

Innovative Energy Solutions (Private) Limited

495, 501 & 504 DEH LANDHI MAIN NATIONAL HIGHWAY KARACHI - PAKISTAN
TEL #: +92-21-35016357 FAX #: +92-21-35021048 E-mail: shoaib@kam-int.com

IESL/077/SL/05

The Registrar,
National Electric Power Regulatory Authority,
Islamabad

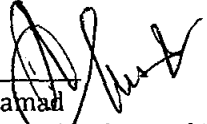
29 Dec 2022

Subject: IPP Dockyard Supply License Application 10.02 MW Gross

Ref: NEPRA letter no DG(LiC)/LAG-30/22146 dated 16 Nov 2022

1. I, Ahsan Samad, being duly authorized representative by virtue of Board Resolution hereby apply for the grant of Supply License pursuant to section 14D(3) & 23E.

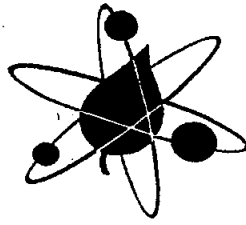
2. A Demand Draft/Bank draft of Pak Rupees Nine hundred & fourteen thousand, seven hundred & seventy only (PKR 914,770/-) in favor of NEPRA drawn on bank Habib Metropolitan Bank is attached as the fee for processing of the application for acceptance of Supply License Application.


Ahsan Samad
GM Projects/Authorized Rep

Enclosed:

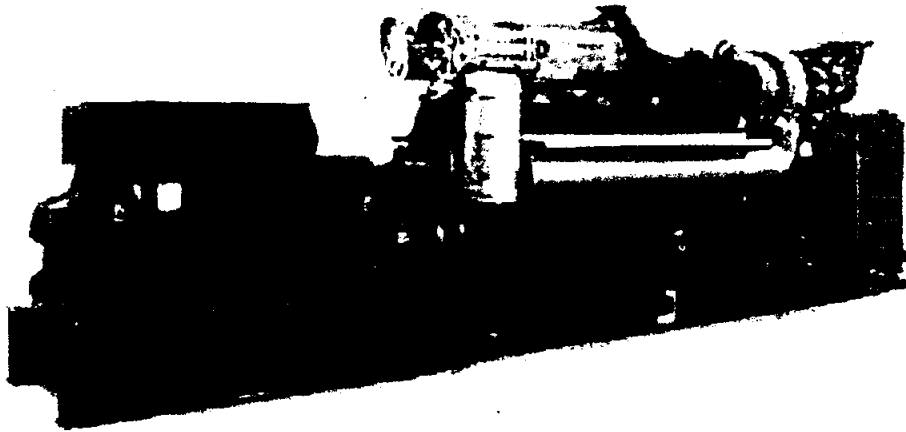
1. Demand Draft Rs 914,770/-
2. Memo of article of association(SECP Certified)
3. Certificate of incorporation(SECP Certified)
4. Last Annual Report
5. Affidavit U/S 3(7), 3h & 3g
6. Authority letter for Company Rep
7. Authorized, issued, paid Capital (Form A,28,29)
8. Board resolution
9. Debt-Equity Ratio
10. Bank Statement
11. Details of encumbrances
12. Share holding pattern
13. Authorization letter
14. PPA with Dockyard
15. Tax return form 114(1)
16. Management Profile
17. Company Profile
18. CV of engineers & Tech staff
19. Emergency Protocol

A.



INNOVATIVE ENERGY SOLUTIONS PVT LTD

A wholly owned subsidiary of MEKOTEX GROUP OF COMPANIES



COMPANY PROFILE

A.

Prospectus

A.

COMPANY PROFILE

1. Innovative Energy Solutions Pvt Ltd (IESL) is a vibrant name in energy sector offering consultancy services in power management. We are a part of well established textile group whose portfolio also contains power generation under license from NEPRA. We have blended our years of experience in erecting and operating power houses and employ trained man power to undertake such operations at PN Dockyard. At present our installed capacity is in excess of 37 MW in Defense and private sector. The Company is registered with Military Engineering Services / HQ COMLOG
2. Today Innovative Energy Solutions Pvt Ltd is the only 2nd tier electric energy supplier with proven track record of delivering captive power project on turn-key-basis worth more than Rs.1 billion. In addition to above our portfolio also contains comprehensive cost effective and reliable water treatment systems through reverse Osmosis
3. IESL alliance with leading names in the industry has propelled us as a reliable power producer and consultant in power industry. We are on constant lookout for profitable ventures in a win-win scenario.

Establishment

The company was incorporated in Pakistan on August 21, 2010 as a Private Limited Company and registered with SECP. The principal activity of the Company is ***Engineering, procurement and construction*** of Power plant and RO Plants

Location

The company located at 495, Deh-Landhi, Main National Highway, Karachi.

A.

Strength

IESL team comprises of highly qualified professional with years of technical experience in their respective fields, supplement by a long-term vision geared towards developing sustainable solutions in energy sector. We have a working strength of more than 23 technical staff and 9 officers of varying cadres and qualification.

Power Sector

IESL's key area of expertise in power sector includes:

- Power system planning and assisting in capital budgeting decision.
- Variety of techniques used in practice for analyzing the feasibility of a project.
- Tariff formulation and tariff modeling & tariff petition.
- Development of technical proposal.
- Minimizing power and distribution losses.

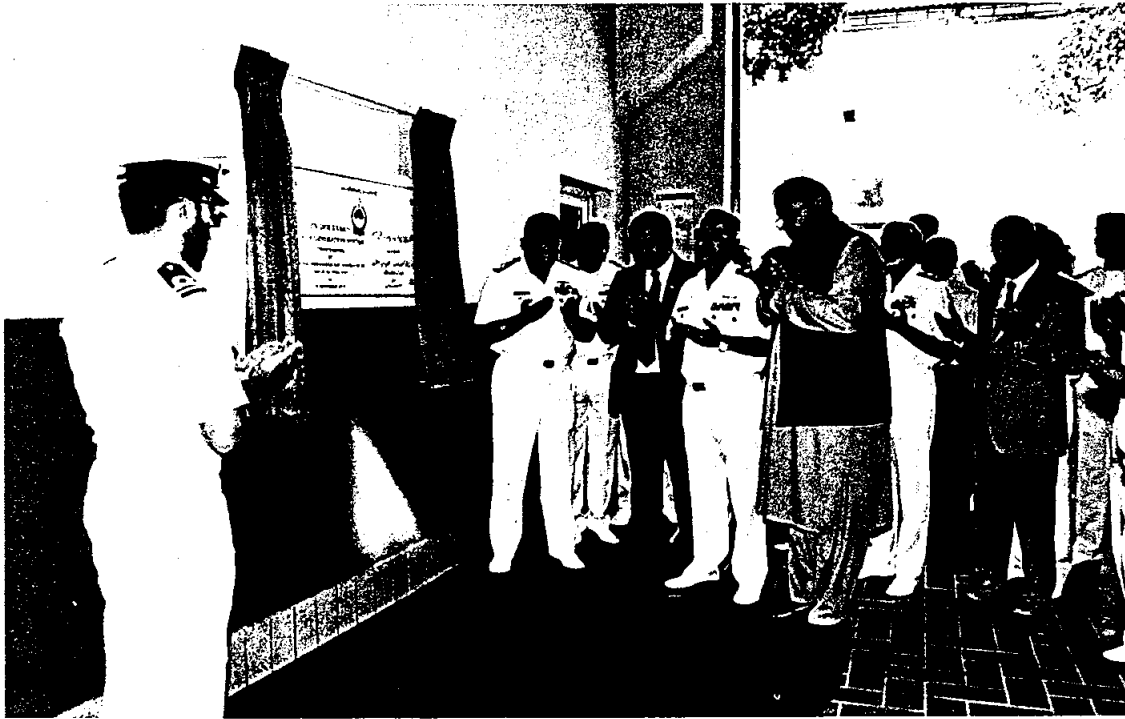
Engineering estimation & scheduling

IESL offers technical expertise in engineering estimation and scheduling of distribution systems including substations to ensure the highest degree of reliability & availability of power distribution system.

- Expansion and augmentation of distribution lines (11 kV)
- Erection of new grid/substations, expansion and rehabilitation.
- Drawing specification i.a.w industry standards, inspection and verification

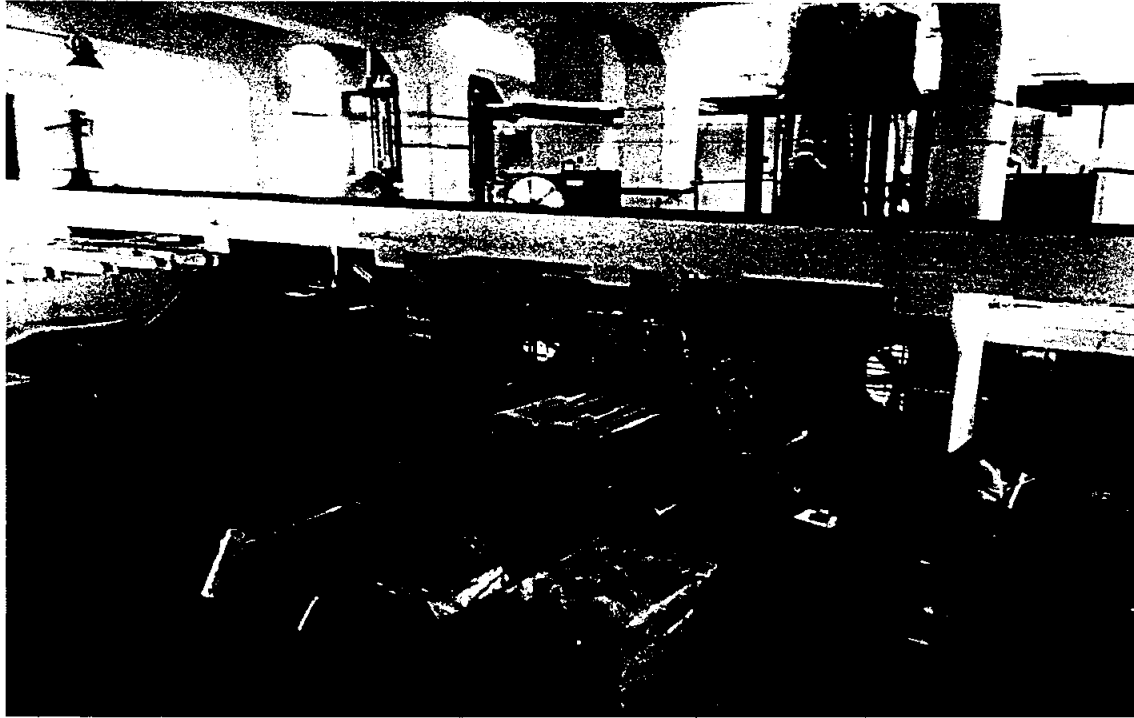
Projects Delivered

IESL has delivered state-of-art power projects to PN of 10 MW respectively in highly sensitive locations. The projects have resulted in huge savings for PN on cost of electricity besides owning the plant at end of tenure of contract.



✍

it provides prompt maintenance support to per fleet units. A reliable stable and uninterrupted power supply was needed to keep the services process functioning at its



optimum. The most viable solution was installation of power house of BOOT basis where no PN resources were utilized in operation or maintenance.

The PROJECT - IPP PN Dockyard

A 10 MW power plant was commissioned in **18 Nov 2013**. The old 5 x 504 kw, 3.3 kV, 50 Hz MAN DGs installed in 1954 in PN Dockyard Power House where replaced by Jenbacher JGS 620 NL gas fired engine terminating 11 KV into Dockyard ring man.

The power house was retrofitted to house new GENSETS thus realizing the dream of independent power house of PN Dockyard.

IESL has extended its power capacity to PN Sub-depot by laying a 3500m 11kV HT cable providing 700 KW to the entire area.

2

Management Profile

Profile – Khalid Majeed

1. Mr Khalid Majeed is an eminent industrialist, venture capitalist, and investor. His versatile career spanning over 28 years includes textiles, power generation, waste water treatment/recycle solutions and real estate development. Mr Khalid Majeed entered family business in 1990 after completing his MBA. Later on he established his own textile mill at an early age. The first textile spinning unit was installed in 1991 which he steered during its critical phase of its existence. In 2001 the weaving department was started with 48 looms which quickly progressed to 600 looms within few years. The present production of is over 3 million meter per month. The Company later on ventured into denim exports and concurrently established home textiles and bed linen. Since then MEKOTEX has developed into a vertically integrated Company and now is a well-known name in the textile industry.

2. The weaving, denim & dying division is spread over 24 acres at Landi factory while spinning is spread over 37 acres in Kotri. The ginning mill is located on 9 acres at Lodhran. The group employs manpower of 4000 highly skilled workmen and indirectly employs over 10,000 labors.

3. Aquagen Pvt Ltd and Innovative Energy Solutions Pvt Ltd which are fully owned power divisions MEKOTEX Group of companies supplying independent power to Pakistan Navy in most strategic locations. The Innovative Aqua Solution is providing 0.5 million gallons of Potable water to Navy at Manora, Karsaz & Dockyard through Reverse Osmosis. The net captive and independent power produced by the Group is in excess of 37 MW.

4. Mr Khalid Majeed possesses keen interest in technology and believes that heart and soul of a company is innovation and creativity. He has transformed the business through application of technology and strict compliance to quality standards. The annual turnover of the group stands at 150 million USD. In his distinguished career he has served in various capacities in following forums:

Forums	Capacity served as
Pakistan Denim manufacturer & export association (PDMEA)	Chairman
FPCCI	Executive committee member
APTAMA	Executive committee member
LATI	Executive committee member
ILM foundation	Trustee

5. Having widely travelled and well read, Mr Khalid Majeed has attained deep insight of burning national issues viz economy, energy, exports, taxation, environment, transport and health. He is a major proponent of sectorial reforms and an advocate for measures to address climate change. He is an alumni of NDU, NSW 14 (2014) and has attended various other seminars and workshops on economy/national well-being. His major contributions in philanthropic works include patronage of Memon Medical institution, Khoi-got hospital (Malir) and benefaction of many educational institutes.

Profile- Mr Shoaib Majeed

1. Mr. Shoaib Majeed is a Pakistani venture capitalist, investor and entrepreneur. He is Chief Operating Officer of MEKOTEX Pvt Ltd, a parent company of versatile business group engaged in textile, power generation, and water treatment solutions.
2. Graduated in Business Administration in 1994 and joined the family business. His initial assignment was to manage and establish a home textile division named *KAM International*. *KAM International* was established in 1994 and now has become one of the largest exporters of bed linen to Europe from Pakistan. In 2002 he was appointed as Director of Mekotex, since then he is also managing the purchase & finance of the whole group. He is also CEO of Aquagen Pvt Ltd, Innovative Energy Solution Ltd & Innovative Aqua Solutions.
3. Mr Shoaib Majeed is currently serving as board members of different entities. He is the vice chairman of All Pakistan Textile Processing Mills Association, Zonal Chairman of All Pakistan Bed wear and upholstery Manufactures Association, Member executive committee of Landhi Association of Trade and Industry. He is also member in sub committees of Karachi Chamber, S.I.T.E Association and APTMA & vice chairman of Pakistan Denim manufacturer & exporters association (PDMEA). He has the privilege of being amongst the tax top 100 tax payers of country.
4. Having widely travelled and attended various seminars & workshops. Mr Shoaib has attained deep insight of burning national issues viz economy, energy, textile exports, taxation, environment, transport and health. He has been involved in trade negotiations as a part of GoP team with EU and Turkey. Mr Shoaib brings with vast knowledge of energy sector, oil and gas pricing mechanism and energy conservation. He is a keen sportsman and sponsors various sports activities in Navy. He is an avid golfer himself and regularly participates in tournaments.



AMENDED COPY

THE COMPANIES ORDINANCE, 1984

A Private Company Limited by Shares)

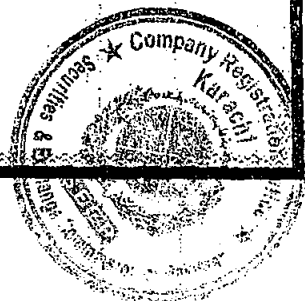
Memorandum

AND

Articles of Association

Of

INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED.



A

THE COMPANIES ORDINANCE, 1984

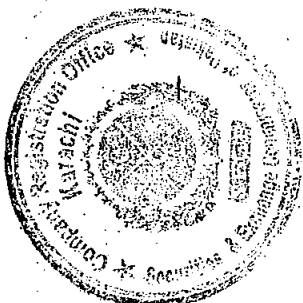
(COMPANY LIMITED BY SHARES)

Memorandum of Association

Of

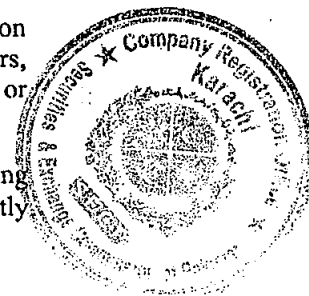
INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED

- I. The name of the Company is "INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED".
- II. The Registered Office of the Company will be situated in the province of Sindh, Pakistan.
- III. The objects, for which the Company is established, are all or any of the following:-
 1. To engage in the business of providing power generation solutions including manufacturing, assembling, import, purchase and sell of turbines, generators and allied equipments based on natural gas, solar, thermal and wind power energy.
 2. To carry on the business of indenting as manufacturer's representatives, sales representatives, authorized distributors of all kind of generators, chillers, compressors, turbines, desalination plants, reverse osmosis plants and their parts and accessories
 3. To engage in the business of repair, operational support, maintenance and rentals of the generators and related items.
 4. To carry on the business of installation, commissioning repair, overhauling, operations and maintenance of turbines, power plants, generators, compressors, transformers switchboards etc.
 5. To engage in the business of instrumentation and controls systems for all types of power plants and power generators and provide related IT solutions.
 6. To carry on business of manufacturing turbines and allied equipments connected to and / or incidental to generation of power by using Thermal, Hydel, Solar or any other Fuel / System including Wind Energy Generating System and its transmission.
 7. To sell, install, operate and maintain gas turbine and heavy fuel power plants and to sell refurbish gas turbines and all related spare parts.



