	12,440,723,011
Operation and maintenance		1,172,511,034	2,657,429,183
Salaries and other benefits	22.1	101,244,529	92,604,986
Electricity charges		177,574,262	85,254,348
Insurance expense		350,213,562	327,951,948
Depreciation	12.2	637,977,814	633,751,410
Office expenses		3,628,355	3,924,977
Travelling, conveyance and entertainment		4,151,172	3,768,790
Repair and maintenance		177,116	185,065
Communication		90,442	103,454
		<u>6,749,875,406</u>	<u>16,245,697,172</u>

- 22.1** These include Rs. 7,799,731 (2023: Rs. 8,096,287) charged in respect of staff retirement benefits - gratuity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
		Rupees	
23	OTHER INCOME		
<i>Income from financial assets</i>			
Profit on deposit accounts		291,247	1,112,644
Dividend income	23.1	508,366,455	-
Return on investments		7,324,647	18,344,803
		515,982,349	19,457,447
<i>Income from non financial assets</i>			
Gain on disposal of property, plant and equipment - net		562,895	2,677,907
Exchange gain - net		11,690,647	-
Scrap sales		354,090	342,740
		12,607,632	3,020,647
		528,589,981	22,478,094

23.1 This represents dividend received from Saif Cement Limited (subsidiary) company after its distribution of undistributed profits in the form of dividend to all shareholders in accordance with their respective shareholding ratios upon its liquidation.

	Note	2024	2023
		Rupees	
24	ADMINISTRATIVE EXPENSES		
Salaries and other benefits	24.1	148,253,764	102,769,859
Traveling and conveyance		1,036,710	417,656
Rent, rates and taxes		14,658,235	2,102,768
Security services		30,634,015	19,604,335
Office expenses		35,077,293	6,938,796
Fees and subscriptions		22,577,651	16,152,127
Legal and professional		2,863,177	17,812,076
Repair and maintenance		22,963,420	12,761,451
Utilities		14,527,822	6,475,033
Insurance		6,868,370	3,536,032
Depreciation - property, plant and equipment	12.2	2,044,764	1,557,053
Depreciation - right of use assets	13	16,670,546	14,034,915
Auditors' remuneration	24.2	3,884,119	3,641,430
Donations	24.3	8,400,000	10,965,000
Advertisements		298,942	444,762
		330,758,828	219,213,293

24.1 These include Rs. 4,675,146 (2023: Rs. 3,270,575) charged in respect of staff retirement benefits - gratuity.

24.2 Auditors' remuneration

Statutory audits and reviews	2,705,148	2,476,210
Certifications required under regulations and agreements	1,026,716	1,028,588
Out of pocket expenses	152,255	136,633
	3,884,119	3,641,431

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

24.3 This represents donation made to following institutions in which directors of the Company are common directors:

Name of Donee	Address	Name of Director	Nature of interest in donee	2024 Rupees	2023
a) Akbar Kare Institute	House 6-B, Sec-3, Near Sui, Gas Office, Phase 5, Hayatabad, Peshawar.	Mrs. Hoor Yousafzai	Director	8,400,000	8,400,000

			2024	2023
			Rupees	
28	FINANCE COST			
	Markup cost on short term borrowings:			
	- from conventional banking		928,987,841	1,141,026,973
	- from islamic mode of financing		644,735,222	875,789,409
			1,573,723,063	2,016,816,382
	- Markup income on loans to associated company	25.1	(352,190,909)	(13,882,386)
	Net markup cost on short term borrowings		1,221,532,154	2,002,933,996
	Markup on sub-ordinated loan		44,598,958	71,260,562
	Guarantee commission		16,945,001	12,999,996
	Interest on lease liabilities		11,958,386	5,453,259
	Bank charges		1,307,986	1,921,163
	Exchange loss - net		-	170,625,619
			1,296,342,485	2,265,194,595

25.1 This represents markup income of Rs. 186.9 million and Rs. 162.9 million (2023: Rs. 13.8 million and Nil) from long term loan and running finance facility respectively provided to Saif Textile Mills Limited, an associated company.

			2024	2023
			Rupees	
26	LEVY			
	Final tax	26.1	76,254,969	-

26.1 This represents final tax under section 154 on Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC21/IAS 37 as explained in note 27.2.

27 INCOME TAX

Income tax - current	27.1	265,926	-
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27.1 Represents tax at the rate of 29% on other income as per the requirements of the Income Tax Ordinance, 2001. The Company's profits from power generation are exempt and accordingly, no tax reconciliation has been presented. The Company computes tax charge based on the generally accepted interpretations of tax laws to ensure that sufficient provision for the purpose of taxation is available.

27.2 During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under final tax regime to be shown separately as a levy instead of showing it in current tax.

27.3 The aggregate of levy and income taxes amounting to Rs. 76,520,894 (2023: Nil) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

28 EARNINGS PER SHARE

Profit for the year (Rupees)	133,337,280	336,103,615
Weighted average number of shares (Numbers)	386,471,779	386,471,779
Earnings per share - basic (Rupees)	0.35	0.87
There is no dilution effect on the basic earnings per share of the Company.		

29 OPERATING SEGMENT

For management purposes, the activities of the Company are organized into a single reportable segment. The operating interests of the Company are confined to Pakistan. Accordingly, the financial statements have been prepared on the basis of a single reportable segment. The Company's only customer is Central Power Purchasing Agency Guarantee Limited, a Government owned entity to which it sells electricity. The Company's overall net revenue is Rs. 9,672,426,209 (2023: Rs. 19,043,730,581).