A

8. To carry on manufacturing, assembling, packaging, buying and selling of diesel and gas generators, to manufacture items related to generators i.e. automatic transfer switches (ATS), sound acoustics canopies and to provide project management services to buyers of generators.
9. To carry on business as manufacturers, repairers and hirers of and dealers in diesel engines, dynamos, motors, armatures, magnetos, batteries, insulators, transformers, converters, switchboards, stoves, cookers, lamps, reflectors, fans, bells, fires, furnaces, irons, glass, pottery, rubber, insulating materials and generally electric plant, machinery, appliances and supplies of every description.
10. To provide services of transportation, installation services and related civil works, building construction, operation and maintenance of power plants including supplies of manpower and related parts and accessories.
11. To deal in all petroleum related products i.e. lubricating oil, grease and other allied products.
12. To carry on any where in Pakistan the business of power generation and distribution in all its branches and aspects and in particular to construct, laydown, establish, maintain and fix power stations together with ancillary works, cables, wires, lines, accumulators, lamps, and to generate, accumulate, distribute, sell and supply electricity.
13. To set up and operate electric power generation projects using thermal, hydal, solar or any other source/fuel/system including Wind Energy Generation System for generation, transmission and supply of electric power to domestic, commercial, industrial and / or agricultural organizations and to power distribution companies / authorities both in public and private sector and any Government department / authorities for all other purposes for which electric energy can be used and to perform all acts directly or indirectly related or incidental to such business.
14. To buy electricity generated from any source and sell, transmit or distribute to any or on behalf of any other agencies.
15. To carry on the business of electrical engineers, electricians, engineers, contractors, consultants, agents and manufacturers of electrical plant, machinery, equipment and apparatus, an of generating, producing and supplying light, heat, sound and power by electricity, galvanism, magnetism or otherwise, suppliers of electricity whether for the purpose of light, heat, motive power, telephonic, telegraphic, industrial or other purposes and generally to install, execute, provide, work and maintain all necessary plant, machinery, equipment, cables, wires, accumulators, lamps, exchanges, telephones and apparatus.
16. To carry on the business of general order suppliers and act as commission agents, indenters, traders and as general merchants wholesalers, retailers, dealers, distributors, stockists agents, sub-agents in any goods or products or within the scope of the objects of the Company.
17. To carry on any business which may seem to the Company capable of being carried on in connection with any of the Company's objects, calculated directly

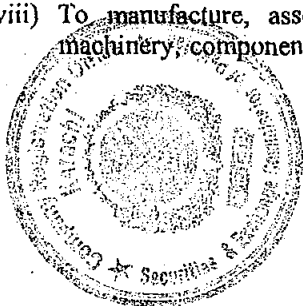


A.

or indirectly, to enhance the value of or render profitable any of the 'Company's property, assets or rights, but shall not indulge in any unlawful act or business.

18. And for the purpose of achieving the above objects, the company is authorized:-

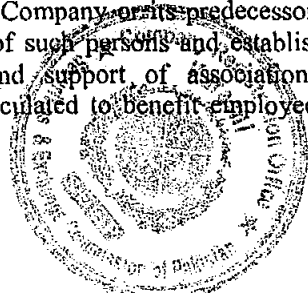
- (i) To enter into agreements with various service providers, including legal and financial advisors, for soliciting administrative, financial and legal advice and assistance, for the purposes of serving the company itself and its clientele.
- (ii) To pay commission or remunerate any company or firm or person (whether an officer of the company or not) for services rendered in connection with the business of the Company.
- (iii) To enter into any arrangement with any government or authorities (federal, provincial, municipal, local or otherwise), or any corporations, companies, undertakings or persons in Pakistan or elsewhere that may seem conducive to the company's object and to obtain from any such government, authority, corporation, Company, undertaking or person any charters, contracts, decrees, rights, privileges, licenses and concessions which the company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges, licenses and concessions.
- (iv) To employ, hire, appoint and terminate any staff or employee whether on a permanent or contractual basis, at any time at its own discretion, according to its business and operational needs, and practices to pursue the objects and purposes of the Company.
- (v) To get insured against losses, damages, risks, accidents and liabilities of all kinds which may affect the Company whether in respect of its contracts, agreements, consequential loss of profits, advances or securities or in respect of servants or employees of the Company, or in respect of properties belonging to or rented or hired by the Company, either by setting apart funds of the Company or by effecting such insurance, and in latter case, to pay premium thereon.
- (vi) To open accounts with bank or banks or financial institutions and to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable or transferable instruments, concerning the business of this Company.
- (vii) To invest surplus moneys of the Company not immediately required by the Company and subscribe for, take, acquire, hold shares, stocks, debentures, securities or instrument of redeemable capital of any other Company or corporation or body corporate, whatsoever, whether local or overseas, and to invest moneys of the Company in any other manner, but not to act as an investment Company.
- (viii) To manufacture, assemble, import, export, market and deal in plants, machinery, components and spare parts, accessories, appliances, equipments



A

and all other articles and things capable of being used for Company's business or objects.

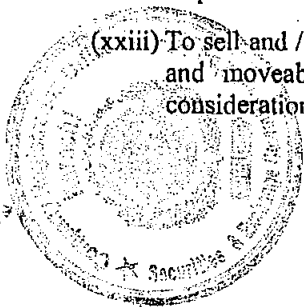
- (ix) To set up and install machines and equipment to establish factories, show rooms, sale depots, branches and offices for the purposes of the Company.
- (x) To erect maintain, alter, extend, purchase, take on lease, let out, plant and machinery, equipments and to erect, maintain, alter, extend and purchase and sell factories, ware houses, dwelling houses for employees, storage and tanks, silos and buildings on any land purchased, leased or otherwise acquired by or for the Company or for any of the purposes connected with the business or objects of the Company.
- (xi) To borrow, procure, raise money in local or any foreign currency from banks, financial institutions, non-banking financial institutions and or avail finance under any Islamic financing scheme like modaraba, morabaha, musharika, Ijara-wa-Iktina and Qaraz-e-Hasna and to borrow, procure, or to secure the money in such manner as the Company may deem fit and particularly by mortgage or hypothecation of its property in full or in part or both the present and future assets or by the issue of shares, stocks, bonds, debentures, participation term certificates, term finance certificate, or any other form of redeemable capital or securities charged or based upon the undertaking of the company, or any part of its property, both present and future and generally to borrow or procure money for the purposes of the business of the company in such manner as the Company shall deem fit, including by issue of debenture, bonds, securities, participation term certificates, term finance certificates, either permanent or redeemable or repayable or convertible into shares and to secure any securities of the company by a trust or other assurances.
- (xii) To pay commission or otherwise remunerate any Company or firm or firms or person or persons (whether an officer of the Company or not) for services rendered in placing or assisting to place any of the shares of the Company or any debenture or other securities of the Company, or for negotiating any of the purchase or sale by the Company, or for rendering any service of any kind whatsoever to the Company.
- (xiii) To procure the incorporation, registration or other recognition of the Company in any country, state or place and to establish and regulate and open branches of the Company in any part of the world for the purposes of the company's business.
- (xiv) To pay the costs, charges and expenses preliminary and incidental to the formation, establishment and registration of the Company.
- (xv) To grant pensions, allowances, gratuities and bonuses to directors, officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees



A

and ex-employees and officers and ex-officers (including Directors and Ex-Directors) of the Company, or the dependents or connections of such persons, and to pay gratuities or grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful object(s).

- (xvi) To distribute any part of the undertaking, property and assets of the Company in event of winding up among its creditors and members in specie or in kind at the time of dissolution of the company but so that not distribution amounting to a reduction of capital may be made without the sanction (if any) for the time being required by law.
- (xvii) To create provident fund, gratuity fund, pension fund, reserve fund, sinking fund, insurance fund, or any other special fund conducive to the interest of the Company.
- (xviii) To capitalize such portion of the profits, accumulated profit or reserves of the Company as are not distributed amongst shareholders of the company in the form of dividend and as the Directors of the Company may think fit and to issue bonus shares as fully paid-up in favour of the shareholders of the Company.
- (xix) To remunerate Directors, officials, employees of the Company or any other person or firm or Company rendering services to this Company, out of, or in proportion to the returns or profits of the Company or otherwise as the Company may think proper, either by cash payment and/or by the allotment to him or them shares or securities of the Company credited as paid up in full or otherwise as may be thought expedient in accordance with the laws to which the Company may be subject.
- (xx) To appoint agents (except managing agent), experts and attorneys to do any and all of the above matters and things on behalf of the company or any thing or matter for which the company may act as agent or in any other way whatsoever interested or concerned in any part of the world.
- (xxi) To establish and maintain branches in or outside Pakistan, receiving offices, depots, collection and distribution centers and to enter into contracts or agency agreements (other than managing agency) with any other person, firm or company or for the distribution centers for the efficient carrying on of the business of the company.
- (xxii) To purchase or by any other means acquire and take options over any property whatsoever, and any rights or privileges of any kind over or in respect of any property convenient to the Company.
- (xxiii) To sell and /or otherwise deal with or dispose of the undertaking and / or real and moveable property of the Company or any part thereof for such consideration as the Company deems appropriate.



A

(xxiv) To pay for any property or rights acquired by the company either in cash or fully paid-up shares, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as the company may determine.

(xxv) To subscribe or contribute to any charitable, benevolent or useful objects of a social or public character, the support of which will, in the opinion of the company, tend to increase its reputation or popularity among its employees, its customers, or the public generally.

(xxvi) To aid any association, body or movement having for its object the solution, settlement or surmounting of industrial or labour problems or troubles, or the promotion of industry or trade or development of savings and investment.

(xxvii) To adopt such means (both in and outside Pakistan) of promotion, marketing and making known and advertising the products and services of the company as may seem expedient subject to the laws to which the company may be subject.

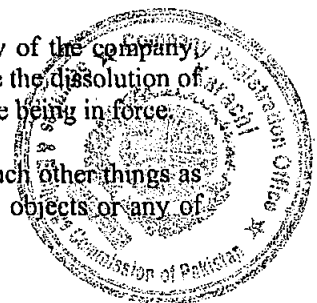
(xxviii) To transfer the registered office of the company from one place or province to another if deemed beneficial for the company subject to regulatory approval(s) as may be applicable under the laws of Pakistan.

(xxix) To amalgamate, merge with, absorb, reconstruct, de-merge, acquire or take over any other company or the whole or part of any undertaking having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit this company, whether by sale or purchase of the assets, property or undertaking, or divestiture of the whole or part of the undertaking of the company or by partnership or any arrangement in the nature of partnership or in any other manner or to enter into and carry into effect any arrangement, or for sharing of profits, with any partnership, undertaking or person carrying on business within the objects of this company.

(xxx) To carry on any business or activity and any act or thing which, in the opinion of the company, is or may be capable of being conveniently carried on or done in connection with any of the above objects, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the company's property or assets or otherwise to advance the interest of the company or its members.

(xxxi) To cease carrying on and wind up any business or activity of the company and to cancel any registration of and to wind up and procure the dissolution of the company subject to the provisions of the law for the time being in force.

(xxxii) To exercise all or any of the above objects and to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.



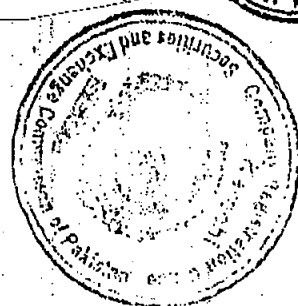
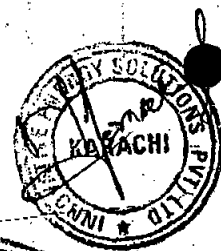
A

(xxxiii) Nothing contained herein shall be construed to empower the company to engage in the banking business in any form and manner whatsoever or business relating to international brokerage, finance, leasing or the business of any investment company, or a investment advisor, insurance company or the business of financial institution, managing agency or construction business for public at large or in any unlawful business and that nothing in the object clause shall be construed to entitle it to engage in such business. The company shall not launch multilevel marketing, pyramid and ponzi schemes.

(xxxiv) Notwithstanding anything stated in any object clause, the company shall obtain such other approval or license from the competent authority, as may be required under any law for the time being in force, to undertake a particular business.

IV. The liability of the members is limited.

V. The Authorized capital of the company is Rs.100,000,000/= (Rupees One hundred million only) divided into 10,000,000 (Ten million only) ordinary shares of Rs.10/= (Rupees ten) each with the power to increase its capital of the company.



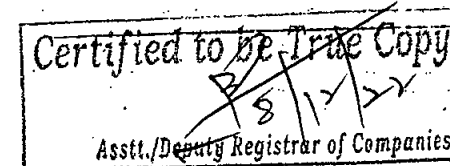
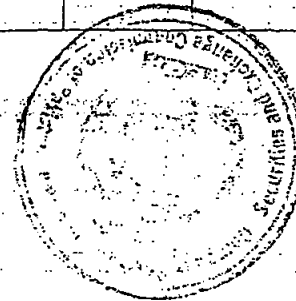
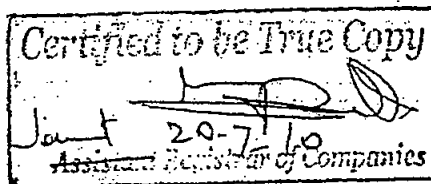
A

We the several persons, whose names, addresses and description are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:—

Name and Surname (present and former) In full (in block Letters)	Father's / Husband's Name in full	Nationality with any other former Nationality	Occupation	Residential Address in full	Number of Shares taken by each Subscriber	Signature
1. SYED KHURAM HASAN	NAJAM UL HASAN	PAKISTANI 42301-8325954-3	BUSINESS	HOUSE NO 142-B, STREET NO. 30, KHYBANE QASIM PHASE 8, DHA, KARACHI	10,000 (TEN THOUSAND)	-SD-
2. SYED ASIM HASAN	SYED MEHMOOD UL HASAN	PAKISTANI 42301-0503537-9	BUSINESS	HOUSE NO 60-B/1, KHYBANE SEHAR, PHASE 7, DHA, KARACHI	10,000 (TEN THOUSAND)	-SD-
3. ZUBAIR GHANI	USMAN GHANI RILAL	PAKISTANI 42101-1210255-9	BUSINESS	HOUSE NO A-197, F. B. AREA, BLOCK 17, KARACHI	10,000 (TEN THOUSAND)	-SD-
					TOTAL -30,000 (THIRTY THOUSAND ONLY)	

Dated the 30th day of June 2010

Witness to above signature: NIFT (Private) Limited



The Companies Ordinance 1984
(A Private Company Limited by Shares)

ARTICLES OF ASSOCIATION

of

INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED

PRELIMINARY

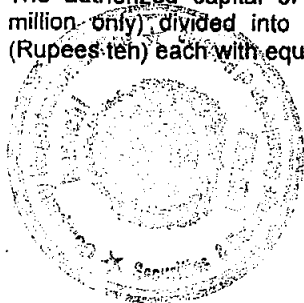
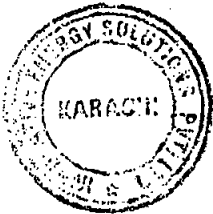
1. Subject as hereinafter provided the regulations applicable to Private Companies as contained in Table "A" in the First Schedule of the Companies Ordinance 1984 (hereinafter referred to as TABLE "A") shall apply to the company.

PRIVATE COMPANY

2. The company is a private company within the meaning of section 2(1) Clause 28 of the Companies Ordinance, 1984 and accordingly, (1) no invitation shall be issued to the public to subscribe for any share, debenture or debenture-stock of the Company; (2) the number of member of the Company (exclusive of members in the employment of the company) shall be limited to fifty, provided that for the purposes of this provision when two or more persons jointly hold one or more shares in the Company they shall be treated as single member; and (3) the right to transfer shares in the Company is restricted in manner and to the extent hereinafter appearing.

CAPITAL

3. The authorized capital of the Company is Rs.100,000,000/= (Rupees hundred million only) divided into 10,000,000 (Ten million) Ordinary shares of Rs.10/= (Rupees ten) each with equal rights.



A.

4. The shares shall be under the control of Directors who may allot or otherwise dispose of the same.
5. The business of the Company may be commenced soon after the Incorporation of the Company as the directors may think fit and notwithstanding that part of the capital has been issued.

TRANSFER OF SHARES

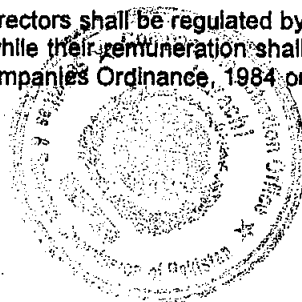
6. Any member to sell any of his shares shall notify the Board of Directors of the number of shares, the sale price and the name of proposed transferee and the Board shall offer to the other shareholders the number of shares offered for sale and price and if the offer is accepted the shares shall be transferred to the acceptor or acceptors, and if the offer is not accepted in full or in part within a month of notice to the board the shareholders shall be at liberty to sell the said shares to the proposed transferee at the price communicated to the Board. In case of dispute over the price the auditor's decision shall be final.
7. The shares shall be freely transferable by a shareholder to his wife or children or by a deceased member to his heirs or another member of the Company with the consent of Directors if there is no contravention of Article 2 hereof.
8. A fee of rupee one may be charged for each transfer approved by the Directors and shall be paid before registration thereof.
9. The instrument of transfer shall be accompanied by the certificate of shares.

GENERAL MEETINGS

10. At least twenty-one-days notice specifying the day and the hour of the General Meeting and in case of special business, the general nature of such business shall be given to the members in the manner hereinafter mentioned or in such other manner as may be prescribed by the Company in General Meeting but accidental omission to give such notice to or non-receipt of such notice by any member shall not invalidate the proceedings of the General Meeting.
11. No business shall be transacted at any General Meeting unless a quorum of two members present in person who represent not less than twenty five percent of the total voting power in person or through proxy shall be quorum.
12. In General Meeting the members present shall elect a chairman from amongst the Directors present, and if no Director be present then from amongst the members present.

DIRECTORS

13. The number of Directors shall be not less than two or more than six including the Chief Executive. The first Directors shall be:
 1. MR. SYED KHURAM HASAN S/O. NAJAM UL HASAN
 2. MR. SYED ASIM HASAN S/O. SYED MEHMOOD UL HASSAN.
 3. MR. ZUBAIR GHANI S/O. USMAN GHANI BILAL
14. The election appointment, retirement and removal of Directors shall be regulated by the provision of Section 175 to 181 of the Ordinance while their remuneration shall be determined under provision of Section 191 of the Companies Ordinance, 1984 or any law on the subject.