30 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value measurement

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. 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 fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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).

a Accounting classifications and fair values

30.1 The following table shows the carrying amounts of financial assets and financial liabilities at the year end.

	Note	Carrying Amount		
		Amortised cost	Fair value	Total
December 31, 2024				
Rupees				
Financial assets	31.2			
Long term loan to associated company		813,232,405	-	813,232,405
Running finance facility to associated company		1,422,405,811	-	1,422,405,811
Markup receivable on loans to associated company		288,019,890	-	288,019,890
Trade receivables from Central Power Purchasing Agency (CPPA)		6,798,788,854	-	6,798,788,854
Other receivables	30.3	1,033,843	-	1,033,843
Advances, deposits and prepayments		6,058,074	-	6,058,074
Short term investments		-	-	-
Bank balances		3,224,341	-	3,224,341
Total		9,332,763,218	-	9,332,763,218

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	Carrying Amount		
		Amortised cost	Fair value	Total
Rupees				
Financial liabilities	30.2			
Subordinated loan		400,425,023	-	400,425,023
Lease liabilities		90,621,501	-	90,621,501
Trade and other payables	30.4	553,943,016	-	553,943,016
Short term borrowings		7,532,097,498	-	7,532,097,498
Markup accrued		1,059,656,598	-	1,059,656,598
Unclaimed and unpaid dividend		26,582,714	-	26,582,714
Total		9,663,326,350	-	9,663,326,350

December 31, 2023

Financial assets not measured at fair value

	30.2			
Long term loan to associated company		492,300,000	-	492,300,000
Running finance facility to associated company		-	-	-
Markup receivable on loans to associated company		13,882,386	-	13,882,386
Trade receivables from Central Power Purchasing Agency (CPPA)		9,284,511,132	-	9,284,511,132
Other receivables		9,024,565	-	9,024,565
Advances, deposits and prepayments		2,318,925	-	2,318,925
Short term investments		3,956,220,043	-	3,956,220,043
Bank balances		1,492,220	-	1,492,220
Total		13,759,749,271	-	13,759,749,271

Financial liabilities not measured at fair value

	30.2			
Subordinated loan		730,519,567	-	730,519,567
Lease liabilities		16,237,992	-	16,237,992
Trade and other payables	30.4	393,143,020	-	393,143,020
Short term borrowings		11,669,326,413	-	11,669,326,413
Markup accrued		1,390,558,249	-	1,390,558,249
Unclaimed and unpaid dividend		118,163,748	-	118,163,748
Total		14,317,948,989	-	14,317,948,989

30.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value as the financial asset.

30.3 This excludes sales tax receivable on energy purchase invoices charged to CPPA.

30.4 This excludes withholding tax payable and WPPF payable.

b Financial risk management

The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

30.5 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The primary activity of the Company is power generation and sale of total output to CPPA-G. The Company is exposed to credit risk from its operations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2024	2023
		Rupees	
Long term loan to associated company	14	813,232,405	492,300,000
Running finance facility to associated company	14	1,422,405,811	-
Markup receivable on loans to associated company	14	288,019,890	13,882,386
Trade receivables from Central Power Purchasing Agency (CPPA)	15	6,798,788,854	9,284,511,132
Other receivables	15	1,033,843	9,024,565
Advances, deposits and prepayments	16	6,058,074	2,318,925
Short term investments	19	-	3,956,220,043
Bank balances	18	3,224,341	1,492,220
Total		9,332,763,218	13,759,749,271

30.5.1 Credit risk is minimum on bank balances as the bank accounts are maintained with reputable banks having good credit ratings. Credit risk on loans to associated company is also minimum due to stable credit rating of associated company. However, in accordance with IFRS 9, the Company has recognised the necessity to provide an allowance for expected credit losses on loans to associated company. This provision reflects the Company commitment to prudent financial management and adherence to international accounting standards. Consequently, the Company have made a provision for the expected credit losses on the loans to associated company as of the year-end. This measure ensures that financial statements accurately represent the potential risks associated with financial assets, thereby maintaining the integrity and reliability of our financial reporting. Further, as disclosed in note 15 that the trade debts

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

are receivable from CPPA-G and are secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA). As explained in note 2.5.1 and 3.9 of the financial statements the Company believes that no impairment allowance is necessary on trade debts and other receivables past due from CPPA-G. The Company is actively pursuing for recovery of trade debts and other receivables and the Company does not expect debtor to fail to meet its obligations.

30.5.2 During the year, the Company, GoP, CPPA-G and Energy Task Force (constituted by Prime Minister of Pakistan) along with other IPPs including 2002 Power Policy IPPs entered into the process of altering the contractual agreements which is expected to be completed in the 1st half of 2025. Under the amendment agreement, the Company and CPPA-G have agreed on the certain matters that are subject to fulfilment of certain terms and conditions and approvals specified in the amended agreement from Competent and Regulatory Authorities. Under the said agreement, the Company agrees to waive of late payment interest verified till October 31, 2024. Consequently as back to back arrangement, GoP has agreed to facilitate waiver of late payment interest claims of Sui Northern Gas Pipelines Limited (SNGPL) and in the event of failure, CPPA-G shall pay to the Company. Following is the movement of provision against delay payment receivable from CPPA-G verified till October 31, 2024, the Company agreed to waive under the amended agreement:

		2024	2023
	Note	Rupees	Rupees
Movement of provision against delay payment receivable from CPPA-G:			
Balance at January 01,		-	-
Charge for the year	15.1	<u>1,360,167,631</u>	-
Balance at December 31,		<u>1,360,167,631</u>	-

Credit quality of financial assets

The credit quality of Company's financial assets have been assessed as follows by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

		2024	2023
	Note	Rupees	Rupees
Trade receivables from Central Power Purchasing Agency (CPPA)			
Counterparties without external credit ratings	15	<u>6,798,788,854</u>	<u>9,284,511,132</u>

Impairment losses

The aging of trade debts at the reporting date was:

- Neither past due nor impaired		1,033,993,391	1,889,978,038
- Past due nor impaired			
1 - 60 days		366,042,931	1,242,667,845
61 - 120 days		3,831,216,724	2,831,143,177
121 - 180 days		2,927,703,439	3,320,722,072
181 days and above		-	-
		<u>7,124,963,094</u>	7,394,533,094
Provision against delay payment receivable from CPPA-G15.1		<u>(1,360,167,631)</u>	-
		<u>6,798,788,854</u>	<u>9,284,511,132</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

ECL on 'trade receivables' from CPPA-G has not been determined as these are covered under exemption from SECP as explained in note 2.5.1. Impact of ECL on financial assets excluding loans to associated company not covered under exemption includes other receivables, advances to employees, advances to suppliers, security deposits, bank balances and short term investments was not material and accordingly has not been included in these financial statements.

		2024	2023
		Rupees	
Other receivables			
Counterparties without external credit ratings	15	<u>1,033,843</u>	<u>9,024,565</u>
Advances and deposits			
Counterparties without external credit ratings	16	<u>6,058,074</u>	<u>2,318,925</u>
Long term loan			
Saif Textile Mills Limited - external credit ratings - (A-)	14	<u>813,232,405</u>	<u>492,300,000</u>
Running finance facility			
Saif Textile Mills Limited - external credit ratings - (A-)	14	<u>1,422,405,811</u>	<u>-</u>
Markup receivable on loans to associated company			
Saif Textile Mills Limited - external credit ratings - (A-)	14	<u>288,019,890</u>	<u>13,882,386</u>

30.5.2 Movement in allowance for expected credit loss on loans to associated company is as follows:

Balance at January 01,	-	-
Allowance for impairment the year:		
- on long term loan	<u>186,748,595</u>	-
- on running finance facility	<u>39,376,405</u>	-
- on markup receivable on long term loan	<u>12,683,975</u>	-
- on markup receivable running finance facility	<u>13,642,536</u>	-
	<u>252,451,511</u>	-
Balance at December 31,	<u>252,451,511</u>	<u>-</u>

Short term investment and Bank balances

The Company held cash at bank and short term investments amounting to Rs. 3,224,341 as at December 31, 2024 (December 31, 2023: Rs. 3,957,712,263). Cash at bank and short term investment is held with banks and financial institution counter parties, which are rated A1+ (2023: A1+) and A1+ respectively based on JCR-VIS and PACRA ratings.

30.6 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

There were no defaults on loans payable during the year.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
Rupees					
2024					
Subordinated loan	400,425,023	400,425,023	400,425,023	-	-
Lease liabilities	90,621,501	117,253,361	42,024,643	75,228,718	-
Trade and other payables	553,943,016	1,834,898,573	1,834,898,573	-	-
Short term borrowings	7,532,097,498	7,332,097,499	7,332,097,499	-	-
Markup accrued	1,059,656,598	1,259,656,598	1,259,656,598	-	-
Unclaimed and unpaid dividend	26,582,714	26,582,714	26,582,714	-	-
	9,663,326,350	10,970,913,768	10,895,685,050	75,228,718	-
2023					
Subordinated loan	730,519,567	730,519,567	730,519,567	-	-
Lease liabilities	16,237,992	21,588,118	9,471,188	12,116,930	-
Trade and other payables	393,143,020	393,143,020	393,143,020	-	-
Short term borrowings	11,669,326,413	11,669,326,413	11,669,326,413	-	-
Markup accrued	1,390,558,249	1,390,558,249	1,390,558,249	-	-
Unclaimed and unpaid dividend	118,163,748	118,163,748	118,163,748	-	-
	14,317,948,989	14,323,299,115	14,311,182,185	12,116,930	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

The contractual cash flows relating to long term borrowings and lease liabilities have been determined on the basis of expected markup rates. The markup rates have been disclosed in relevant notes to these financial statements.

30.7 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rates only.

30.8 Currency risk

Rupee is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than Rupee. The Company's potential foreign currency exposure comprise:

- ◆ Transactional exposure in respect of non functional currency monetary items.
- ◆ Transactional exposure in respect of non functional currency expenditure and revenues.

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to Rupee equivalent, and the associated gain or loss is taken to the profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. These currency risks are managed as part of overall risk management strategy. The Company does not enter into forward exchange contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2024	2023	2024	2023
	Rupees		USD	
Subordinated loan	400,425,023	730,519,567	1,435,987	2,586,826
Accrued markup on sub-ordinated loan	748,059,406	922,460,244	2,682,659	3,266,502
Trade and other payables	380,783,060	196,391,974	1,365,548	695,439
Bank balances	(559,848)	(562,185)	(2,008)	(1,991)
	<u>1,528,707,641</u>	<u>1,848,809,600</u>	<u>5,482,186</u>	<u>6,546,776</u>

The following significant exchange rates have been applied:

	Average Rate		Reporting Date Rate	
	2024	2023	2024	2023
US Dollars	<u>280.63</u>	280.35	<u>278.85</u>	282.40

Foreign Currency Sensitivity Analysis

A 5% strengthening of the functional currency against USD at December 31, 2024 would have increased profit by Rs. 66.41 million (2023: Rs. 55.91 million). A 5% weakening of the functional currency against USD at December 31, 2024 would have had the equal but opposite effect on these amounts. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rate. The Company has long term Rupee and USD based loans and short term running finance arrangement at variable rates. These loans have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) . Any increase / decrease in KIBOR is adjustable and approved by NEPRA.