CHIEF EXECUTIVE

15. The Chief Executive shall subject to control or supervision of the board of Directors, have the powers of engagement and dismissal of managers, Engineers, Assistants, Clerks and labourers or other employment of the Company and shall have power and control over the management of the business of the company with full power to do all acts. Matters and things deemed necessary, proper or expedient for carrying on the business of the Company including the power to make such investment of the company's funds as he shall think fit and to make and sign all contracts and to draw, sign, accept, endorse all documents on behalf of the company. all receipts for moneys paid to the Company shall be signed by the Chief Executive or one Directors or any other person duly authorized by the Chief Executive in this behalf. The receipts so issued and signed shall be effectual discharge for the money therein stated to have been received.
16. The Chief Executive may delegate all or some of the powers to such Directors, Managers and Agents and other persons as he may think fit and shall have the right and power to grant to any such person or persons such power of attorney for or on behalf of the Company as he may deem expedient and such powers at pleasure to revoke.
17. The Chief Executive shall be entitled to such remuneration as the board or Directors may from time to time determine, subjects to prior approval, if necessary required under any law.

REMUNERATION OF DIRECTORS

18. Each Directors, including the Chief Executive if appointed by the Board shall be paid out of the funds of the Company a fee not exceeding of Rs.1,000/= for each meeting of the Board of directors attended by him.

CASUAL VACANCY

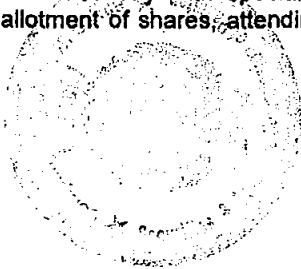
19. If any of the Directors Dies or resigns the office. The continuing Directors may appoint any other person in his place to fill casual vacancy.

POWERS OF DIRECTORS

20. The power and responsibilities of the Directors of the Company shall be as contained in the Companies Ordinance, 1984, Including Table A thereof except in so far as they stand modified by these Articles.

BORROWING POWERS

21. The chief Executive may with the approval of the Directors from time to time borrow any sums of money for and on behalf of the Company from the members or other persons, companies or banks or he may himself advance money to the Company on such terms and conditions as may be approved by the Directors.
22. The Chief Executive may, with the approval of the Directors, from time to time secure payment of such money in such manner and upon such terms and conditions in all respects as he thinks fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge.
23. Any debentures, bonds, or other securities may be issued at discount premium or otherwise any with special privileges as to the redemption surrender, drawing, allotment of shares, attending and voting at General Meeting of the Company and



otherwise.

PROCEEDINGS OF DIRECTORS

24. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two.
25. In all board meetings the Directors present shall elect a Chairman.
26. A resolution in writing signed by all the Directors present in Pakistan shall be as effective for all purpose as a resolution passed at a meeting of the Directors duly called held and constituted.

COMMON SEAL

27. The Company shall have a common seal and the Directors shall provide for the safe custody thereof. The seal shall not be applied to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least one Director who shall sign every instrument to which the seal shall be affixed in his presence. Such signature shall be conclusive evidence of the fact that the seal has been properly affixed.

RESERVE FUND

28. The Company may create and maintain a reserve fund out of the net profits every year. Such reserve funds shall be kept or invested in such banks or in such manner as the Directors shall decide and also may be utilized for issue of Bonus Share.

ACCOUNTS

29. The Directors shall cause true accounts to be kept as provided in section 230 of the Ordinance.
- 29A. The books of accounts shall be kept at the registered office or at such other place as the Directors may decide and shall always be open to the inspection of the Directors. In case the books are kept at place other than registered office provision of above section shall be complied with.
30. The Directors shall lay before the Annual General Meeting a Balance Sheet and Profit and Loss Account duly audited as required by the Provision of Section 233 of the Ordinance.

AUDITORS

31. The appointment of auditors shall be made according to Section 252 of the Ordinance.
32. The remuneration of the auditors shall be fixed by the Company in General Meeting except that of any auditor appointed by the Directors may be fixed by them.
33. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is give in his favour or in which he is acquitted or in connection with any application under section 488 in which relief is granted to him by the Court.

WINDING UP



34. (1) If the company is wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Ordinance, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they consist of property of the same kind or not.
- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid any may determine how such division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks, fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

ARBITRATION

35. Whenever any difference arises between the company on the one hand and any of the members, their executors, administrators or assigns on the other hand, touching the true intent or construction, or the incident or consequences of these Articles or of the statutes, or touching anything there or thereafter, executed, omitted or suffered in pursuance of these Articles or of the statutes or touching any breach or alleged breach, or otherwise relating to the premises, or to these Articles or to any statute affecting the company or to any of the affairs of the Company, every such difference shall, as a condition precedent to any other action at law be referred in conformity with the Arbitration Act, 1940, or any statutory modification thereof and any rules made there under, to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two arbitrators of whom one shall be appointed by each of the parties in difference, or in event of the two arbitrators not agreeing, then of an umpire to be appointed by the two arbitrators, in writing, before proceeding on the reference, and such decision shall be final and binding on the parties.

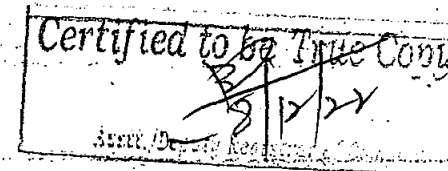
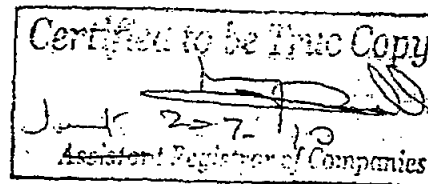


We the several persons, whose names, addresses and description are subscribed are desirous of being formed into a Company, in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names: -

Name and Surname (present and former) In full (in block Letters)	Father's / Husband's Name in full	Nationality with any other former Nationality	Occupation	Residential Address in full	Number of Shares taken by each Subscriber	Signature
1. SYED KHURAM HASAN	NAJAM UL HASAN	PAKISTANI 42301-8325954-3	BUSINESS	HOUSE NO 142-B, STREET NO. 30, KHYBANE QASIM PHASE 8, DHA, KARACHI	10,000 (TEN THOUSAND)	-SD-
2. SYED ASIM HASAN	SYED MEHMOOD UL HASAN	PAKISTANI 42301-0503537-9	BUSINESS	HOUSE NO 60-B/1, KHYBANE SEHAR, PHASE 7, DHA, KARACHI	10,000 (TEN THOUSAND)	-SD-
3. ZUBAIR GHANI	USMAN GHANI BILAL	PAKISTANI 42101-220255-9	BUSINESS	HOUSE NO A-197, F. B. AREA, BLOCK 17, KARACHI	10,000 (TEN THOUSAND)	-SD-
					TOTAL - 30,000 (THIRTY THOUSAND ONLY)	

Dated the 30th day of June 2010

Witness to above signature: NIFT (Private) Limited





SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

CERTIFICATE OF INCORPORATION

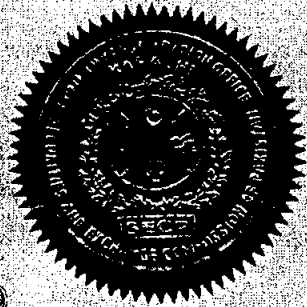
[Under section 32 of the Companies Ordinance, 1984 (XLVII of 1984)]


Corporate Universal Identification No. 0073063

I hereby certify that INNOVATIVE ENERGY SOLUTIONS LIMITED is
this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and that
the company is limited by shares.

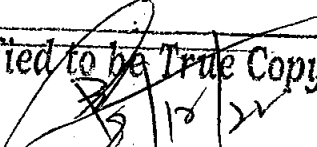
Given under my hand at Karachi this Eighth day of July, Two Thousand and
Ten.

Fee Rs. 7,000/=




(Sidney Custodio Pereira)
Joint Registrar of Companies



Certified to be True Copy

Asstt./Deputy Registrar of Companies

A.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Innovative Energy Solutions (Private) Limited** which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 13 highlighting stay order obtained in lawsuit wherein Company is representative of Pakistan Navy relating to Gas Infrastructure Development Cess. The ultimate outcome of lawsuit is uncertain at this stage.

Our opinion is not qualified in this respect.

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 Company's Annual Report does not include the financial statements and our auditor's report thereon.

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

REANDA

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

A

REANDA

- 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.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.

Farhan
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated:

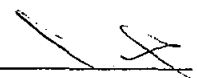
UDIN: AR202210147GUm01AdJy

A

INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property, plant & equipment	4	211,881,182	234,386,001
Current Assets			
Store, Spare and Tools		42,326,500	78,326,498
Trade Debtor - Unsecured and Considered Good		50,739,347	75,252,864
Loan & advances	5	2,397,936	521,000
Tax refund due from government	6	9,923,693	9,285,089
Cash and bank balance	7	8,653,697	7,889,436
		<u>114,041,173</u>	<u>171,274,887</u>
Total Assets		<u>325,922,355</u>	<u>405,660,888</u>
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
10,000,000 Ordinary shares of Rs.10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
Ordinary shares of Rs.10 each fully paid in cash	8	50,000,000	50,000,000
Capital reserves	9	94,000,000	105,000,000
Accumulated profit		<u>91,143,390</u>	<u>47,771,230</u>
Total Shareholder's Equity		<u>235,143,390</u>	<u>202,771,230</u>
Non-Current Liabilities			
Long term Borrowing	(10)	6,000,000	42,000,000
Staff Retirement Benefits	11	2,188,899	1,299,058
		<u>8,188,899</u>	<u>43,299,058</u>
Current Liabilities			
Current portion of long term borrowings		36,000,000	36,000,000
Trade and other payables	12	46,590,066	123,590,600
		<u>82,590,066</u>	<u>159,590,600</u>
Contingencies	13		
Total Equity and Liabilities		<u>325,922,355</u>	<u>405,660,888</u>

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


Chief Executive



Director



INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	<i>Note</i>	<i>2022 Rupees</i>	<i>2021 Rupees</i>
Sales	14	463,975,568	357,557,239
Cost of sales	15	(387,811,027)	(313,905,086)
Gross Profit		76,164,541	43,652,153
Administrative expenses	16	(22,439,267)	(20,189,315)
Operating Profit		53,725,274	23,462,838
Finance cost	17	(7,030,055)	(7,120,452)
Other charges	18	(3,323,059)	(1,187,371)
Profit before taxation		43,372,160	15,155,015
Provision for taxation		-	-
Profit after taxation		43,372,160	15,155,015
Other comprehensive income		-	-
Total comprehensive income for the year		43,372,160	15,155,015
Earning per Share - Basic and Diluted		8.67	3.03

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


Chief Executive


Director

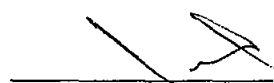
A



INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	<i>Share Capital</i>	<i>Capital Reserves Loan From Directors</i>	<i>Accumulated profit</i>	<i>Total</i>
	<i>----- Rupees -----</i>			
Balance as at June 30, 2020	50,000,000	192,500,000	32,616,215	275,116,215
Total comprehensive income for the year	-	-	15,155,015	15,155,015
Transaction with the Owners				
Loan paid to Directors	-	(87,500,000)	-	(87,500,000)
Balance as at June 30, 2021	50,000,000	105,000,000	47,771,230	202,771,230
Total comprehensive income for the year	-	-	43,372,160	43,372,160
Transaction with the Owners:				
Received during the year	-	189,500,000	-	-
Loan paid to Directors	-	(200,500,000)	-	(200,500,000)
Balance as at June 30, 2022	50,000,000	94,000,000	91,143,390	45,643,390

The annexed notes form an integral part of these financial statements


 Chief Executive


 Director

A.

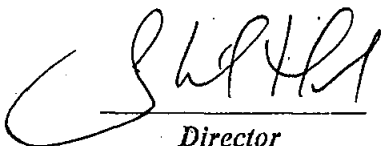
Ph

INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,372,160	15,155,015
Adjustment for non cash charges and other Items:		
Depreciation	22,455,824	24,876,089
Provision for gratuity	1,279,436	621,557
Worker's participation fund	2,421,589	813,911
Worker's welfare fund	887,475	309,286
Loss on disposal of vehicle	(13,995)	-
Financials charges	7,030,055	7,120,452.00
	34,060,384	33,741,295
Cash flow generated from operating activities before working capital changes	77,432,544	48,896,310
Working Capital changes		
Decrease / (increase) in current assets		
Loan & advances	(1,876,936)	604,217
Stores and spares	35,999,998	(78,326,498)
Trade debt	24,513,517	11,216,596
	58,636,579	(66,505,685)
Increase / (Decrease) in current liabilities		
Trade and other payables	(80,309,598)	43,394,203
Tax paid	(638,604)	(2,538,225)
Gratuity paid	(389,595)	(290,531)
	(81,337,797)	40,565,447
Net cash generated from operating activities	54,731,326	22,956,072
B CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(64,921)
Net cash used in investing activities	-	(64,921)
C CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance received	(36,000,000)	78,000,000
Disposal of vehicle	35,000	64,174
Financial charges paid	(7,030,055)	(7,120,452)
Long term loan paid	(11,000,000)	(87,500,000)
Net cash used in financing activities	(53,995,055)	(16,556,278)
Net decrease in cash and cash equivalent (A+B+C)	736,271	6,334,873
Cash and cash equivalent at the beginning of the year	7,889,436	1,554,563
Cash and cash equivalents at the end of the year	8,625,707	7,889,436

The annexed notes form an integral part of these financial statements


Chief Executive


Director

INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 NATURE AND STATUS OF BUSINESS

Innovative Energy Solutions (Private) Limited ("the company") was incorporated on 08 July 2010 in Pakistan under Companies Act, 2017. The Registered Office of the Company is located at plot No. 495, 501 & 504, DEH Landhi Main National Highway, Karachi, Sindh. The Principle activity of the company is to provide power generation through gas generators and is generating & transmitting the electricity generated through gas generators to PN Dockyard under a contract for 15 years commenced from January 2014.

1.1 Geographical location and address of business unit / plant :

Head Office: Plot No. 495, 501 & 504 Deh Landhi Main National Highway, Karachi.

**Location of
Production plant :** 9-Pn Dockyad, West Wharf Road Karachi, Sindh.

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 Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except as otherwise mentioned in these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

A.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described as follows: -

Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment. This also includes estimating the residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipments with a corresponding affect on the depreciation charge and impairment.

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the significant accounting policies consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

3.1 *Property, plant and Equipment*

These are initially recognized at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated on Reducing Balance Method over the estimated useful life of the assets. Depreciation on additions is charged from the month in which they are available for use and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains and losses arising on derecognition of the asset is included in profit or loss account in the year the asset is derecognised.

Gains and losses on disposal of assets, if any, are taken to profit and loss account.

3.2 *Trade debts*

Trade debts are carried at original invoice amount less provision made for doubtful receivables based on a review of all outstanding amounts of the year end. Debts considered irrecoverable are written off.

A

3.3 *Stores, spares and loose tools*

These are valued at lower of the moving average cost or net realizable value. Net realizable value comprises of estimated selling price in the ordinary course of the business less estimated cost necessary to make the sale. Provision is made for items considered obsolete and slow moving. Items in transit are valued at cost comprising invoice price and other charges paid thereon.

3.4 *Trade and other payables*

These are carried at cost which is the fair value of the consideration received up to the year end for which payment is pending, whether or not billed to the Company.

3.5 *Borrowing Costs*

The Borrowing Cost directly attributable to the acquisition , construction or production of Qualifying Assets is capitalized as part of cost of all assets. All other interests, mark-up and other charges are recognized in profit and loss account.

3.6 *Share Capital*

Ordinary Shares are classified as equity.

3.7 *Trade and other payables*

These are carried at cost which is the fair value of the consideration received up to the year end for which payment is pending, whether or not billed to the Company.

3.8 *Borrowings*

Borrowings are recognized initially at fair value and are subsequently stated at amortization cost. Any difference between proceeds and redemption value is recognized in the profit and loss accounts over the period of borrowings using effective interest method.

3.9 *Provisions*

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

3.10 *Impairment*

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

3.11 *Cash and cash equivalents*

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement cash and cash equivalents comprise of cash in hand and bank balances.

A

3.12 Related party transactions

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of admissible valuation methods. However, loan transactions with the directors are interest free. Further loan from director is amortised at cost.

3.13 Taxation

Income of the Company is exempt under Clause 132 of the Second Schedule of the Income tax Ordinance, 2001.

3.14 Capital work in progress

Capital work in progress is stated at cost less impairment, if any. Assets are transferred to operating fixed assets when they are available for intended use.

3.15 Loans, advances, prepayments and other receivable

These are stated at the amounts originally disbursed, provision is made for the amounts considered doubtful, if any, and those considered irrecoverable are written off.

3.16 Staff retirement benefits - employee gratuity

Defined benefit plan

The Company also operates an unfunded gratuity scheme for its permanent employees. Provisions are made in the financial statements to cover the obligations.

3.17 Revenue recognition

Revenue from electricity supply is recognized on number of electric units supplied to the customers.

3.18 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the balance sheet if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability are also set off.

3.19 Foreign currency translations

All the monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate ruling at the balance sheet date. Foreign currency transaction are converted into Pak Rupees at exchange rate at the date of transaction. Gain / loss on re-measurement of monetary assets / liabilities and on foreign currency transactions is charged to profit and loss account.

3.20 Dividend and appropriations

Dividend and appropriations are accounted for in the year to which they relate if any.

A.