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

	2024	2023
	Rupees	
Fixed rate instruments		
Financial assets	<u>2,354,571</u>	<u>3,957,286,375</u>
Variable rate instruments		
Financial assets	<u>9,034,427,070</u>	<u>7,886,833,094</u>
Financial liabilities	<u>(8,023,144,022)</u>	<u>(12,416,083,972)</u>

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 rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by Rs. 10.13 (2023: -45.29). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Other market price risk

The primary goal of the Company's investment strategy is to maximize investment returns on surplus funds. The Company adopts a policy of ensuring to minimise its price risk by investing in securities having sound market performance. Certain investments are designated as held for trading because their performance is actively monitored and these are managed on a fair value basis. Equity price risk arises from investments at fair value through profit or loss.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

Non - derivative financial assets

The fair value of non - derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

30.9 Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure which comprises of capital and reserves by monitoring the return on net assets and makes adjustments, if required, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves or / and issue new shares. There was no change in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

31 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

31.1 No remuneration has been paid to the directors of the Company, except for meeting fee amounting to Rs. 1,075,000 (2023: Rs. 1,075,000) paid during the year.

31.2 The aggregate amounts charged in these financial statements for remuneration including benefits applicable to the chief executive officer and executives of the Company are given below:

	2024	2023
	Rupees	
	Chief executive officer	
Managerial remuneration - Gross	44,290,752	37,008,960
Staff retirement benefit	4,882,999	4,995,160
Bonus	7,381,792	6,168,160
Other reimbursable expenses	412,839	371,614
	56,968,382	48,543,894
Number of persons	1	1
	Executives	
Managerial remuneration - Gross	124,773,172	98,238,344
Staff retirement benefit	5,426,182	4,800,718
Bonus	12,359,862	12,219,764
Other reimbursable expenses	7,316,042	5,200,537
	149,875,258	120,459,363
Number of persons including those who worked part of the year	17	13

31.3 Executive means an employee whose basic salary exceeds Rs. 1,200,000 (2023: Rs. 1,200,000) per year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

32.4 In addition to the above, chief executive officer and executives (including KMPs other than directors) are provided with the Company's maintained vehicles, medical facility and health insurance coverage as per the Company's policy.

32 RELATED PARTY TRANSACTIONS

Related parties comprise of Saif Holdings Limited, directors, key management personnel, entities over which directors are able to exercise significant influence and major shareholders. Balances and other arrangements with Orastar Limited have been disclosed in note 4.3, 9 and 10 to the financial statements. Transactions and balances with related parties other than those disclosed in note 7.3, 14, 20, 23, 24.3 and 25.1 to these financial statements are as follows:

	2024	2023
	Rupees	
i) Saif Holdings Limited (SHL)		
Payment of dividend	244,501,172	470,331,346
Reimbursement of expenses from SHL, incurred by the Company	6,633,093	-
ii) Kohat Textile Mills Limited (KTML)		
Shared expenses incurred by KTML on behalf of the Company	12,615,262	-
Reimbursement of expenses from KTML, incurred by the Company	316,463	-
Shared expenses incurred by the Company on behalf of KTML	8,247,269	316,463
Reimbursement of expenses to KTML incurred on behalf of the Company	4,367,993	-
iii) Saif Textile Mills Limited		
Payment of dividend	275	529
Shared expenses incurred by STML on behalf of the Company	3,551,582	-
Reimbursement of expenses from STML, incurred by the Company	15,364,011	-
Shared expenses incurred by the Company on behalf of STML	18,556,387	359,206
Markup received on long term loan	49,310,413	-
iv) Directors of the company		
Payment of dividend	141,406,617	235,009,847
Payment of meeting fee	1,075,000	1,075,000
v) Key Management Personnel		
Managerial remuneration and other benefits	92,095,468	87,399,172
vi) Saif Power - Staff Gratuity Fund		
Payment of contribution	10,523,297	6,805,257
vii) Sui Northern Gas Pipelines Limited		
Procurement of supplies	5,076,722,401	553,840
Payment against procurement of supplies	5,076,763,824	83,469,188
vii) Other related parties		
Payment of dividend	442,000,685	347,494,035
Remunerations and reimbursable expenses	29,749,365	28,381,114

32.1 Key management personnel comprise of Directors, Chief Executive Officer, Chief Financial Officer and General Manager Plant. The key management personnel are also provided with the Company maintained vehicles, medical facility and health insurance coverage as per the Company's policy.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

32.2 The related parties with whom the Company has entered into transactions or had arrangements / agreements in place during the year have been disclosed below along with their basis of relationship:

Name of Related Party / Associated Company	Nature of Relationship	% age of shareholding
Saif Holdings Limited	Common Directorship	23.01%
Saif Textile Mills Limited	Common Directorship	0.000026%
Kohat Textile Mills Limited	Common Directorship	Nil
Sui Northern Gas Pipelines Limited	Common Directorship	Nil
Orastar Limited (Refer note 2.4(i))	Investor	17.08%
Akbar Kare Institute	Common Directorship	Nil
Directors of the Company	Directors	11.50%
Other related parties	Relatives of Directors	17.00%
Key management personnel	Key management personnel	Nil
Saif Power Limited - Staff Gratuity Fund	Post employment benefit	Nil

32.3 Transactions with related parties have been carried out on mutually agreed terms and conditions.

33 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act 2017, shariah compliant companies and companies listed on the Islamic Index shall disclose the following:

	Note	2024	2023
		Rupees	
Short term running finance facilities - as per			
Islamic mode	8	2,369,592,193	5,199,139,517
Finance cost on Islamic mode of financing	25	644,735,222	875,789,409

For profit earned and finance cost on conventional loans, refer to note - 23 and 25.