4 PROPERTY, PLANT AND EQUIPMENT

Description	2022							Rate
	Opening WDV	Addition/ Disposal	Depreciation Charge	Closing WDV	Cost	Accumulated Depreciation	Closing WDV	
	----- Rupees -----							
Power House								
Plant & Machineries	204,885,711	-	20,488,571	184,397,140	457,691,979	273,294,839	184,397,140	10%
Building & Civil Works	20,404,166	-	1,020,208	19,383,958	30,302,503	10,918,545	19,383,958	5%
RO Plant	6,681,291	-	668,129	6,013,162	12,913,823	6,900,661	6,013,162	10%
Office equipment	1,961,510	-	196,151	1,765,359	3,533,907	1,768,548	1,765,359	10%
Furniture	130,111	-	13,011	117,100	290,809	173,709	117,100	10%
Motor vehicle	298,394	-	62,308	187,091	409,083	237,918	187,091	15%
Computer equipment	24,818	(64,921)	7,446	17,372	371,710	354,338	17,372	30%
2022	234,386,001	(64,921)	22,455,824	211,881,182	505,513,814	293,632,632	211,881,182	
2021	259,261,343	747	24876089	234,386,001	505,578,735	271,192,734	234,386,001	

A

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

	2022 Rupees	2021 Rupees
Cost of sales	22,176,908	27,249,808
Administrative expenses	278,916	335,069
	<u>22,455,824</u>	<u>27,584,877</u>

5 LOAN & ADVANCES

- Considered good

Loans

-To Employees	1,851,500	521,000
---------------	-----------	---------

Advances

-Against Letter of Credit	546,436	-
	<u>2,397,936</u>	<u>521,000</u>

6 TAX REFUND DUE FROM GOVERNMENT

Opening balance	9,285,089	6,746,864
Deductions during the year	561,085	2,538,225
	<u>9,846,174</u>	<u>9,285,089</u>
Refund received during the year	(2,607,181)	-
Sales tax refundable	2,684,700	-
	<u>9,923,693</u>	<u>9,285,089</u>

7 CASH AND BANK BALANCES

Cash in hand	45,958	90,392
Cash at banks - in current accounts	8,607,739	7,799,044
	<u>8,653,697</u>	<u>7,889,436</u>

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021	
Number of Shares		
5,000,000	5,000,000	Ordinary shares of Rs.10 each
		issued during the year
<u>5,000,000</u>	<u>5,000,000</u>	<u>50,000,000</u>
		<u>50,000,000</u>

9 TRANSACTION WITH DIRECTORS

Loan from Directors

- Khalid Majeed	9.1	-	65,000,000
-Ashraf Majeed	9.1	-	40,000,000
-Shoaib Majeed	9.1	94,000,000	-
		<u>94,000,000</u>	<u>105,000,000</u>

9.1 These loans are interest free and repayable at the discretion of the Company. Accordingly the loans are classified as equity portion as permitted by TR-32 issued by ICAP.

A

10 LONG TERM BORROWING

	2022 Rupees	2021 Rupees
Banking Company	42,000,000	78,000,000
Less: Current & overdue portion of demand finance facility	(36,000,000)	(36,000,000)
	<u>6,000,000</u>	<u>42,000,000</u>

Details of debt finances as follows

This represent Demand Finance facility of Rs. 90 million from Habib Bank Limited. The loan is to be repaid in 30 equal monthly installments and mark up is payable @ three month KIBOR plus 2% repayable on quarterly basis.

Details of combined collateral

First hypo charge to the extent of Rs. 120 Million over specific Plant & Machinery of the company registered with SECP and 30 post dated cheques of demand draft installment of M/s Innovative (private) Limited as well as;

- Cross company guarantee of M/s Mekotex Pvt Ltd
- Undertaking from M/s Mekotex (Pvt) Ltd for being liable in the event of delayed/ failure of and/or default in re-payment relative to HBL's sanctioned liability exposure (SLC/Contract-DP/DF Facility) extended to M/s Innovative Energy Solutions (Pvt) Ltd.
- Personal guarantee alongwith networth statement of all directors of the Company.

11 STAFF RETIREMENT BENEFITS**- Gratuity unfunded****a) Movement in defined benefit obligation****Present value of defined benefit obligation**

At beginning of the year	1,299,058	968,032
Charge for the year	1,279,436	621,557
Benefits paid during the year	(389,595)	(290,531)
At the end of the year	<u>2,188,899</u>	<u>1,299,058</u>

b) Charge for the year

Current service cost	1,075,094	543,340
Interest cost	204,342	78,217
	<u>1,279,436</u>	<u>621,557</u>

c) The principal actuarial assumptions used for the purpose of the valuation were as follows:

	2022	2021
Discount rate	15.73%	8.08%
Expected rate of increase in salary	3.00%	3.00%
Average expected remaining working life time of employees	10	10

	Note	2022 Rupees	2021 Rupees
12 TRADE AND OTHER PAYABLES			
Trade creditors		4,095,825	4,903,248
Accrued charges & other payables	12.1	42,494,241	118,687,352
		<u>46,590,066</u>	<u>123,590,600</u>

12.1 Accrued charges & other payables

Gas bill payable		29,367,520	103,401,099
Electricity duty payable		264,420	181,854
Salary & wages payable		1,408,747	1,475,294
Sales tax payable		-	3,059,084
Worker's welfare fund payable	12.1.1	6,741,452	5,853,977
Worker's participation fund payable	12.1.2	2,316,158	708,580
Other payables		599,004	1,059,644
Rent payable		-	2,144,387
Payable to employees against vehicle		1,419,500	480,000
Auditor's remuneration payable		377,440	323,433
		<u>42,494,241</u>	<u>118,687,352</u>

12.1.1 Worker's welfare fund payable

Opening balance	5,853,977	5,544,691
Add: Provision for the year	887,475	309,286.00
	<u>6,741,452</u>	<u>5,853,977</u>
Less: Paid / adjusted during the year	-	-
	<u>6,741,452</u>	<u>5,853,977</u>

12.1.2 Worker's participation fund payable

Opening balance	708,580	(105,331)
Add: Markup on prior year balance	86,128.00	-
	<u>794,708</u>	<u>(105,331)</u>
Add: Provision for the year	2,335,461	813,911
	<u>3,130,169</u>	<u>708,580</u>
Less: Transferred to the trust during the year	(814,011)	-
	<u>2,316,158</u>	<u>708,580</u>

13 CONTINGENCIES

Stay order has been obtained by Pakistan Navy against levy of Gas Infrastructure Development Charges- GIDC to be drafted after legal advisor confirmation. However there is no apprehension of loss to company.

A

14 SALES - NET	Note	2022 Rupees	2021 Rupees
Sales - gross		542,851,415	418,341,970
Sales tax		(78,875,847)	(60,784,731)
		<u>463,975,568</u>	<u>357,557,239</u>

15 COST OF SALES

Gas consumed		270,510,085	229,977,190
Salary and wages benefits	15.1	11,363,554	9,700,545
Repairs and maintenance		77,271,942	44,804,639
Insurance charges		700,069	700,069
Depreciation	4.1	22,176,908	24,581,348
Oil & lubricant		4,748,628	3,303,872
Chemical consumed		424,943	292,788
Electricity duty		614,898	544,635
		<u>387,811,027</u>	<u>313,905,086</u>

15.1 Salary, Wages and Benefits

Salary, wages	10,487,660	9,229,365
Gratuity expense	821,727	279,148
	<u>11,309,387</u>	<u>9,508,513</u>

16 ADMINISTRATIVE SELLING AND EXPENSES

Salary, wages and benefits	16.1	3,495,202	2,782,583
Directors' remuneration	24	10,269,406	10,269,416
Legal and professional expenses		1,166,700	1,239,625
Entertainment expenses		1,101,906	308,761
Auditors remuneration	16.2	378,000	323,433
Depreciation	4.1	278,916	294,741
Printing and stationery		108,210	114,130
Conveyance, vehicle and travelling expenses		963,562	722,323
Fees & subscription		187,870	438,020
Postage and telegram		114,010	105,460
Rent, rates & taxes		4,297,389	3,513,135
Insurance charges		78,096	77,688
		<u>22,439,267</u>	<u>20,189,315</u>

16.1 Salary, Wages and Benefits

Salary, wages	3,241,835	2,672,587
Gratuity expense	253,367	109,996
	<u>3,495,202</u>	<u>2,782,583</u>

16.2 Auditors remuneration

Audit fee	350,000	299,475
SRB @ 8%	28,000	23,958
	<u>378,000</u>	<u>323,433</u>

A

17 FINANCIAL CHARGES

	2022 Rupees	2021 Rupees
Markup on debt finance of HBL	6,818,178	6,874,632.89
Markup on gratuity	204,342	78,217
Bank charges and commission	7,535	167,602
	<u>7,030,055</u>	<u>7,120,452</u>

18 OTHER CHARGES

Loss on disposal of Vehicle	13,995	64,174
Worker's participation fund	2,421,589	813,911
Worker's welfare fund	887,475	309,286
	<u>3,323,059</u>	<u>1,187,371</u>

19 EARNING PER SHARE - BASIC & DILUTED

	2022	2021
Profit after taxation attributable to ordinary shareholder	<u>Rs. 43,372,160</u>	<u>15,155,015</u>
Weighted average number shares	<u>5,000,000</u>	<u>5,000,000</u>
Earning per share - diluted	<u>Rs. 8.67</u>	<u>3.03</u>

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**20.1 Financial assets - loan and receivable**

	2022 Rupees	2021 Rupees
Trade debtor	50,739,347	75,252,864
Loans and advances and others receivables	1,851,500	521,000
Cash and bank balances	8,653,697	7,889,436
	<u>61,244,544</u>	<u>83,663,300</u>

20.2 Financial liabilities - at fair value through profit and loss

Gratuity payable	2,188,899	1,299,058
Trade and other payables	39,848,614	114,677,539
Current maturity of non-current liabilities	36,000,000	-
	<u>78,037,512</u>	<u>115,976,596</u>

20.3 The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk in respect of financial assets without any material change from previous period in the manner described in notes below.

Risk managed and measured by the company are explained below: -

- Credit risk
- Liquidity risk
- Market risk

A.

20.4 Credit risk

Credit risk represents the accounting Profit that would be recognized at the reporting date if counterparties fail completely to perform as contracted. Out of the total financial assets of Rs. (2021 61.74 : Rs.83.66) million, the financial assets which are subject to credit risk amounted to Rs. 61.198 (2021 : Rs.83.57) million.

The carrying amount of financial assets representing the maximum credit exposure at the reporting date as follows: -

	2022 Rupees	2021 Rupees
Trade Debtor	50,739,347	75,252,864
Loans and advances and Others receivables	1,851,500	521,000
Cash at bank	8,607,739	7,799,044
	<u>61,198,586</u>	<u>83,572,908</u>

The maximum exposure to credit risk for trade debtors is Rs.50.739 (2021: Rs.75.252) million.

Impairment

The ageing of trade debts as at balance sheet date are as follows;

	2022		2021	
	Gross debts	Impaired	Gross debts	Impaired
	----- Rupees -----			
Past due 0 - 30 days	50,739,347	-	75,252,864	-

20.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:-

Financial Liabilities	2022			
	Carrying Amount	Contractual Cash flows	Upto one year	More than one year
	----- Rupees -----			
Trade and other payables	39,848,614	39,848,614	39,848,614	-
Gratuity payable	2,188,899	2,188,899	-	2,188,899
Long term borrowing	42,000,000	42,000,000	36,000,000	6,000,000
	<u>42,037,512</u>	<u>84,037,512</u>	<u>39,848,614</u>	<u>2,188,899</u>
Financial Liabilities	2021			
	Carrying Amount	Contractual Cash flows	Upto one year	More than one year
	----- Rupees -----			
Trade and other payables	71,021,136	71,021,136	71,021,136	-
Gratuity payable	968,032	968,032	-	968,032
Long term borrowing	-	-	-	-
	<u>71,989,168</u>	<u>71,989,168</u>	<u>71,021,136</u>	<u>968,032</u>

4

20.6 Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the company's income or the value of its holdings of financial instruments.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At year end, the Company is not exposed to any currency risk.

ii) Interest rate risk

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

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows: -

	2022	2021
	<i>Effective Interest Rate</i>	
	<i>(In Percent)</i>	
<i>Variable Rate Instruments</i>		
Financial liabilities	3 month	3 month
Term loan	<u>KIBOR+2%</u>	<u>KIBOR+2%</u>

iii) Price Risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Sensitivity analysis

At reporting date, the company is not exposed to price risk as the company has no investments.

21 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may issue new shares and take other measures commensurating the circumstances.

Consistent with others in the industry, the Company monitors the capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings from banking companies less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt.

	2022	2021
	<i>Rupees</i>	<i>Rupees</i>
Total borrowings	42,000,000	-
Less: Cash and bank balances	(8,653,697)	(7,889,436)
<i>Net Debt</i>	33,346,303	-
<i>Total equity</i>	235,143,390	202,771,230
<i>Total Capital</i>	<u>235,143,390</u>	<u>202,771,230</u>
<i>Gearing Ratio (%)</i>	<u>14.18</u>	-

A.

22 RELATED PARTY TRANSACTIONS

Related parties comprises associated companies, directors, key management personnel of member companies and various other related parties that have an interest in the Company that gives it significant influence over the Company. PN Dockyard is considered as such whereas remuneration to chief executive and directors' are disclosed in note 24. Other transactions with related parties are as follows:

	2022 Rupees	2021 Rupees
Loan from Director		
Acquired	189,500,000	-
Repaid / transferred to share capital	(200,500,000)	(87,500,000)
PN Dockyard		
Sales	542,851,415	418,341,970
Receipts	567,364,929	429,558,566
Loan from Associated Concerns		
Acquired	197,500,000	41,000,000
Repaid	(197,500,000)	(41,000,000)

22.1 The following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place:

Name of Related Party	Relationship	Percentage of Share holding
Muhammad Khalid	CEO	33.34%
Muhammad Ashraf	Director	33.33%
Muhammad Shoaib	Director	33.33%
PN Dockyard	Major customer	Nil
Aquagen (Pvt.) Limited	Associated Undertaking due to common directorship	Nil

Capacity		Actual Production	
2022	2021	2022	2021
----- Kilo Watt -----			

23 PLANT CAPACITY AND PRODUCTION

Electricity Generation	86,724,000	86,724,000	21,117,800	19,381,800
------------------------	------------	------------	------------	------------

Capacity is under utilized due to distribution of electricity to small segment of population.

A

24 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

The remuneration of Chief Executive and Directors during the year were as follows: -

	2022			2021		
	Chief Executive Officer	Directors	Executive	Chief Executive Officer	Directors	Executive
	----- Rupees -----					
Managerial remuneration	5,134,703	5,134,703	3,318,590	5,134,708	5,134,708	3,240,000
	5,134,703	5,134,703	3,318,590	5,134,708	5,134,708	3,240,000
Number of persons	1	1	2	1	2	1

25 NUMBER OF EMPLOYEES

At year end, No of employees are 70 (2021 : 66) and average for the year were 69 (2021 : 68).

26 DISCLOSURES RELATING TO PROVIDENT FUND

	2022	2021
Size of the fund	Unfunded	Unfunded
Cost of investment made	Nil	Nil

27 RECLASSIFICATION

Following figures has been reclassified for the better presentation and disclosures:

Previously disclosed as	Disclosed in	Reclassified as	Note No.	Amount in Rs.
Long Term Borrowing Note # 10	Non Current Liabilities	Current Liabilities : Current portion of long term borrowings	10	12,000,000
Other payables	Trade and other payables	Payable to employees against vehicle	12	480,000

28 DATE OF AUTHORIZATION FOR ISSUE

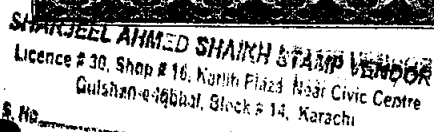
These financial statements have been authorized for issue by the Board of Directors of the Company on

29 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director



170 SEP 2002

EDWARD W. JAHODA
ADVOCATE

Under Regulation 3(g)

Affidavit Regarding License Never Submitted Before

I, Ahsan Samad, S/o Dr H Abdul Hameed bearing CNIC 42201 4905895-9 state on solemn Affirmation that the Applicant , M/s INNOVATIVE ENERGY SOLUTIONS PVT LTD, has never applied for the issuance Supply License by NEPRA Authority and has never submitted a Supply License Application before in this regard .

Deponent

Name: Ahsan Samad

Designation: Authorized Rep/ GM Projects

Company Seal:



A



Innovative Energy Solutions (Private) Limited

495, 501 & 504 DEH LANDHI MAIN NATIONAL HIGHWAY KARACHI - PAKISTAN
TEL #: +92-21-35016357 FAX #: +92-21-35021048 E-mail: shoaib@kam-int.com

IESL/077/SL/12

29-Dec-2022

Under Regulation 3(h)

Subject: Affidavit Regarding Grant /Refusal of Supply License

I, Ahsan Samad, S/o Dr H Abdul Hameed bearing CNIC 42201 4905895-9 state on solemn Affirmation that the Applicant, M/s IESL, has never been refused to receive Supply License by NEPRA Authority and has never submitted a Supply License Application before in this regard.

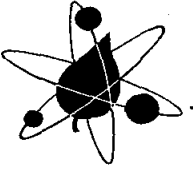
Deponent

Name: Ahsan Samad

Designation: GM Projects/Authorized rep



A



**Innovative
Energy Solutions (Private)
Limited**

495, 501 & 504 DEH LANDHI MAIN NATIONAL HIGHWAY KARACHI - PAKISTAN
TEL #: +92-21-35016357 FAX #: +92-21-35021048 E-mail: shoaib@kam-int.com

29-DEC 2022

**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF**

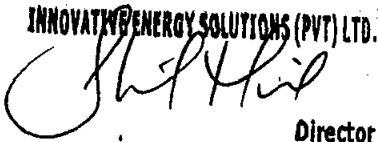
INNOVATIVE ENERGY SOLUTIONS (PRIVATE) LIMITED

RESOLUTION FOR FILING OF APPLICATION FOR GRANT OF SUPPLY LICENSE

It is hereby RESOLVED THAT the Director of M/s: Innovative Energy Solutions (Private) Limited is authorized to file a Supply License Application on behalf of M/s: Innovative Energy Solutions (Private) Limited with NEPRA, for the grant of Supply License for the [8.031] MW (Gross) Capacity, RFO Fired Power Project at IPP Dockyard

FURTHER RESOLVED THAT the Director of M/s: Innovative Energy Solutions (Private) Limited, or a person(s) nominated by the Director, is hereby authorized to sign all documentation pay all NEPRA fees, appear before NEPRA and provide any information required by NEPRA with respect to the Project, and interalia conduct all necessary business required for the processing and award of tariff determination for the aforementioned Power Project from NEPRA.

INNOVATIVE ENERGY SOLUTIONS (PVT) LTD.



Director

Muhammad Shoaib
Director



Muhammad Ismail
Company Secretary

A



Innovative Energy Solutions (Private) Limited

495, 501 & 504 DEH LANDHI MAIN NATIONAL HIGHWAY KARACHI - PAKISTAN
TEL #: +92-21-35016357 FAX #: +92-21-35021048 E-mail: shoalb@kam-int.com

IESL/077/SL/03

The Registrar
National Electric Power Regulatory Authority (NEPRA)
NEPRA Tower
G-5/2, Islamabad.

24-Dec 2022

Subject: Authority Letter

Mr. Ahsan Samad S/o Late Dr H Abdul Hameed Bearing CNIC No 42201-4905895-9 is hereby appointed as authorized representative of Innovative Energy Solutions Pvt Ltd, for the purpose of filing an application for issuance of Supply License capacity 10.02 (installed) 9 MW (net delivered) for conducting supply of electric power in the designated territory of IPP Dockyard Karachi as approved by the NEPRA Authority. He is also authorized to attend any meeting(s) and discussions related to the determination of use of system charges /distribution and supply tariff and to provide any information & documents needed in this regard.