The Company maintains bank accounts with Meezan Bank Limited, Faysal Bank Limited, Dubai Islamic Bank Limited, Bank Islami Pakistan Limited and Bank Alfalah (Islamic) Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

34 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities		Lease liabilities	Equity		Total
	Sub-ordinated loan	Short term borrowings		Share Capital	Un appropriated profit - revenue reserve	
Balance at January 01, 2024	730,519,567	11,669,326,413	16,237,992	3,864,717,790	118,163,748	16,398,965,510
Changes from financing cash flows						
Proceeds from short-term borrowings - net	-	(4,137,228,915)	-	-	-	(4,137,228,915)
Repayments of long term financing	(321,715,921)	-	-	-	-	(321,715,921)
Lease liabilities paid	-	-	(16,428,858)	-	-	(16,428,858)
Dividend declared	-	-	-	1,062,793,643	-	1,062,793,643
Dividend paid	-	-	-	(1,154,374,677)	-	(1,154,374,677)
Total changes from financing cash flows	(321,715,921)	(4,137,228,915)	(16,428,858)	(91,581,034)	(91,581,034)	(4,566,954,728)
Effect of changes in foreign exchange rates	(8,378,623)	-	-	-	-	(8,378,623)
Other changes						
Liability related						
Lease of new vehicles and building	-	-	95,168,958	-	-	95,168,958
Disposal of leased vehicles	-	-	(4,356,591)	-	-	(4,356,591)
Total liability related other changes	-	-	90,812,367	-	-	90,812,367
Equity related						
Total comprehensive income for the year	-	-	-	-	-	-
Total equity related other changes	-	-	-	-	-	-
Balance at December 31, 2024	400,425,023	7,532,097,498	90,621,501	3,864,717,790	26,582,714	11,914,444,526
Balance at January 01, 2023	847,818,615	15,526,546,088	39,337,369	3,864,717,790	388,752,232	20,667,172,094
Changes from financing cash flows						
Proceeds from short-term borrowings - net	-	(3,857,219,675)	-	-	-	(3,857,219,675)
Repayments of long term financing	(312,446,433)	-	-	-	-	(312,446,433)
Lease liabilities paid	-	-	(17,573,875)	-	-	(17,573,875)
Dividend declared	-	-	-	2,044,435,713	-	2,044,435,713
Dividend paid	(312,446,433)	(3,857,219,675)	(17,573,875)	(2,315,024,197)	-	(2,315,024,197)
Total changes from financing cash flows	(624,892,866)	(7,674,439,350)	(17,573,875)	(270,588,484)	(270,588,484)	(4,457,828,467)
Effect of changes in foreign exchange rates	195,147,385	-	-	-	-	195,147,385
Other changes						
Liability related						
Lease of new vehicles	-	-	-	-	-	-
Disposal of leased vehicles	-	-	(5,525,502)	-	-	(5,525,502)
Total liability related other changes	-	-	(5,525,502)	-	-	(5,525,502)
Equity related						
Total comprehensive income for the year	-	-	-	-	-	-
Total equity related other changes	-	-	-	-	-	-
Balance at December 31, 2023	730,519,567	11,669,326,413	16,237,992	3,864,717,790	118,163,748	16,398,965,510

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

		2024	2023
		Rupees	
35 CASH AND CASH EQUIVALENTS			
Bank balances	19	3,224,341	1,492,220
Short term investments	18	-	3,956,220,043
		<u>3,224,341</u>	<u>3,957,712,263</u>

36 CAPACITY AND PRODUCTION

Installed capacity based on hours 8,760 (2023: 8,760) –
Megawatt hours

1,786,228 1,788,663

Actual energy delivered – Megawatt hours

147,543 440,208

Output produced by the plant is dependent on the load demanded by NTDC.

		2024	2023
		Number	
37 Number of employees			
At year end		62	40
Average during the year		62	41

38 NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of directors of the Company, in its Board meeting held on April 04, 2025 has approved final cash dividend of Rs. Nil per share.

39 GENERAL

Corresponding figures have been re-arranged and reclassified, where necessary, for the purpose of better presentation and comparison. This re-arrangement / reclassification has no impact on the reported amounts of profit or loss and cash flows and the statement of financial position for the comparative period.

40 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors in their meeting held on April 04, 2025.