For and on behalf of

INNOVATIVE ENERGY SOLUTIONS (PVT) LTD.

Director

Shoaib Majeed
Director/CEO

Stamp

4



**Innovative
Energy Solutions (Private)
Limited**

495, 501 & 504 DEH LANDHI MAIN NATIONAL HIGHWAY KARACHI - PAKISTAN
TEL #: +92-21-35016357 FAX #: +92-21-35021048 E-mail: shoaib@kam-int.com

IESL/077/SL/11

Date: Dec 2022/ 29

SUB: LETTER TO AUTHORIZE PERSON IN CHARGE

To whom it may concern,

I, the undersigned, hereby authorize [Ahsan Samad], S/O, DR H Abdul Hameed, (CNIC: 42201 4905895-9) to act on behalf of IESL Pvt Ltd in all matters relating to the application for Supply License Application for IPP Dockyard

The submissions made by Ahsan Samad on IESL PVT Ltd behalf shall be binding upon IESL Pvt Ltd

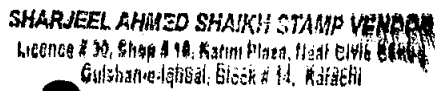
This authorization is valid until further written notice from IESL Pvt Ltd

INNOVATIVE ENERGY SOLUTIONS (PVT) LTD

Director

Shoaib Majeed
Director/CEO

A



2018

CONDENSED ONLY

EDWARD W. BENTLEY, JR.

Under Regulation 3(7)

I also affirm that all further documentation and information to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.

Company Seal:



Schedule III

(Regulation 3(4)(a)(A)(c))

1. Relevant feeder maps Number of consumers and expected load

**There is only one consumer buying as
“Bulk Power” from the Applicant. The
load under PPA is 10.02 MW**

2. Consumer class/category, sub-category on the basis of sanctioned load and voltage level

There is only one consumer and that is under "Bulk Power Consumer" category

A

3. Tariff categories of consumer classes to be served

Only one Consumer under C-2 category of KE. with discount

A

4. Demand and consumption pattern on different time periods

**The load is continuous without any
variations**

5. Procurement Plan for meeting expected loads (including own generation and/or long-term and short-term PPAs, as the case may be)

**The Supplier has its own generation and
sells to PN Dockyard under long term
PPA**

6. 12-month projections on expected load, number of consumers and expected sale of units for each consumer category

**Load is continuous i.e 10.02 MW. Only
one Consumer under Bulk Power
Consumer Category**

A.

7. 5-year Investment Plan indicating schemes/models framework for undertaking supply of electric power (including frameworks for providing non-discriminatory services and acquisition/sale of assets in relevant service territories)

NA -Operating Asset

A.

8. Training and development procedures and manuals

**IMS REFERENCE**

QMS : 7.1/7.2

EMS : 7.1/7.2

OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE**HUMAN RESOURCE / TRAINING****1. PURPOSE:**

The purpose of this procedure is to ensure that personnel shall be competent on the basis of appropriate education, training, skills and experience.

2. SCOPE:

This procedure is applicable to all departments of the Organizations.

3. RESPONSIBILITIES & AUTHORITIES:

- 3.1. **G.M**/Technical Director is responsible for hiring /selections of the human resource (Higher and Middle Management) at the factory while the lower management/worker and other employees as per need Hired by Assistant Manager HR as per Given approved strength
- 3.2. **AMR** in consultation with concerned Dept. heads is responsible for the identification of training needs in the Organization.
- 3.3. **MR / Departmental** heads are responsible for arrange the training of the personnel in the Organization.
- 3.4. Human Resource department are responsible for the appraisal of the personnel by the consultation of G.M/Departments heads and to develop the assessment report of the employees in the Organization.
- 3.5. **MR/AMR** is responsible to Organizes induction training for new employees on environmental, Quality and health & safety issues.
- 3.6. Identifies the training needs of employees with respect to the environmental management program and emergency preparedness.
- 3.7. Ensures that employees working on site have the necessary experience and competence with regard to environment and health & safety issues.
- 3.8. Informs employees about the Company environmental, Health safety policy and gains their signed acceptance of the policy while working on site

4. PROCEDURE:**4.1. Hiring of Personnel:**

The job requirements and specifications for a position (e.g., minimum qualification, experience and other requirements related to the job position) are defined in the concerned Job Description **(MEKO-IMSP-HR-06.2)**. Further to refer HREM Manual **(MEK-HREM-01)**

A.



MEKOTEX (PVT.) LTD.

IMS REFERENCE

QMS : 7.1/7.2

EMS : 7.1/7.2

OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE**HUMAN RESOURCE / TRAINING**

G.M // MR reviews and assesses the need for new hiring and makes recommendations/decisions. The requisition form is then forwarded to C.O.O for approval.

After approval, the position is advertised or reference directly contacted.

Candidates are interviewed after their bio data is scrutinized and short-listed by

MR

A panel of interviewers is formed to assess the candidates. The interview panel consists of following members:

- G.M
- Concerned Departmental Head
- Any advisor / consultant (if necessary)

The candidates, if needed, are also tested for Color Blindness Test. Each panel member assesses the candidates using the "Interview Assessment form" IM-HR-02 and gives his comments and recommendations. After the completion of interviews, the interview rating forms are submitted to MR who compiles the interview results. If required, shortlist candidates are re-interviewed for final screening and selection.

After selection of candidates, MR settles the terms and conditions with the selected candidates and issues them "Appointment Letter". Annex-A

The candidate is initially hired on temporary basis for a 3 months probationary period after which his/her performance is reviewed and assessed by his departmental head. In case of satisfactory performance, he is hired on permanent basis and "employee permanent form" IM-HR-01B is attached in his personal file.

The candidate is complete the "job application form" IM-HR-01A which is then used by HR department to verify his background and filled the information in "verification form" IM-HR-01C which includes (personal info, qualification, reference etc.).

The department which required a hired person is then filled out the "Acknowledgment form" IM-HR-01A which endorsed him that employee is working in the concerned department.

A



MEKOTEX (PVT.) LTD.

IMS REFERENCE

QMS : 7.1/7.2

EMS : 7.1/7.2

OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE**HUMAN RESOURCE / TRAINING**

HR Coordinators maintain the personal files (which includes bio data, credentials and training records) of personnel respective to their location.

4.2. Training And Awareness:**4.2.1. Continual Identification of Training Needs:(Internal Trainings)**

Training needs of employees are continually identified by their **Departmental Heads** as results of following developments:

- Changes in services or operations or processes
- New or revised procedures, or changes in the IMS policy
- Inadequate performance of individuals or groups of personnel.
- Results of internal audit and external audits
- Corrective/Preventive Actions
- Quality Environment Health and safety Trainings
- Customer complaints
- Promotion and Transfer of Employees
- Refresher and Induction Training
- Incident/Accident Training
- New customer COC Training

Based on these identified training needs, concerned **Departmental Heads** **Sectional Head** plans and arranges training sessions according to Training plan **HR-001**. The training attendance of employees in the training sessions is recorded on the "Training Attendance Sheet" **HR-002**. These attendance sheets are sent to **HR** and employee training records are updated in **HR-003**.

After the hiring of any personnel, HR department sent him to fire and safety department where he get basic firefighting training and when he fully aware of basic training, fire department approved him on "basic fire and safety training form" **HR-004** and sent back to HR department while HR department attached the form with his personal file **HR-005**.

4.2.2. External Training:

HR contacts various external training institutions (e.g., PIMS) and registers the company in their mailing list and receives training programs, schedule calendar from them.

HR in consultation with concerned **Departmental Heads** nominates the persons for the relevant courses. Upon receiving nominations from



MEKOTEX (PVT.) LTD.

IMS REFERENCE

QMS : 7.1/7.2

EMS : 7.1/7.2

OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE**HUMAN RESOURCE / TRAINING**

departments, **MR** gets the approval from **GM** and makes arrangements for registration of persons in the course.

After completion of course, the concerned person submits a copy of course certificate to **MR**. These certificates are filed in the personal record by **HRM** and **MR** updates the training records of concerned employees.

Trained employees hold internal training session.

4.2.3. Training Evaluation:

After training is conducted **MR** evaluates the training effectiveness of individuals. The training evaluation is carried out by method using Training Evaluation Form **OPM-HR-06** and training feedback form **OPM-HR-07** is filled by employees.

4.3. General Awareness and Orientation Training

MR/AMR has conducted Training or require employees to undertake a general awareness and orientation training course for all persons performing tasks for it or on its behalf who will be working on the site. Such persons are required to complete the training before they start any work activities. The training consist of the following

- Description of the operation
- General rules
- General Responsibilities of Employees and Supervisors Safety System.
- High-risk Work (Lock out/ Tag Out; Confined Space, Hot Work; Cranes & Lifting; Excavation; working at Heights; Conveyor)
- Housekeeping
- Hand and Power Tools
- Machine Guarding
- Material Handling
- Health Hazards
- Transportation
- Communication
- Fire Prevention
- First Aid
- General Recommendations
- Security Awareness

All new employees has receive the general awareness on the above list.



MEKOTEX (PVT.) LTD.

IMS REFERENCE

QMS : 7.1/7.2

EMS : 7.1/7.2

OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE**HUMAN RESOURCE / TRAINING**

The training attendance of employees in the training sessions is recorded on the "training attendance sheet" (PMI-HR-04). These attendance sheet are sent to MR and training records are updated

4.4. Evaluating the effectiveness of Training Programs for competence:

The management measure and review the training programs for their effectiveness through the following

- 4.4.1. Assess and document the competency of employees in conducting their work in accordance with information provided in training programs, through written and/or verbal assessments and on-the-job observations by using training evaluation form (PMI-HR-06).
- 4.4.2. Trainers and facilitators assessed competent with the appropriate skills and knowledge to deliver the material. Training assessors measure and review training programs for their effectiveness through the following:
- 4.4.3. Assessing the quality of training delivered (e.g. - use of questionnaires, course evaluations and tests after training)
- 4.4.4. Observing and assessing work practices and/or workplaces
- 4.4.5. Analyses of accidents/incidents which identify training as a basic or underlying cause

A record of all training carried out shall be retained with in the personnel files of all employees. Key personnel will receive training for environmental competence as initially identified through the Initial Environmental Review, and thereafter from the process of internal auditing and management reviews.

MR compiles the training requirements and prepares "training plan" (PMI-HR-03).

4.5. Performance Evaluation:

At the end of each quarter, MR in consulting with concerned Dept. Heads initiates the performance appraisal form (PMI-HR-08) of company's personnel.

Performance results for the previous year are assessed based on the following criteria:

Performance:

- Approach to work
- Technical skills
- Quality of work
- Handling targets and deadlines
- Communication skills
- Personal development



MEKOTEX (PVT.) LTD.

IMS REFERENCE

QMS : 7.1/7.2

EMS : 7.1/7.2

OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE**HUMAN RESOURCE / TRAINING**

- Punctuality
- Career development

Behavior:

- Interpersonal skills
- Willingness of learn and development skills
- Training needs
- Feedback/comments

In addition, the improvement areas and the corresponding training requirements for next year are also identified based on these results. The performance appraisal forms duly filled are sent back to **HR/HR**

The performance appraisal forms are the basis for increments and promotions.

HR Compiles the training requirements identified in the appraisal forms and prepares a tentative annual "Training Plan" **(FM-HR-01)**. The training plan is thoroughly reviewed by concerned **departmental heads** and approved by **G.M.**

5. Attendance Record:

Employee's attendance are maintained with hand punch machines and fully communicated to all personal to use machine for time in and out. If any person forgot to time in or out, then we have a manual /official time slip **(FM-HR-100)**. This form is filled by employee and department head will authorize this form by signature then it will save in HR department.

While leave application form **(FM-HR-101)** and left employee form **(FM-HR-101)** also available for better management system and traceability.

6. RELATED DOCUMENTS:

- IMS Policy MEKO-IP-IMSM
- Job Description MEKO-JD-HR-6.2

7. RELATED RECORDS:

- Employee Job Application Form FM-HR-01
(FM-HR-01A – Fm-HR-01E) mentioned above.
- Appointment Letter Annex "A"
- Interview Assessment form FM-HR-02
- Training Attendance Sheet FM-HR-03

A



IMS REFERENCE

QMS : 7.1/7.2
EMS : 7.1/7.2
OHSMS : 7.1/7.2

INTEGRATED MANAGEMENT SYSTEM PROCEDURE

HUMAN RESOURCE / TRAINING

- | | |
|------------------------------|----------|
| • Training Plan | FM-HR-04 |
| • Employee Training Record | FM-HR-05 |
| • Training Evaluation Form | FM-HR-06 |
| • Training Feedback Form | FM-HR-07 |
| • Performance Appraisal Form | FM-HR-08 |
| • Leave application form | FM-HR-09 |
| • Manual time slip | FM-HR-10 |
| • Left | FM-HR-11 |

A.

9. Consumer Service Manual

**To be provided later in due course of
time**

A.

10. Information relating to:

- i. Proposed service territory
- ii. Billing and collection procedures (including provisions for remote metering)
- iii. Ability to access consumer metering systems and other services / equipment
- iv. Emergency provisions and protocols

i. Proposed service territory

**Proposed service territory is PN
Dockyard**

A.

iii. Billing and collection procedures
(including provisions for remote
metering)

**There is only one consumer buying as
"Bulk Power" from the Applicant. The
load under PPA is 10.02 MW**

A.

iii. Ability to access consumer metering systems and other services / equipment

There is only one consumer and that is under "Bulk Power Consumer" category

A.

iv. Emergency provisions and protocols

**Only one Consumer under C-2 category
of KE. with discount**

A.

FACILITY	MEKOTEX (PVT) LTD
TITLE	HEALTH AND SAFETY
POLICY	E/MS/SP-07/SL
ISSUE DATE	15/08/2018
LOCAL LAW REFERENCE	
• Factories Act 2015 Chapter III	Sindh Occupational Safety Health Rules 2017

PURPOSE

To provide for conditions, keeping in mind the prevailing knowledge of the industry and of any specific hazards, conducive to the maintenance of health of the employees employed in all sections and categories in the company and to avoid or reduce the chances of risk or accident or hazards to the safety of the establishment, employees engaged for work and the community around.

POLICY

- **MEKOTEX** utilizes all available resources to provide a Healthy and Safe Working Environment for all its workers and to eliminate all potential hazards that are capable of causing work related accidents.
- Health and safety related hazards, corresponding risk are identified, assessed to find out all non-tolerable risks and appropriate actions are taken to minimize the risk.
- **MEKOTEX** through a systemized mechanism detects potential risk and hazards associated with the job or present in the work environment which could cause harm / injury to the workers.
- **MEKOTEX** provides necessary personal protective equipment's and implements controls to ensure the safety of the workers and their health.
- **HIV/AIDS Awareness Policy**
- **MEKOTEX** communicates and train employees regarding AIDS awareness its remedies and pre-cautionary measures to all of its employees

PROCEDURE

- To assist in providing a healthy and safe work environment for employees, customers, and visitors, which is a top priority for **MEKOTEX**
- Admin team is responsible to entertain visitor's w.r.t safety measures before entrance the facility. HR manager will provide basic H&S awareness/ training to newly hired workers.
- Emergency Response Team / Warden System are formed to induce workers to

A.

take active part in the work place safety programs.

- The minutes of the emergency response team are to be recorded and distributed among the members.
- Company makes sure that fire extinguishers are all available and all the employees are well trained to use these.
- Company keeps Fire-Extinguishers Location list in a file, which contains location, identification number of fire extinguisher, refilling date and expiry date. This list is frequently updated as any fire extinguisher is removed from the dedicated location either for refilling or due to any other reason.
- Regular Fire drills and trainings are conducted, involving every department/visitors/contractors on quarterly basis.
- Two announced and two un-announced fire drills are conducted in every year.
- CR will ensure that all workers are provided with Personal Protective equipment's free of cost where necessary and provided basic training for usage of such equipment. CR will ensure to post it. PPE procedure in native language for worker awareness in work place. CR plan the training frequency in training calendar in quarterly basis for ensure the effectiveness of PPE equipment's.
- HSE Officer is responsible to monitor & ensure the effective usage of PPE equipment's where is applicable and maintained a list of PPE with inspection record on monthly basis.
- CR ensures through maintenance staff that Safety Guards are properly installed on all the machines.
- First Aid is provided to workers; in case of any injury First Aid is provided to employees by trained First Aiders / Duty in house Doctor and recorded the same in injury log sheet.
- Supervisor will ensure the root cause of injury and take remedial action with safety in-charge for avoiding and reduces the risk factors and minimize the frequency.
- In case of mishap medical practitioner will recommend to employee for rejoin the workplace if worker fit after injury or on leave.
- **MEKOTEX** has all permanent employees completely insured as required under local laws
- **MEKOTEX** has duty in house doctor and his job is to provide First Aid assistance to workers and arrange trainings on emergency first aids.
- First aid kit inspection has carried out on bimonthly basis to ensure the adequate availability of first aid supplies by HSE Officer. Inspection of first aid kit based on following:

Complete items of first aid available verified by first aid item list.

Date of expiry of every first aid item.

The use material of first aid kit has stored in separate container and container send to admin department for further disposal.

A

- Each employee is expected to obey safety rules and to exercise caution in all work activities.
- Employees must immediately report any unsafe condition to the supervisor. Employees who violate safety standard who cause hazardous or dangerous situations, or who fail to report or, where appropriate. Remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

EMERGENCY PROCEDURES

EMERGENCY:

It is defined as "Sudden happening demanding immediate action / response". For our company, some of the emergency conditions may be due to the following.

- Fire / Smoke.
- Bomb Blast / Threat of Bomb Blast.
- Accidental release / discharge of environmentally dangerous material
- Industrial accident
- All natural calamities as Earthquake, Strong winds etc.

RESPONSE TO EMERGENCY:

In case of emergency or sign of the above-mentioned conditions, the response of the factory personnel should be as per the following procedures.

ACTION OF DISCOVERER:

A person who first detects any of the above mentioned conditions of emergency or any other "unusual" conditions which can be assessed as the reason for emergency condition, first informs the area supervisor, informs the security guard, inform the emergency alarm responsible person to be ready for supervisor instruction.

ACTION OF THE SUPERVISOR:

On information from the person or worker, supervisor shall inform the Factory Manager, Admin officer, Security In charge, Instruct and ensures that alarm goes on. Ensure everyone of his area proceed to the designated emergency assembly points.

ACTIONS OF THE FACTORY MANAGER, ADMIN OFFICER:

On information from the supervisor, factory manager, admin officer inform the Head of Emergency Team, inform Fire brigade. Assess the situation for the scope of emergency, Coordinate between the supervisors for everyone in the factory to be gathered at the emergency assembly points. The Admin Officer takes roll call as per the attendance on that day.

ACTION OF THE EMERGENCY TEAM HEAD:

On information from the factory manager, admin officer or as the alarm goes on, the

head of emergency team shall respond as per the emergency along with his team.

The Head of Emergency has a dedicated extension known to everyone in the factory.

All the personnel are trained. Instructed and provided with instructions that on hearing the alarm, they should immediately leave their work, switch off the machine (if working on a machine) and gather at the designated emergency assembly point.

Evacuation plan

All the departments are provided with respective evacuation plans and paste near the entrance or stairwells with the clear marking YOU ARE HERE. Evacuation plans are in native languages. Emergency exits and paths to them are elaborately marked on the evacuation plans. Although mark all fire safety equipments wherever posted in the departments to supporting quick response in the event of fire.

Industrial accident

- In case of any accident, the discoverer informs the area supervisor immediately.
- Supervisor access the situation
- Casualty is protected from the dangerous and shifted to a safe place.
- Supervisor informs the ERT (Emergency Response Team). If the accident is major one, supervisor instruct and insure that the emergency alarm goes on.
- First Aid provided to the casualty.
- If required the team leader arranges for external medical treatment.

FIRE PROTECTION EQUIPMENT

- Portable and fixed fire protection equipments are provided for entire factory areas. It consists of fire extinguishers and fire hydrant. Which are available for use before the emergency response team arrives (provided the associate has been trained in fire fighting operation).
- The emergency response team is responsible for monthly inspection, maintenance and required record- keeping of all portable fire extinguishers / fire trolleys and hydrant system. Any used or damaged extinguisher or trolleys or hydrant noses should be reported to the ERT Leader.

Fire Extinguishers (Portable)

Properly marked dry powder fire extinguishers are provided in ample quantity for all the production areas. The suitable distance of fire extinguisher is 75 feet from any point. The designated area is mark with Red band to avoid blockage and easy traceability in case of emergency. The suitable height of mounting the fire extinguishers are not more then 1.5 meter / 05 feet from the base area. Fire fighting officer carry out the inspections on weekly basis and maintain the record accordingly.

Fire Grade Emergency Light

For the Safety purpose requires fire grade emergency lighting within facilities. Emergency lighting is installed in areas where exits would be hazardous during a power failure such as on the pathways, stairs and out side of exits for proper

A

illumination of exit ways to assembly points.

Fire Grade Emergency Doors

Factory has installed secondary fire grade single motion/ push bar emergency exit doors at all departments with the independent pathways for workers easy evacuation. All emergency exit doors align with door closer to ensure the doors automatically closed for avoiding explosion the fire on outside area. All emergency exits are 01 hour fire rated and certified by third party. Emergency exit doors are illuminated with fire grade emergency light which although connected power back-up supply.

Exit Signs

Exit Signs are provided in specific locations in building to designate the means of exits from the building.

1. Installed at all required exit doorways and where necessary to indicate clearly the direction of exits.
2. Illuminated with 30-90 min battery backup and also in local language.

Electrical Safety:

Factory has conduct regular survey And monitored the electrical hazards. Identified them and removed them as soon.

1. Use of extension cord is prohibited and strictly monitored.
2. All the electric staff is trained and ensures to comply with the safety requirements.
3. Electrical panels are covered under the rubber mats and all electricians are allowed to work with the use of rubber mats.
4. Ebonite sheets are placed between the breakers in order to prevent any electrical hazards.

Structural Safety:

1. Factory has Inspect all accessible areas of support structure, roof insulation and drainage for defects or damage.
2. Inspect all structurally relevant components for cracking, deformation or moisture efflorescence and chipping.
3. Measure moisture levels at selected points in wooden parts.

Non-Conformity, Corrective Action and Preventive Action

The unit has a system in place to deal with actual and potential issues and to take corrective and preventive actions. These comprises of:

A.

- a) Identifying the non-conformances in the areas of Health & Safety / and environment.
- b) Investigating /taking corrective and preventive actions by the departmental head and safety committee.
- c) Recording the results of such corrective/preventive actions, reviewing the effectiveness of corrective/ preventive actions record.

RESPONSIBLE PERSON

- Factory Manager & CR are responsible for:
- Providing healthy and safe work environment to the workers.
- Detecting potential risks and hazards associated with the job or present in the work environment which could cause hazard / injury to the workers.
- Proper communication of company's policy on Health and Safety.
- Organizing meetings and training programs to ensure that the policy is properly communicated and understood, the minutes of the meeting are then recorded and circulated to all the participants as per distribution record list.

A.

v. Basis of common services for commercial and residential consumers and their allocation thereof

None

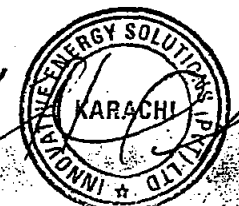
A.

↑

ORIGINAL ARTICLE/CLAUSE OF AGREEMENT	ADDENDUM
<p>Innovative Energy Solutions Limited (IESL), a company incorporated under the Companies Ordinance, 1984, having its registered office at 211-212, Marine Faisal, 10-A Block 6, P.E.C.H.S Shahra-e-Faisal, Karachi through its Director Mr. Zubair Ghani S/O Mr. Usman Ghani Bilal having CNIC No.42101-1210255-9, Resident of A-197, Block 17, Federal 'B' Area, Karachi, which expression shall include his assigns and representatives hereinafter known as "IESL" the party of the first part.</p>	<p>Innovative Energy Solutions Limited (IESL), a private company incorporated under the Companies Ordinance, 1984, having its registered office at 495, Deh Landhi, Shahra-e-Faisal, Karachi through its Director Mr. Muhammad Shoaib Majeed S/O Mr. Abdul Majeed having CNIC No. 42201-2122052-3 Resident of H.No. 210, Block B, Adamjee Nagar, Karachi, Adult, Muslim, expression, wherever the context so permit, shall mean and include his heirs, executors, administrators, representative, attorney and assignees hereinafter known as "IESL" the party of the first part.</p>
<p>Pakistan Navy, through its Commander Military Engineering Services (Navy) COMLOG {CMES(N)COMLOG} having its office at Iqbal Shaheed Road, Karachi, which expression shall include his authorized representatives and successors in office hereinafter known as "Pakistan Navy", the party of the second part.</p>	<p>No Change</p>
<p>WHEREAS PN Dockyard has monthly average consumption of around 2.25 MW, which is likely to increase with the passage of time.</p>	<p>WHEREAS, minimum monthly average off take by PN Dockyard shall be 2.7 MW i.e. 1,944,000 units / 30 days w.e.f 1 Jan 14.</p> <p>In case PN Dockyard consumption is below the min. average off-take of <u>2.7 MW i.e. 1,944,000 units</u> of electricity per month, then PN shall pay for same units so that financial obligations of IESL are addressed. The differential amount paid by PN (due lower consumption of electricity) shall be adjusted with the bills of those months in which the average uptake by PN Dockyard is more than <u>2.7 MW</u></p> <p>The adjustment shall be to the extent of differential amount paid by PN and shall only be adjusted within the same fiscal year.</p>

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

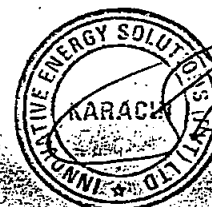
ADNAN MAZHER KHAN of 35
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



WHEREAS Pakistan Navy is desirous to acquire for PN Dockyard, located at West Wharf Road, Karachi, uninterrupted electric power supply through power plants exclusively installed, operated and maintained for PN Dockyard, capable of generating electric power through natural gas operated generators having total installed capacity of 8.031 MW (11KV, 50 Hz) and Net Delivered Output of 7.07 MW;	WHEREAS Pakistan Navy is desirous to acquire for PN Dockyard, located at West Wharf Road, Karachi, uninterrupted electric power supply through power plants exclusively installed, operated and maintained for PN Dockyard, capable of generating electric power through natural gas operated generators having total installed capacity of 3 x 3.34 MW Gensets totaling 10.02 MW (11KV, 50 Hz); Net Delivered Output of 9.0 MW. (Originally contracted Gensets were of 3 x 2.677 MW whereas rating of each Genset being installed is 3.34 MW)
WHEREAS Pakistan Navy is further desirous to receive 30 tons per day of desalinated water for PN Dockyard;	WHEREAS Pakistan Navy is further desirous to receive 30 tons per day of desalinated water for PN Dockyard on demand;
WHEREAS IESL has offered provisioning of uninterrupted electric power supply through power plants exclusively purchased, installed, operated and maintained for PN Dockyard through 3 x 2.677 MW generators (GE Jenbacher) capable of generating electric power through natural gas operated generators having total installed capacity of 8.031 MW and Net Delivered Output of 7.07 MW. Technical details of the said generators are placed at Annex A of this Agreement.	WHEREAS IESL has offered provisioning of uninterrupted electric power supply through power plants exclusively purchased, installed, operated and maintained for PN Dockyard through 3 x 3.34 MW generators (GE Jenbacher) capable of generating electric power through natural gas operated generators having total installed capacity of 3 x 3.34 MW i.e. total of 10.02 MW and Net Delivered Output of 9.0 MW. Technical details of the said generators were verified during FATs by PN Team.
WHEREAS IESL shall further ensure uninterrupted electric power supply to PN Dockyard through alternative source(s) like KESCO supply or portable rental power plants etc., if required, to keep its commitments for uninterrupted power supply, having total Net Delivered Output of 7.07 MW;	WHEREAS IESL shall further ensure uninterrupted electric power supply to PN Dockyard to keep its commitments for uninterrupted power supply, having total Net Delivered Output of 9.0 MW. PN Dockyard shall maintain KESC supply as a standby throughout the period of the contract;
WHEREAS IESL has also offered Pakistan Navy to transfer the ownership of the power plants on conclusion of the agreement.	WHEREAS IESL has also offered Pakistan Navy complete transfer of the ownership of the power plants on conclusion of the agreement without any encumbrances.
WHEREAS Pakistan Navy intends to take ownership of the said plants on conclusion of the agreement.	No Change
Whereas IESL agrees for enhancing the initially installed capacity of 8.031 MW, after investment payback period, provided that future	Whereas IESL agrees for enhancing the initially installed capacity of 10.02 MW, after investment payback period, provided that future demand

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

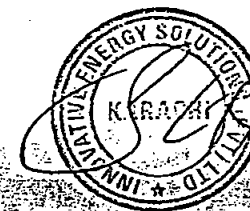
ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



<p>demand of electric power at PN Dockyard increases and investment is financially viable for both parties.</p> <p>1. IESL SHALL:</p> <p>a. Establish electric power generation plants (3 x 2.677 MW) generators capable of generating electric power through natural gas, having total installed capacity of 8.031 MW and Net Delivered Output of 7.07 MW) at PN Dockyard site exclusively for Pakistan Navy at their own cost, risk and expense within 12 months of the coming into force of the agreement to be entered into between the parties;</p>	<p>of electric power at PN Dockyard increases and investment is financially viable for both parties.</p> <p>1. IESL SHALL:</p> <p>a. Establish electric power generation plants (3 x 3.34 MW) generators capable of generating electric power through natural gas, having total installed capacity of 10.02 MW and Net Delivered Output of 9.0 MW) at Old Power House of PN Dockyard site exclusively for Pakistan Navy at their own cost, risk and expense by 1 January 2014; i.e. Contract Effective Date (CED).</p>
<p>1b. Provide and sale uninterrupted electric power generated through said power generation plants or the alternative source(s) like KESC supply or portable rental power plants etc., for a period of 15 years from the day next to start of power generation till the last day of agreement, to be calculated on the basis of units consumed, but for not less than 2.25 MW calculated on average monthly consumption, which shall be less than rates of KESC at all times, as per technical and financial details agreed between the parties;</p>	<p>Provide and sell uninterrupted electric power generated through said power generation plants/Gensets for a period of fifteen (15) years from Contract Effective Date. However, M/s IESL would at least pay the difference of tariff to be paid to KESC for the period for which the generator supply is disrupted on account of contractor's fault. The differential amount shall be deducted from bill of the month in which KESC supply has been used due to the fault of contractor.</p>
<p>1c. Guarantee/indemnify Pakistan Navy against each installment (starting from the first installment) made towards investment made by Pakistan Navy towards transfer of ownership of the said plants by hypothecating the plants and financial guarantees in favour of Pakistan Navy as acceptable to the parties. The value of financial guarantees will be based on realizable value (total value of paid installments excluding bank profit) which is less of depreciation;</p>	<p>To be deleted</p>
<p>1d. Transfer of ownership of the said plants from IESL to Pakistan Navy @ Rs.1/- at the conclusion of the agreement;</p>	<p>Transfer of ownership of the said plants from IESL to Pakistan Navy @ Rs.100/- at the conclusion of the agreement. On the completion of the tenure of the contract, IESL shall transfer and PN shall accept the plant in good operating conditions commensurate with its age / hours of operation.</p>

WAQAR HATTA
Commander Pakistan Navy
CMES (NAVY) COMLOG

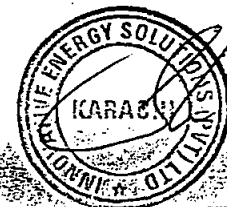
ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



1e. Notwithstanding the arrangements for transfer of ownership of said plants as articulated in para 1 d above, the responsibility for care and custody thereof together with the risk of loss and damage due to operations and activities related to operations and maintenance, thereto shall remain with the IESL and IESL shall indemnify Pakistan Navy for any loss to the property in the plants, its accessories, buildings, structures as the case may be, as well as, financial and/or economic losses incurred to Pakistan Navy as long as such loss is due the IESL operations and such a claim can be established;	No Change
1f. IESL shall fulfill its obligations towards financial institutions, organizations and other creditors to pay their debts, taxes and other charges well in time to avoid any charge or encumbrances on the said plants or associated services.	1f. IESL shall fulfill its obligations towards financial institutions, organizations and other creditors to pay their debts, taxes and other charges well in time to avoid any charge or encumbrances on the said plants or associated services rendering certificate of the same to PN and PN shall at no time be liable in any manner whatsoever.
1g. After enhancement of natural gas to required volume and pressure from SSGC for operation of plants by PN, IESL will ensure provisioning of natural gas for operation of power plants;	IESL shall pay monthly bills against gas consumed by the power plants to SSGC within due date and maintain good business relationships with SSGC to ensure uninterrupted supply of gas.
2a. Receive the electric power supply through power plants exclusively purchased, installed, operated and maintained for PN Dockyard through 3 x 2.677 MW generators capable of generating electricity through natural gas, having total installed capacity of 8.031 MW and Net Delivered Output of 7.07 MW;	Receive the electric power supply through power plants exclusively purchased, installed, operated and maintained for PN Dockyard through 3 x 3.34 MW generators capable of generating electricity through natural gas, having total installed capacity of 10.02 MW and Net Delivered Output of 9.0 MW(11KV, 50 Hz);
2b. Make suitable site(s) or place(s) or area(s) available within PN Dockyard area, and grant leave and permission to use the same, to IESL for establishment or setting up the said power plants against the consideration on agreed terms;	Make suitable site(s) or place(s) or area(s) and source water (sea water or sub-soil water as available) within PN Dockyard area, and grant leave and permission to use the same, to IESL for establishment or setting up the said power plants against the consideration on agreed terms;
2c. Make suitable site(s) or place(s) or area(s) available within PN Dockyard area to IESL for installation, operation and maintenance of desalinated Plant by IESL against the consideration on agreed terms;	Make suitable site(s) or place(s) or area(s) and source water (sea water or sub-soil water as available) within PN Dockyard area to IESL for installation, operation and maintenance of desalinated Plant by IESL against the consideration on agreed terms;

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

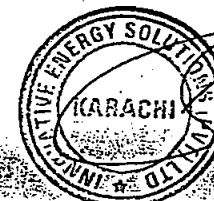


2d. To ensure payments to IESL on monthly basis through GE (N) Logistics against the bills/invoices raised by IESL as per details mentioned in Section III mutually agreed between the parties but for not less than 2.25 MW calculated on average monthly consumption;	<p>To make payments to IESL through GE (Navy) Logistics on regular monthly basis against the bills/invoices raised by IESL. Minimum monthly average off take by PN Dockyard shall be 2.7 MW i.e. <u>1,944,000 units / 30 days w.e.f 1 Jan 14.</u></p> <p>In case PN Dockyard consumption is below the min. average off-take of <u>2.7 MW i.e. 1,944,000 units of electricity per month</u>, then PN shall pay for same units so that financial obligations of IESL are addressed. The differential amount paid by PN (due lower consumption of electricity) shall be adjusted with the bills of those months in which the average uptake by PN Dockyard is more than 2.7 MW.</p> <p>The adjustment shall be to the extent of differential amount paid by PN and shall only be adjusted within the same fiscal year.</p>
2e. Release the said Hypothecation and financial guarantees on transfer of ownership of the said plants;	To be deleted
2f. To ensure responsibility for external security thereof together with the risk of loss and damage thereto and indemnify IESL for any loss to the property in the plants or associated accessories;	To ensure responsibility for external security "except an act of war" and/or "force majeure" thereof together with the risk of loss and damage thereto and indemnify IESL for any loss to the property in the plants or associated accessories;
3a. Ensure enhancement of gas volume and pressure from SSGC for operation of plants;	No change
3b. Ensure monthly payments to IESL by GE(N) Logistics through PN Dockyard for clearance of bills raised by IESL, in fulfillment of provisions of this agreement.	No change
Agreement Effective Date.	Agreement Effective Date.
4. The agreement entered between the parties shall be effective	Agreement to become effective w.e.f 1 January 2014 subject to following:

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

5 of 35



immediately upon completion of following acts on the part of respective parties:

a. IESL's confirmation along with documentary proofs of initiating procedures for obtaining approvals from all concerned offices, departments, bodies including registration of the company as a power generation company, license from NEPRA for generation of electric power etc required for the fulfillment of the agreement. IESL shall obtain all the necessary/required NOCs for installation and functioning of the Power Generation Plant;

b. IESL's confirmation about arrangement of requisite finances through banks/financial institutions or any other source;

c. IESL's registration with HQ COMLOG/MES as a registered contractor or supplier, as the case may be.

d. Making suitable site(s) available at PN Dockyard to IESL in writing for installation of the plants;

e. Security clearance of IESL and its employees by the concerned agencies of Pakistan Navy; and

f. Written confirmation by CMES(N) COMLOG that requisite permissions/approvals have been obtained from concerned authorities for making payment.

g. Submission of Performance Bank Guarantee by IESL @ 2% of total cost of equipment; to be released at commissioning of Plants.

a. No Change

b. No Change

c. No Change

d. No Change

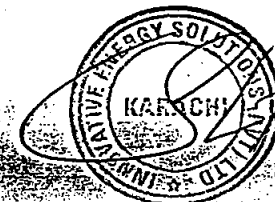
e. No Change

f. No Change

g. Submission of Performance Bank Guarantee by IESL @ 2% of total cost of equipment; to be released at commissioning of Plants. Submission of Performance Bank Guarantee may be in the form of Post Dated Cheque (PDC) upto the amount of required guarantee; to be released at the commissioning of the plants / contract effective date.