Chief Financial Officer



Chief Executive Officer



Director

Pattern of Shareholding

Saif Power Limited

As at December 31, 2024

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
512	1	100	15,727	0.0041
2501	101	500	1,187,253	0.3072
1061	501	1,000	1,018,422	0.2635
1506	1,001	5,000	4,226,825	1.0937
521	5,001	10,000	4,095,776	1.0598
261	10,001	15,000	3,364,338	0.8705
163	15,001	20,000	3,004,876	0.7775
123	20,001	25,000	2,835,208	0.7336
84	25,001	30,000	2,365,779	0.6121
42	30,001	35,000	1,388,392	0.3592
46	35,001	40,000	1,777,901	0.4600
29	40,001	45,000	1,254,044	0.3245
36	45,001	50,000	1,768,792	0.4577
26	50,001	55,000	1,383,113	0.3579
23	55,001	60,000	1,330,249	0.3442
8	60,001	65,000	505,896	0.1309
15	65,001	70,000	1,025,613	0.2654
10	70,001	75,000	738,000	0.1910
21	75,001	80,000	1,653,806	0.4279
5	80,001	85,000	416,283	0.1077
8	85,001	90,000	705,547	0.1826
5	90,001	95,000	463,431	0.1199
28	95,001	100,000	2,793,000	0.7227
5	100,001	105,000	517,121	0.1338
5	105,001	110,000	541,421	0.1401
5	110,001	115,000	563,861	0.1459
3	115,001	120,000	354,441	0.0917
11	120,001	125,000	1,356,820	0.3511
5	125,001	130,000	643,190	0.1664
1	130,001	135,000	132,150	0.0342
2	140,001	145,000	284,149	0.0735
7	145,001	150,000	1,044,250	0.2702
3	150,001	155,000	456,750	0.1182
6	155,001	160,000	948,300	0.2454
1	160,001	165,000	165,000	0.0427
2	170,001	175,000	350,000	0.0906
2	175,001	180,000	354,475	0.0917
1	180,001	185,000	181,500	0.0470
1	185,001	190,000	190,000	0.0492
1	190,001	195,000	195,000	0.0505
6	195,001	200,000	1,200,000	0.3105
4	200,001	205,000	803,059	0.2078
1	205,001	210,000	209,914	0.0543
1	215,001	220,000	220,000	0.0569
2	220,001	225,000	450,000	0.1164
1	230,001	235,000	232,000	0.0600
1	235,001	240,000	239,600	0.0620
1	240,001	245,000	245,000	0.0634
2	245,001	250,000	500,000	0.1294
3	250,001	255,000	755,729	0.1955
1	270,001	275,000	273,020	0.0706
1	280,001	285,000	284,500	0.0736
1	285,001	290,000	285,091	0.0738
3	295,001	300,000	900,000	0.2329

Pattern of Shareholding

Saif Power Limited

As at December 31, 2024

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
2	350,001	355,000	701,674	0.1816
1	355,001	360,000	359,500	0.0930
1	380,001	385,000	381,000	0.0986
1	385,001	390,000	390,000	0.1009
1	390,001	395,000	391,900	0.1014
1	395,001	400,000	400,000	0.1035
1	410,001	415,000	414,000	0.1071
1	420,001	425,000	422,824	0.1094
5	495,001	500,000	2,500,000	0.6469
1	500,001	505,000	503,500	0.1303
1	535,001	540,000	535,944	0.1387
1	545,001	550,000	548,365	0.1419
1	560,001	565,000	565,000	0.1462
1	585,001	590,000	587,500	0.1520
1	610,001	615,000	612,244	0.1584
1	660,001	665,000	662,216	0.1713
1	665,001	670,000	668,500	0.1730
1	685,001	690,000	687,500	0.1779
2	695,001	700,000	1,396,500	0.3613
1	710,001	715,000	714,000	0.1847
1	760,001	765,000	761,000	0.1969
1	835,001	840,000	839,500	0.2172
1	840,001	845,000	844,500	0.2185
1	875,001	880,000	876,562	0.2268
1	1,500,001	1,505,000	1,502,912	0.3889
1	1,945,001	1,950,000	1,950,000	0.5046
1	1,995,001	2,000,000	2,000,000	0.5175
1	4,935,001	4,940,000	4,935,882	1.2772
2	6,995,001	7,000,000	14,000,000	3.6225
1	7,000,001	7,005,000	7,000,313	1.8113
1	10,235,001	10,240,000	10,237,000	2.6488
1	10,335,001	10,340,000	10,340,000	2.6755
1	10,370,001	10,375,000	10,370,122	2.6833
1	11,295,001	11,300,000	11,299,226	2.9237
1	11,330,001	11,335,000	11,332,520	2.9323
1	13,885,001	13,890,000	13,889,000	3.5938
1	15,345,001	15,350,000	15,350,000	3.9718
2	21,670,001	21,675,000	43,344,417	11.2154
1	66,020,001	66,025,000	66,022,504	17.0834
1	88,905,001	88,910,000	88,909,517	23.0054
7180	COMPANY TOTAL		386,471,779	100.000

CATEGORY OF SHAREHOLDER	NO OF FOLIO	SHARES	PERCENTAGE
DIRECTORS, CEO AND CHILDREN, SPONSORS, AND THEIR ASSOCIATES	24	108,484,439	28.0705
ASSOCIATED COMPANIES	2	88,909,617	23.0055
BANKS, DFI AND NBFİ	4	39,499,000	10.2204
INSURANCE COMPANIES	2	5,439,382	1.4074
GENERAL PUBLIC (LOCAL)	6541	63,223,415	16.3591
GENERAL PUBLIC (FOREIGN)	577	8,200,127	2.1218
OTHERS	30	72,715,799	18.8153
	7,180	386,471,779	100

Pattern of Shareholding

Saif Power Limited

As at December 31, 2024

DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN	SHARES	PERCENTAGE
MR. JAVED SAIFULLAH KHAN	21,678,207	5.6092
MRS. HOOR YOUSAFZAI	314	0.0000
MR. OSMAN SAIFULLAH KHAN	11,408,182	2.9519
MR. ASSAD SAIFULLAH KHAN	11,333,520	2.9326
MR. ASIF SAIFULLAH KHAN	7,000,313	1.8113
MISS SAIMA AKBAR KHATTAK	50	-
MR. RASHID IBRAHIM	1	-
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		
SAIF HOLDINGS LIMITED	88,909,517	23.0054
SAIF TEXTILE MILLS LIMITED	100	-
HUMAYUN SAIFULLAH KHAN	21,672,210	5.6077
ANWAR SAIFULLAH KHAN	10,373,837	2.6842
SALIM SAIFULLAH KHAN	10,340,000	2.6754
IQBAL SAIFULLAH KHAN	672,207	0.1739
JEHANGIR SAIFULLAH KHAN	4,313	0.0011
FAISAL SAIFULLAH KHAN	7,000,000	1.8112
HAIDER SAIFULLAH KHAN	7,000,000	1.8112
JEHANNAZ SAIFULLAH KAHN	1,000	0.0003
BANKS, FI AND NBF		
ALLIED BANK LIMITED	13,889,000	3.5938
UNITED BANK LIMITED - TRADING PORTFOLIO	10,237,000	2.6488
MCB BANK LIMITED - TREASURY	15,350,000	3.9718
SARMAAYA FINANCIALS (PRIVATE) LIMITED	23,000	0.0060
INSURANCE COMPANIES		
ADAMJEE INSURANCE COMPANY LIMITED	4,935,882	1.2772
UBL INSURERS LIMITED	503,500	0.1303
GENERAL PUBLIC		
GENERAL PUBLIC (LOCAL)	63,223,415	16.3591
GENERAL PUBLIC (FOREIGN)	8,200,127	2.1218
OTHERS (Joint Stock Companies, Charitable Trust, Foreign Companies, various funds etc)		
	6,693,580	1.7320
SHARE HOLDING MORE THEN TEN PERCENTAGE		
SAIF HOLDINGS LIMITED	88,909,517	23.0054
ORASTAR LIMITED	66,022,504	17.0834

Notice of 21st Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting (AGM) of Shareholders of Saif Power Limited ("the Company") will be held on Wednesday, April 30, 2025, at 11:00 am at Kehakshan Hall 2 ground floor at the Islamabad Hotel, G-6 Civic Centre, Melody Chowk, Islamabad.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2024 together with Directors' and Auditors' reports thereon.
2. To appoint auditors of the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

A notice referred to in sub-section (2) of section 246 of the Companies Act, 2017 is hereby given to the members that the Board of Directors upon recommendation of the Audit Committee has recommended the name of Messers KPMG Taseer Hadi & Co., Chartered Accountants, Islamabad as external auditors of the Company in place of retiring auditors Messers Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, Islamabad.

SPECIAL BUSINESS:

3. To ratify and approve transactions entered into by the Company with associated Companies in its ordinary course of business by passing the following Special resolutions:-

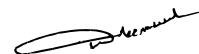
"RESOLVED THAT the Company be and is hereby authorized to share common expenses with associated Companies which may include but not limited to administrative expenses, salaries, utility expenses, repair and maintenance and other miscellaneous expenses etc. (collectively the "Administrative Expenses")."

"RESOLVED FURTHER THAT the transactions entered into by the Company in its ordinary course of business with related parties during the year ended December 31, 2024 as disclosed in notes to the Financial Statements are hereby ratified and approved."

"RESOLVED FURTHER THAT the Chief Executive of the Company be and is hereby authorized to execute/ approve all the transactions to be carried out in its ordinary course of business with associated companies during the ensuing year ending December 31, 2025 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and to sign execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

4. To transact any other business with permission of the Chair.

By Order Of The Board



Waseemullah

Company Secretary

Islamabad
April 09, 2025

Notes:

- i. Share Transfer Books of the Company shall remain closed from April 24, 2025 to April 30, 2025 (both days inclusive). Transfers received at M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan, the Registrar and Share Transfer Agent of the Company, by the close of the business on April 23, 2025 will be treated in time for the purpose of the above entitlement.
- ii. A shareholder entitled to attend and vote at this AGM is entitled to appoint a person as a proxy to attend and vote for and on his/her behalf. The instrument appointing a proxy and the power of attorney/Board Resolution or other authority (if any) under which it is signed or a notarized certified copy of the power or authority shall be deposited at the office must be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.

Notice of 21st Annual General Meeting

CDC individual Account holders or Sub-account holders are required to bring with them their original CNIC / Original Passport along with participant's ID number and their Account numbers in order to facilitate identification. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signature of nominees shall be required to be produced (unless provided earlier) at the time of meeting.

- iii. Shareholders are requested to immediately notify their change in address, if any to share registrar.

SPECIAL NOTES TO SHAREHOLDERS:

1. Availability and Transmission of Annual Audited Financial Statement:

- a. In accordance with the provision of Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended December 31, 2024 are available on the Company's website i.e www.Saifpower.com. However, the Company will provide hard copies of the Annual Report to any member upon request, at their registered address, free of cost, within one week of receiving such request, if the request is made by the member using the standard request form available on the Company's website or by email at info.spl@saifgroup.com.
- b. Pursuant to SECP's S.R.O. 389 (I)/2023, dated 21st March, 2023 and subsequently approved by the members in the Extraordinary General Meeting held on September 11, 2023, annual audited financial statements for the year ended December 31, 2024 encompassing balance sheets, profit and loss accounts, auditor's reports, directors' reports, and other relevant financial information have been made available through the following QR enabled code and web-link. Printed notices of the AGM, along with the weblink and QR code to download the Annual Report, have been dispatched to all members.

<https://saifpower.com/wp-content/uploads/2025/04/Annual-Financial-Statements-2024.pdf>



2. Consent for video conference facility:

Shareholders can also avail video conference facility under the provision of Section 134 of the Companies Act, 2017 to participate in AGM. Shareholders must hold in aggregate 10% or more shareholding residing in that city and consent of shareholders must reach at the registered address of the Company at least 7 days prior to AGM in order to participate in the meeting through video conference facility.