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

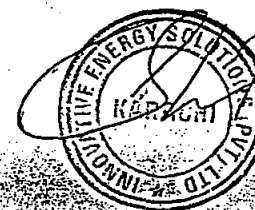
ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



5. Provided that in case the above said milestones are not met within 06 (six) months of signing of this agreement, the parties will mutually decide and revise time limit for the said milestones.	No Change
6. Subject to the terms and conditions of the agreement entered into between the parties, the overall period of the said agreement shall be for a period of 15 years; extendable with mutual consent of the parties in writing.	No Change
7. The Agreement and the relationship of the parties arising out of it shall be governed by Pakistani laws and courts of Karachi shall have the jurisdiction to adjudicate any such matters.	No Change
8. The agreement constitutes the basis of further negotiations between the parties hereto and supersedes all negotiations, representations, Letter of Intent(s), MOUs or agreements either written or oral preceding this agreement or any of the sponsoring bodies in general and M/S Energy Capital in particular, as the case may be.	No Change
9. As per details contained in agreement, previous or and subsequent negotiations and correspondences and agreement to be entered between the parties shall be construed as personal and classified and should not be disclosed to any person not authorized to receive it. In case of any violation, the firm and its employees shall be liable to be prosecuted under the Official Secret Act 1923.	No Change
10. In case of any dispute for any of the matters arising out of this agreement or subsequent agreements, the parties hereto agree to settle the matter through negotiations starting at the lowest level. However, failing which the parties agree to refer the matter to the Vice Chief of the Naval Staff/ Chief of Staff, who will be the sole arbitrator, to decide upon; whose decision shall be final and binding for both the parties.	No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



11. In the Agreement, as herein after defined, the following words and expressions shall have the following meanings except where the context otherwise requires:

"PN"

"IESL" means Innovative Energy Solutions Limited, a company incorporated under Companies Ordinance, 1984, having its registered office at 211-212, Marine Faisal, 10-A Block 6, P.E.C.H.S, Shakra-e-Faisal, Karachi.

"IESL's Representative" means the technical specialist if any from time to time designated by IESL to have the duties, rights and obligations outlined in Article 2 of Section II.

"CMES(N) COMLOG"

"CMES(N) COMLOG Representatives"

11. In the Agreement, as herein after defined, the following words and expressions shall have the following meanings except where the context otherwise requires:

"PN"

Means Pakistan Navy

"IESL"

Means Innovative Energy Solutions Limited, a company incorporated under Companies Ordinance, 1984, having its registered office at 495 Deh Landhi, Main National Highway, Karachi - Pakistan, Phone No. 0092-21-35015592.

"IESL's representative"

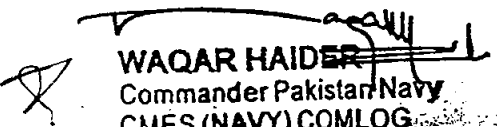
Means the technical, operation and admin staff or persons nominated by him from time to time designated by IESL to have the duties, rights and obligations outlined in Article 3 of Section-II.

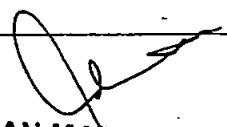
"CMES(N) COMLOG"

Means Commander Military Engineering Services (Navy) to Commander Logistics of Pakistan Navy; having its offices at Iqbal Shaheed Road, Karachi

"CMES(N) COMLOG Representatives"

Means Commander Military Engineering Services (Navy) to Commander Logistics and/or his successors or assignees, Deputy or Subordinate officer if any, from time to time designated by CMES(N) COMLOG or PN to have the duties, rights and obligations


WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG


ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



outlined in this Agreement

"PN Dockyard"

"PN Dockyard"

Means Pakistan Navy Dockyard; a strategic base of Pakistan Navy, located at West Wharf, Karachi (headed by its Managing Director under the overall administrative control of Commander Logistics); the most sensitive, strategic and key industrial base of Pakistan Navy built for berthing and repair/ maintenance/ upkeep/construction/modernization of ships, Submarines, craft, docks, vessels, tugs etc. and the units/establishments/ organizations/Offices stationed /located/ at PN Dockyard also includes areas /units/tender units/offices/depots/NSSD located near to the PN Dockyard. It also includes any other area which has stakes of Pakistan Navy due any reason.

"PN Dockyard Representatives"


"PN Dockyard Representative"

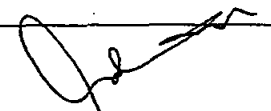
Means the Managing Director PN Dockyard and his successor or assignees/technical specialist designated by PN Dockyard to have the duties, rights and obligations outlined in this agreement.

"GE (N) Logistics"

"GE(N) Logistics"

Means the Garrison Engineer (Navy) Logistics, and his successors or assignees, if any from time to time designed by PN; to have the duties, rights and obligations


WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG


ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



"Plants" means 3 x 2.677 MW Natural Gas Operated Generators and 1 x 40 Tons Per Day Desalinated Plant with respective auxiliaries purchased, installed, operated and maintained by IESL as per terms of this agreement.

"Generators" means 3 x 2.677 MW Natural Gas Operated Generators along with respective auxiliaries purchased, installed, operated and maintained under this agreement.

"Electric Power" means the generation, operation, management or control of generation facilities for delivery of electric power and all other services incidental thereto, generated by any or all 3 x 2.677 MW natural gas operated generators or through alternate sources like KESCO supply or portable rental power plants, etc.

"Desalination Plant" means 1 x 40 tons per day desalination plant capable with associated equipment, cables, piping, control panels and accessories of whatever nature used by IESL capable to produce 30 tons per day desalinated water with TDS less than 2 ppm and pH ranging between 6-7.

outlined in this Agreement

"Plants"

Means complete power plant including generators capable of generating 3 x 3.34 MW electric power in total and equipment/machinery to produce desalinated water 30 ton per day with respective auxiliaries purchased, installed, operated and maintained by IESL as per terms of this agreement.

"Generators"

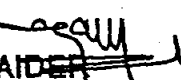
Means Generators (short form Gensets) capable of generating 3x3.34 MW electric power in total using natural gas as a fuel along with respective equipment, panels, accessories and auxiliaries purchased, installed, operated and maintained under this Agreement.

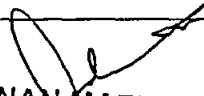
"Electric Power"

Means the generation, operation, management or control of generation facilities for delivery of electric power and all other services incidental thereto, generated by any or all 3 x 3.34 MW generators capable of producing 10.02 MW from natural gas operated generators

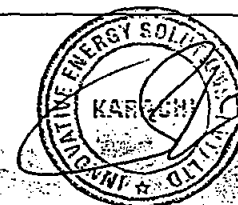
"Desalination Plant"

Means desalination water plant using exhaust waste heat of capable of producing 30 tons per day desalinated water of ppm less than 2.0 at all times and pH ranging between 6-7; along with all fittings.


WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG


ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Doc 1000

10 of 35



"Parties" means IESL, PN Dockyard and GE(N) Logistics together

"Net Delivered Output" means net electricity expressed in MWH delivered to the switchgear of Power House by IESL through 3 X 2.677 MW generators or any other lawful source.

"Fuel" mean the natural gas at designed pressure and volume required for optimum operation of 3 x 2.677 MW generators as specified in technical documents.

"Pass Through Cost" means such cost that whose effects of increase or decrease will be passed onto/borne by Pakistan Navy.

"Cumulative Basis" Year 1 inflation being 10% and year 2 inflation being 10% would then be cumulative effect of ((1 multiply by 1.1) multiply by 1.1) which would equate to 1.21. This would then be applied to the utility rate at the time. Numbers used are for explanatory purpose only.

Parties

Means IESL, PN Dockyard and GE(N) Logistics together

Net Delivered Output

Means net electricity expressed in MWH delivered to the switchgear of Power House by IESL through generators capable of producing 3x 3.34 MW i.e. net delivered output of 9.0 MW generators.

Fuel

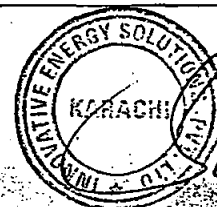
Mean the natural gas at designed pressure and volume required for generators.

"Pass Through Cost"

To be deleted as the same is not applicable.

"Cumulative Basis"

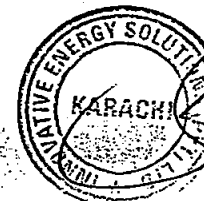
To be deleted as the same is not applicable.



12. PN Dockyard's Representative shall notify IESL in writing of all information, instructions and decisions of PN made under the provisions of the agreement. All information, instructions and decisions from PN Dockyard representative shall be as if from PN and shall be binding on PN.	No Change
13. PN Dockyard's Representative may delegate any of his responsibilities to any nominated deputy. The terms of such delegation shall be the subject of prior written notification to IESL. Notifications, information and decisions from any nominated deputy shall be as if from PN Dockyard's Representative.	No Change
14. Only PN Dockyard's Representative is authorized to receive on behalf of PN notifications, information and decisions of the IESL Representative under the provisions of the Agreement and notification to PN Dockyard's Representative shall be deemed to be notification to PN.	No Change
15. While this Agreement is in force PN Dockyard's representative shall be available to discharge his responsibilities in accordance with the Agreement.	No Change
16. IESL's Representative shall notify PN in writing of all information, instructions and decisions of IESL made under the provisions of the Agreement. All information, instructions and decisions from IESL representative shall be as if from IESL and shall be binding on IESL.	No Change
17. IESL's Representative will communicate on all matters concerning this Agreement through PN Dockyard's Representative or his deputies.	IESL's Representative will communicate on all matters concerning this Agreement through PN Dockyard's Representative or his deputies with information to PN Dockyard about the name, location, telephone number etc., of the IESL's Representative or his nominated deputy.
18. While this Agreement is in force IESL's Representative or his nominated deputy shall be readily available to discharge his responsibilities in accordance with the Agreement.	No Change
19. Purchase, Install, Build, Commission, Operate, Maintain and subsequently transfer ownership of plants to PN Dockyard after completion of agreement, during which IESL will provide Electric Power and desalinated water in terms and conditions of this	No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

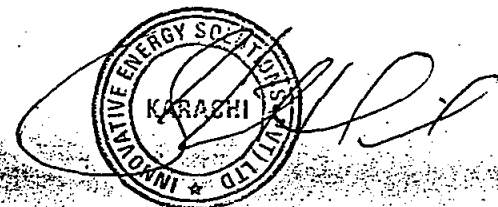
ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



agreement.	
20. IESL shall maintain adequate fuel supply, at least one year spares and consumables (under their scope of supply) to ensure continuous operation of the Plants.	IESL shall maintain adequate stores, spares and consumables to ensure continuous operation of the Plants as per OEM's specifications.
21. IESL shall be responsible for purchase of new plants and associated equipment as per this agreement, and will ensure its installation, operation and maintenance in accordance with scheduled maintenance plan / instructions by OEM through OEM certified/authorized local representatives/ agents duly verified by PN Dockyard.	No Change
22. Provide two sets of hard and soft copies of all technical documents pertaining to the plants to PN Dockyard at the time of installation of Plants.	No Change
23. Will manage and attain the delivery schedule from the OEM. Furthermore, IESL will acquire the warranties from the OEM to indemnify itself from faulty equipment.	No Change
24. Further responsibilities are given in detail in Article 15 of Section II and Section IV.	No Change
25. PN Dockyard, complying with all security regulations, shall allow: a. IESL employees (security cleared by PN) to work on the Site(s) on round-the-clock basis including holidays; b. The Plants to be operated and maintained by nominated personnel of IESL as per provision and condition of this agreement.	No Change
26. Further as detailed in Article 16 of Section II and Section V, of this agreement.	No Change
27. Without limitation of its obligations and its responsibilities, IESL shall maintain for the duration of Agreement, Comprehensive Insurance of the Plants and personnel working on the plants in any	Without limitation of its obligations and its responsibilities, IESL shall maintain for the duration of Agreement, Comprehensive Insurance of the Plants and personnel working on the plants in any capacity/duty, through

✓
WAQAR HAIDER
 Commander Pakistan Navy
 CMES (NAVY) COMLOG

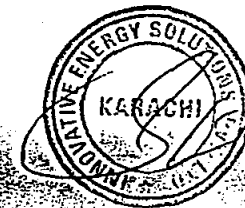

ADNAN MAZHER KHAN
 Captain Pakistan Navy
 General Manager IPP Project
 PN Dockyard



capacity/duty, through a well-reputed/renowned insurance company.	a well-reputed/renowned insurance company. The foregoing insurance shall be maintained with carriers reasonably satisfaction to PN Dockyard, and the terms of coverage shall be as evidenced by certificates to be furnished to PN Dockyard prior Contract Effective Date. Such certificates shall provide that thirty (30) days' written notice shall be given to PN Dockyard prior to cancellation or material alteration to any policy.
28. The insurances as above are subject to PN Dockyard's acknowledgement and confirmation in writing.	The insurances as above are subject to PN Dockyard's acknowledgement and confirmation in writing.
29. IESL agrees to indemnify PN and hold it harmless from and against all losses, damages and expenses arising from any claim for infringement of any patent or other proprietary rights covering the Plants and methods furnished by IESL or which IESL is licensed to use.	No Change
30. PN agrees to indemnify IESL and hold it harmless from and against all losses, damages and expenses arising from any claim from infringement and of any patent or other proprietary rights covering the equipment and methods that PN Dockyard may furnish under the agreement.	No Change
31. IESL shall perform all Services as an independent contractor but will follow the rules and regulations applicable to the contractors working in the area or special instructions promulgated by PN Dockyard for IESL which would not intervene in the performance of the services agreed between IESL & PN.	No Change
32. In case of any violation of the Agreement, both the parties shall be liable to be prosecuted under the Official Secret Act 1923.	The IESL undertakes that information/details about any activity or installations of Naval Ships or Harbour shall not be communicated to any press, agency or third country whatever the case may be. The breach of this undertaking shall be punishable under the Official Secret Act, 1923. The clause shall survive/remain valid even after culmination/termination of this contract.
33. PN shall make monthly payments to IESL through GE (N) Logistics on the terms provided in Section III – Schedule of Charges and Methods of Payment.	No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



<p>34. IESL may terminate this Agreement in the following events:</p> <p>a. In the event that PN fails to pay bills of IESL beyond a period of 60 days without any valid reason communicated in writing by PN. After a period of 60 days, IESL will be entitled to termination of the agreement. IESL will have the right to claim the pending bills and all expenses in the event of termination of agreement;</p> <p>b. In the event that PN Dockyard and GE(N) Logistics fail to comply with responsibilities stated in Article 16 of Section II of this agreement;</p> <p>c. In case where PN Dockyard working conditions do not allow IESL in the performance of agreement. These conditions will be specifically highlighted to PN in writing and PN will be given reasonable time, mutually agreed between parties to overcome the problem;</p> <p>d. If the Plants or IESL personnel at PN Dockyard, are exposed to extremely unacceptable external security risks only in such cases IESL will inform PN and till such time PN has shown its inability to deal with the matter given due reasonable time, the termination clause shall be invoked by IESL;</p>	<p>No Change</p>
<p>35. PN may terminate this Agreement in the following events:</p> <p>a. Immediately in the event that IESL shall suffer any distress or execution or make or propose to make any arrangement with its creditors, shall go into liquidation or any similar procedure in any jurisdiction except reconstruction or amalgamation; unless approved by PN;</p> <p>b. In any event, IESL and / or its employees are found involved in any activity which may affect matters related to security of PN or assist or pass information, in any form or deed, which may help or assist any group(s) or person(s) who are unauthorized to be given or receive such information; or act/conduct contrary to the spirit of Official Secret Act 1923;</p> <p>c. In the event that IESL fails to comply with responsibilities stated in Article 15 of Section II of this agreement;</p> <p>d. The agreement between PN and IESL shall stand terminated on completion of 15 years from the commercial operation date under this</p>	<p>No Change</p>

WAQAR HAIDER
 Commander Pakistan Navy
 CMES (NAVY) COMLOG

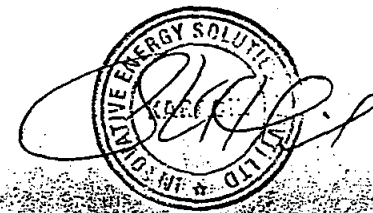
ADNAN MAZHER KHAN
 Captain Pakistan Navy
 General Manager IPP Project
 PN Dockyard



<p>Agreement. In the event of termination of the agreement, the plants including all operational and technical documentations shall be handed over to PN in operational state with all scheduled maintenance routines and corrective maintenance duly undertaken by IESL;</p> <p>e. At any stage or time frame, condition and/or due any reason(s) whatsoever; IESL will not have to right, claim or privilege or authority to remove/dismantle/displace the plant from PN Dockyard. If PN wants to retain the Plant then it has to take ownership of the liabilities associated with the plant as well as make the remaining payment for investment made by IESL.</p>	
<p>36. If IESL is not able to manage a financial arrangement for funding within 6 months of signing of the agreement be it due to any reasons, the agreement between PN and IESL shall be considered terminated until unless satisfactory explanation is provided to PN before the end of 6 months: Same has to be agreed by both the parties in writing.</p>	No Change
<p>37. If IESL fails to meet its contractual obligation for the provisioning of Electric Power to the PN Dockyard as agreed in the agreement within 12 (Twelve) months time from the agreement effective date, PN will issue a single non-compliance notice for Electric Power to IESL. After 6 months of the notice, PN will have the right of cancellation of agreement. However, responsibility for the delay may be established/ascertained, if delay was due to circumstances beyond the control of both the parties.</p>	No Change
<p>38. If requisite permissions/ approvals/ authorizations are not accorded to GE(N) Logistics/MES by the concerned higher authorities to make monthly payments to IESL as per Section III of this Agreement.</p>	No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

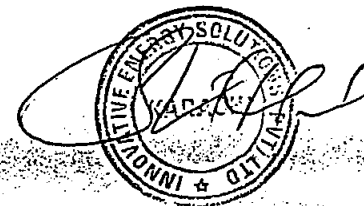


39. IESL shall assign neither the Agreement nor any part of it or any benefit or interest in or under it without the previous written consent of PN to any other party unless mutually agreed by IESL and PN in writing.	No change
40. IESL undertakes that during the tenure of this agreement, it will neither solicit nor execute similar contract with other parties on PN Dockyard's site(s), either directly or through third party until unless mutually agreed, in writing. In this case, IESL will be responsible to obtain requisite permissions / NOCs / approvals from concerned government agencies including PN, at their own cost and expense.	No change
41. Where IESL commits a non-compliance of any of the provisions of this Agreement which is capable of remedy and fails to remedy the same within 30 (Thirty) days or a reasonable period agreed between both parties whichever is greater, after receipt of a written notice from PN giving full particulars of the non-compliance and requiring it to be remedied, PN reserves the right to engage other person or company to remedy the relevant non-compliance and to require IESL to reimburse to PN, or to deduct from payments due to IESL, an amount equal to the amount invoiced by such other person/ company to PN directly in consideration of the performance of their services in remedying the non-compliance. IESL's payment of all amounts pursuant to this Clause, shall be in full and final settlement of IESL's liability for the non-compliance.	No Change
42. Provide Electric Power to PN Dockyard through 3 x 2.677 MW generators capable of generating electricity through natural gas, having total installed capacity of 8.031 MW and Net Delivered Output of 7.07 MW and 30 tons per day desalinated water (TDS less than 2ppm and pH value between 6-7) as specified in Section – IV of the agreement;	Provide Electric Power to PN Dockyard through 3 x 3.34 MW generators capable of generating electricity through natural gas, having total installed capacity of 10.02 MW and Net Delivered Output of 10.02 MW and 30 tons per day desalinated water (TDS less than 2ppm and pH value between 6-7).