3. Payment of cash dividend electronically into the bank account:

Under the proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividends only through electronic mode directly into the bank accounts of shareholders. Shareholders holding shares in electronic form are requested to provide their bank account details to their respective Investor Account Services or brokers where their shares are maintained. Shareholders holding physical share certificates are requested to submit their bank account details through the Dividend Mandate Form to the Company's Share Registrar M/s THK ASSOCIATES (PVT) LIMITED, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Email:sfc@thk.com.pk Dividend Mandate form is available on the Company's website: www.saifpower.com

4. Unclaimed/unpaid Dividend

Shareholders, who for any reason, could not claim their dividend, are advised to contact our Share Registrar : M/s THK ASSOCIATES (PVT) LIMITED, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Email:sfc@thk.com.pk and collect/ enquire about their unclaimed dividend.

5. Withholding tax on dividend

Tax on dividend income will be deducted as per applicable tax rates for filers and non-filers. To enable the Company to make tax deduction on the amount of cash dividend @7.5% instead 15%, Shareholders are advised to make sure their names are entered into ATL before the date for payment of any future cash dividend otherwise tax on their cash dividend will be deducted @ 15% instead of 7.5%.

Notice of 21st Annual General Meeting

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of principal shareholder(s) and Joint-holder(s) in respect of shares held by them, to the Company's Share Registrar: THK ASSOCIATES (PVT) LIMITED, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Email: sfc@thk.com.pk, latest by April 23, 2025, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholders		Joint Shareholders	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. Of Shares)

6. Zakat Declaration

Members desiring non-deduction of zakat are requested to submit a valid declaration for non-deduction of zakat.

7. Deposit of Physical Shares into CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into book-entry form, this will facilitate them in many ways including safe custody and sale of shares, any time they want. Further, Section 72 of the Companies Act, 2017 ("The Act") states that after the commencement of the Act from a date notified by SECP, a company having shares capital, shall have share in book-entry form only.

8. E-Voting / Voting by Postal Ballot:

The Company shall provide its members with facilities for e-voting and voting by postal ballot for all businesses classified as special business, in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.

E-Voting Procedure: a) Details of the e-voting facility will be shared through an e-mail with those members who have their valid CNIC numbers, cell numbers and registered e-mail addresses available in the register of the members of the Company by the close of business on April 23, 2025. b) E-voting facility will be available to eligible members from April 27, 2025, at 9:00 am and shall close on April 29, 2025 at 5:00 pm. c) Members can cast their votes at any time in this period. Once the vote on a resolution is casted by a member, he/she shall not be allowed to change it subsequently.

9. Participation of Shareholders through online Facility:

The Company will also be providing the online platform / facility to participate in the AGM in the shape of webinar/WebEx/zoom after completing all the formalities required for the verification and identification of the shareholders. The login facility will be opened at 10:50 a.m., on April 30, 2025 enabling the participants to join the proceedings which will start at 11:00 a.m. sharp. For this purpose, members are requested to register themselves by providing the following information through email at info.spl@saifgroup.com, at least 48 hours before the time of AGM: Name of member/proxy holders, CNIC, Folio Number/CDC account No., Cell No./WhatsApp No., and Email address.

STATEMENT OF MATERIAL FACTS U/S 134(3) OF THE COMPANIES ACT, 2017

Agenda no. 3:

The transactions conducted with associated companies require the approval of the Board on the recommendation of the audit committee on the quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, since a majority of the Company's directors were interested in the said transactions due to their common directorship and holding of shares in the associated companies, the quorum of the directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017, thus, these transactions are being placed before the members for their approval.

Form of Proxy

I/We _____
of _____ being a member of SAIF POWER LIMITED
and holder of _____
(Number of Shares)

Ordinary shares as per share Register Folio No. _____ and/or CDC
Participant I.D.No. _____ and Sub Account No. _____, hereby appoint
_____ of _____ or failing him
_____ of _____

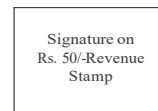
as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on April 30, 2025 Wednesday at 11:00 am or any adjournment thereof.

Signed this _____ day of _____ 2025.

Witnesses

1) Signature : _____
Name : _____
Address : _____
CNIC/Passport No. : _____

2) Signature : _____
Name : _____
Address : _____
CNIC/Passport No. : _____



(Signature must agree with the specimen signature registered with the company)

NOTES:

1. No Proxy shall be valid unless duly signed along with revenue stamp and in case of a company should be executed under its common seal under signed by its authorized person.
2. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at first Floor, Kashmir Commercial Complex, Block E, Fazal-ul-Haq Road, Blue Area, not later than 48 hours before the time of holding the Annual General Meeting.
3. Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
4. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
5. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be furnished along with proxy form to the Company.

Electronic Transmission Consent Form

Date: _____

General Manager

THK Associates (Pvt) Ltd

Plot No. 32-C, Jami Commercial Street 2,, Plot No. 32-C

Jami Commercial Street 2, D.H.A Phase VII, Karachi

Tel: 021 111 000 322 Email: sfc@thk.com.pk

Pursuant to the directions given by Securities and Exchange Commission of Pakistan through its S RO 787 (I)/2014 dated September 8, 2014, I/ we Mr./Ms/M / s _____

_____ S/ o, D/ o, W/ o _____

hereby give consent to receive the Audited Financial Statements along with notice of Annual General Meeting of M/s Saif Power Limited through email on my/our email address provided as under:

Name of Member / shareholder: _____

Folio/CDC Ac count Number: _____

Email Address: _____

It is stated that above mentioned particulars are true and correct. I/we shall notify you and the the Company in writing in case of any change in my/our email address or withdrawal of my/our above mentioned consent.

Signature of the Member/Shareholder

CNIC Number:



Saif Group



SAIF POWER LIMITED

1st Floor, Kashmir Commercial Complex (KCC),
Fazal-ul-Haq Road, Block E, Blue Area, Islamabad.

Tel: +92-51-2271378-83, Fax: +92-51-2277670

www.saifpower.com