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

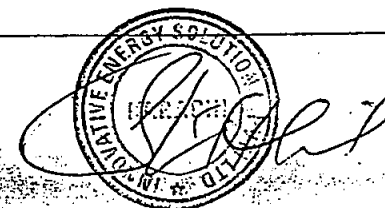
17 of 35



43. Ensure availability of natural gas, required for the operation of said generators. During non-availability of gas through SSGC or low pressure/volumes of gas, IESL will ensure uninterrupted power supply through alternate sources ;	Ensure availability of natural gas, required for the operation of generators. During non-availability of gas through SSGC or low pressure/volumes of gas, same would construed as forced majeure; in such event PN Dockyard will use <u>KESC as backup</u> throughout the tenure of the contract; Note: <i>The Firm did not agree on alternate sources of Power Supply during discussions which was agreed in principle by PN Team.</i>
44. Ensure installation of gas compressor at the inlet end of the plants so as to ensure availability of gas at requisite pressure for the operation of the plants. Details of the compressor are attached at Annex C;	To be deleted
45. Establish power generation and desalinated water plants at PN Dockyard site exclusively for PN Dockyard at IESL's own cost, risk and expense within 12 months of the agreement effective date, as per the Terms and Conditions agreed;	To be deleted
46. Provide Electric Power while ensuring facilitation of uninterrupted power supply through any alternative source(s) like KESCO supply or portable rental power plants etc., as per the Terms and Conditions of this agreement;	To be deleted
47. Guarantee/indemnify PN against each installment (starting from the first installment) made towards investment made by PN towards transfer of ownership of the said plants by hypothecating the plants and financial guarantees in favour of PN as acceptable to the parties. The value of financial guarantees will be based on realizable value (total value of paid installments excluding bank profit) which is less of depreciation.	To be deleted
48. Facilitate the transfer the ownership of the said plants to-PN on conclusion of 15 years or conclusion of the contract whichever is later; with all duties/levies/taxes etc. fully paid/ adjusted, in accordance with existing laws and continue to provide Electric Power	No change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

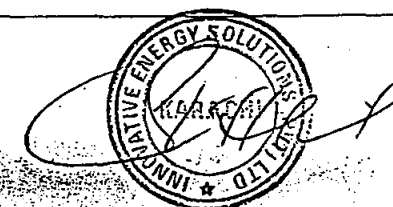
ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



to PN Dockyard from that very day till completion of 15 years of the period of this agreement;	
49. Fulfill its obligations towards financial institutions, organizations and other creditors to pay their debts, taxes and other charges well in time to avoid any charge or encumbrances on the said plants or services associated with them;	No change
50. To undertake complete financing for installation, commissioning, operation, repair, maintenance of plants including all accessories;	No change
51. To give due importance to international safety standards throughout the tenure of the project;	No change
52. To provide electric power cables to the switchgear of the power plant and provide desalinated water piping to the underground Desalinated water tanks of PN Dockyard;	No change
53. To provide all LT and HT cables required for the plants and their installation till the transmission/ distribution site of PN Dockyard with due importance to international industrial safety regulations including appropriate earthing arrangements for the plants for electrical protection;	To provide all LT and HT cables required for the plants and their installation till the transmission/ distribution site of PN Dockyard with due importance to international industrial safety regulations including appropriate earthing arrangements for the plants for electrical protection.
54. To provide all piping to client water tanks and provisioning of all gas pipes, required for the operation of the plants;	No change
55. To maintain 1st and 2nd level spares, adequately stocked at power house and timely availability of 3rd and 4th maintenance level spares, once such maintenance routines of the plants are due so as to ensure continuous operation of the plants;	IESL shall maintain Gensets and associated equipment/machinery in operational state by undertaking period maintenance routines specified by OEM;

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



56. To permanently employ and provide trained maintainers, supervisors and operators on round the clock basis, at all times and monitor fuel consumption and provide periodical reports to clients on fuel consumption;	No change
57. To upkeep the premises of the plants and comply with international industrial safety standards at all times;	No change
58. To maintain machinery log books on hourly basis (manual and electronic) of generation parameters for each of the 3 x 3.2 MW plants and Desalinated plant. Remote monitoring at specified locations with Power House and at least 2 separate places as intimated by PN Dockyard;	To maintain machinery log books on hourly basis (manual and electronic) of generation parameters for each of the 3 x 3.34 MW plants and Desalinated plant;
59. To provide electrical energy meters for each unit and/or group for billing purpose. All electric, water and gas meters are to be periodically inspected with PN Dockyard staff and calibrated through reputed firm(s), throughout at the cost and expense of IESL. A separate gas meter will also be installed at the cost and expense of IESL for the purpose of operation of either/all 3 x generators.	No Change
60. Arrange audit(s) of accounts through renowned/well-known firm, on annualized basis at the cost and expense of IESL; or as per periodicity mutually agreed upon by both the parties. The audit report will facilitate both the parties to work out payments against invoices/bills. GE (N) Logistics will be part of all auditing process, however GE (N) Logistics will not directly deal with the auditors, in any case whatsoever. PN may request to engage any renowned/well-known firm for processing of invoices/bills, if the situation so merits/desires.	IESL shall arrange financial audits of its accounts through renowned / reputed firms specified by Securities Exchange Commission of Pakistan on Annual Basis at the cost and expense of IESL
61. IESL is responsible to transfer full ownership of Plants; without any liabilities/ or debts/ or levies/ or legal responsibilities; upon completion of agreement, as per the Terms and Conditions of this agreement;	No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

20 of 35



62. IESL will make monthly payments on or before 15th of every month against the gas consumption for the operation of generators and submit copy of the receipt to GE(N) Logistics and PN Dockyard by 15th of each month.	IESL shall discharge its liability against gas bill every month after receiving payment against its supply of electricity from PN Dockyard and submit copy of receipt to GE (N) Log and MD Dockyard within one week of the payment. Following month's payment to IESL should be subject to production of copy of paid bill of the previous month in order to ensure that the gas payments are done by IESL without delay and default.
63. Undertake electricity from IESL through power plants exclusively purchased, installed, operated and maintained for PN Dockyard i.e. 3 x 2.677 MW generators capable of generating electricity through natural gas, having total installed capacity of 8.031 MW and Net Delivered Output of 7.07 MW, in terms and conditions of this agreement;	Receive electricity from IESL through power plants exclusively purchased, installed, operated and maintained for PN Dockyard i.e. 3 x 3.34 MW generators capable of generating electricity through natural gas, having total installed capacity of 10.02 MW and Net Delivered Output of 9.0 MW, in terms and conditions of this agreement;
64. Make suitable site(s) or place(s) or area(s) available within PN Dockyard area, and grant leave and permission to use, to IESL for establishment or setting up the said plants for the purposes of this agreement;	Make suitable site(s) or place(s) or area(s) and source water (sea water or sub-soil water as available) within PN Dockyard area, and grant leave and permission to use, to IESL for establishment or setting up the said plants for the purposes of this agreement;
65. Make suitable site(s) or place(s) or area(s) available within PN Dockyard area and grant leave and permission to use, to IESL for installation, operation and maintenance of desalinated Plant by IESL;	Make suitable site(s) or place(s) or area(s) and source water (sea water or sub-soil water as available) within PN Dockyard area and grant leave and permission to use, to IESL for installation, operation and maintenance of desalinated Plant by IESL. PN will charge monthly rent to IESL as per applicable rules/regulations for which a separate agreement will be signed between the two parties.
66. Make payments to IESL through GE (N) Logistics on regular monthly basis against the bills/invoices raised by IESL as per details contained in Section III of the Terms and Conditions of this agreement;	Make payments to IESL through GE (Navy) Logistics on regular monthly basis against the bills/invoices raised by IESL. Minimum monthly average off take by PN Dockyard shall be 2.7 MW i.e. 1,944,000 units / 30 days w.e.f 1 Jan 14. In case PN Dockyard consumption is below the min. average off-take of 2.7 MW i.e. 1,944,000 units of electricity per month, then PN shall pay for same units so that financial obligations of IESL are addressed. The differential amount paid by PN (due lower consumption of electricity) shall be adjusted with the bills of those months in which the average uptake by

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



	PN Dockyard is more than 2.7 MW
	The adjustment shall be to the extent of differential amount paid by PN and shall only be adjusted within the same fiscal year.
67. Assist/facilitate IESL in provisioning of gas through SSGC for operation of Plants;	To be deleted.
68. Release the Hypothecation and financial guarantees on transfer of ownership of the plants, provided all duties/taxes/levies etc. have been duly paid by IESL;	To be deleted
69. To provide unhindered access to site for IESL personnel, provided the personnel are security cleared and they have valid security passes issued by PN Dockyard. Access to IESL's personnel will be always subjected to security clearance and holding valid security passes issued by PN Dockyard;	No change
70. To ensure power distribution through PN Dockyard transmission/distribution network;	No change.
71. PN Dockyard will issue a letter to support IESL in attaining Bank Funding in accordance with the contents and agreements of this agreement;	No Change
72. Ensure enhancement of gas volume and pressure from SSGC for operation of plants for the operation of 3 x 2.677 MW generators against the terms and conditions of this agreement;	Ensure enhancement of gas volume and pressure from SSGC for operation of plants for the operation of 3 x 3.34 MW generators against the terms and conditions of this agreement;
73. Make monthly payments to IESL through PN Dockyard for clearance of bills raised by IESL, in the fulfillment of the provisions of this agreement;	No Change
74. GE(N) Logistics will produce monthly bills on or before 5th of every month to IESL through PN Dockyard against the gas consumed by IESL for the operation of generators;	The meter provided by SSGC in the gas room of the power plant will be dedicated for power generation only and the Title shall be GE (N) Logistics. However sales tax registration number of IESL shall be inserted in order to obtain input adjustment of sales tax on gas. Payment of the said bill shall be the responsibility of IESL for the term of the contract.
75. A separate gas meter will be installed by GE(N) Logistics inside PN Dockyard at the cost and expense of IESL for the purpose of operation of either/all 3 x generators.	To be deleted

WAGAR HADDER
Commander Pakistan Navy
CMES NAVY COM LOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



76. GE(N) Logistics shall bill IESL as a Commercial client for the usage of natural gas only, which will be inclusive of all admissible taxes. GE(N) Logistics will produce monthly bills on or before 5th of every month to IESL through PN Dockyard. IESL will make monthly payments on or before 15th of every month and submit copy of the receipt to GE(N) Logistics and PN Dockyard by 15th of each month.

Since SSGC regularly services and calibrates its meters reading thereon would be considered as gas consumed for power generation only. The gas bill raised by SSGC for consumption of gas for either or all 3 x 3.34 MW Gensets will be paid by IESL on or before due date set by SSGC each month, and submit a copy to CMES(N) COMLOG, GE(N) Logistics and MD Dockyard.

77. One electric meter for each generator will be installed separately by IESL at the cost and expense of IESL and will be used for charging/billing purposes. Based on the actual electric meter readings, IESL will produce monthly bill(s) to GE(N) Logistics through PN Dockyard, for payments by 10th of each month. The bills will be paid to IESL by GE(N) Logistics through PN Dockyard within 10 working days. A sample of the bill is enclosed with this Agreement, however its format can be changed after mutual consent of both the parties. The complete bill(s), will be inclusive of electricity consumed, Fuel (Natural Gas) charges, KESC Bills including line rents, overheads, applicable taxes and charges etc. and accumulate up to Rs. 11.07 per KWH at the time of signing of the Agreement, However, tariff will be re-evaluated at the time of operation of plants.


PN Dockyard is a category C-2 Bulk consumer of KESC and the KESC's monthly bills for PN Dockyard comprise of following components:

- a. Variable Charges.
- b. Fuel Surcharge Adjustment.
- c. Fixed Charges.
- d. Power Factor Penalty.
- e. Meter Rent.
- f. Applicable Taxes.

The tariff rate will be calculated at per unit Kilo Watt Hour (KWH). The rate per KWH will be calculated on the rate notified by NEPRA from time to time for C-2 Bulk Supply at 11 KV accordingly applicable for PN Dockyard inclusive of all charges, duties and taxes for calculation purpose attracted by KESC excluding "Fixed Charges", "Meter Rent", and Power Factor Penalty" for that particular month.

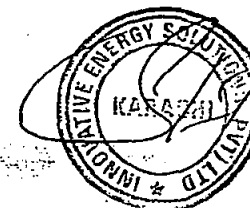
IESL will produce monthly electric bills based on "Variable Charges", "Fuel Surcharge Adjustment" and "Applicable Taxes" on PN Dockyard by KESC.

Additionally, IESL will give a cumulative discount of 5.0% on "Variable Charges", "Fuel Surcharge Adjustment" and "Applicable Taxes" (applicable for C-2 Bulk consumers of KESC of that particular month) for first five years (starting from first electricity bill charged by IESL).


WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG


ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

23 of 35

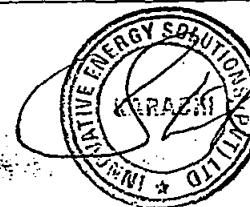


	<p>After completion of first five years, IESL will give a discount of 12.5% on "Variable Charges" and "Fuel Surcharge Adjustment" (applicable for C-2 Bulk consumers of KESC) i.e. from 6th year till the end of 15th year.</p> <p>Electric power dispatched before CED will be billed by IESL and paid by MES as per above rates; however the restriction of minimum uptake of 2.7 MW shall not be applicable.</p>
78. The tariff will remain less than KESC tariff at all times and at least 15% less than KESC tariff after completion of first 5 years of operations, under all situations and whatever/ whichever conditions/ terms/articles apply;	Covered in Article 77 above.
<p>79. The gas charges will be included in the electric bill as 'Energy Charges'. The details of billing are mentioned below:</p> <p>a. Electric Power Charges against actual Electric Meter Reading(s) of the electricity consumed by PN Dockyard from all/or any of the 3x 2.677 MW generators; or any other plant(s)/alternate source(s), if any;</p> <p>b. Fuel (natural gas) charges/bills and KESC charges/bills will be mentioned separately in the bill(s) submitted by IESL; as Energy Charges;</p> <p>c. Any adjustments (Additions and/or deductions) made with regards to billing reconciliation, based on review of accounts on quarterly basis by well-known / renowned auditing firms, mutually agreed by both the parties.</p> <p>d. Withholding tax (or any other tax applicable/ imposed/ levied by the Government) to be deducted by GE(N) Logistics in accordance with rules and regulations of Government of Pakistan.</p> <p>e. KESC Bills including line rents, overheads, applicable taxes and charges etc.</p>	To be deleted (covered in Article above and as the Gas bill will be paid by IESL)
80. Fuel (natural gas) rate and Interest Rate of the Banks are considered as a 'Pass Through Cost' therefore any benefits or losses arising from increase or decrease in the cost of fuel and interest rate,	To be deleted

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

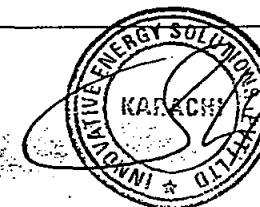
24 of 35



effective from the date of issue of 1st bill by IESL to PN, will be transferred to PN in their billing. This will be applicable throughout the agreement period. In the event of changes in the rates in either of the pass through cost, IESL will present to PN Dockyard, the invoices of respective institutions and the cost effect due to these changes in rates in writing. These would then be absorbed/adjusted in the billings;	
81. Operation and Maintenance Services Charges are considered at Rs. 4.00 per KWH at time of commencement of production of electricity through any /or all of the 3 x 2.677 MW generators.	To be deleted
82. Bank installments will be paid by IESL on periodicity as agreed with the Bank. IESL will provide/submit original quarterly statements of the Bank to PN Dockyard.	Bank installments pertaining to any financial obligation towards IESL will be fulfilled by IESL on periodicity as agreed with the Bank. IESL will provide/submit original quarterly statements of the Bank to PN Dockyard. The modus operandi for monthly payments of Bills may be revised / reviewed only to meet government's rules / regulations;
83. Electric Power Charges will be reviewed for adjustment(s) in monthly bill(s) after every 2-years for inflation rate on a cumulative basis, as defined in Section II. The inflation rate will be as disclosed by State Bank of Pakistan and in case of disagreement between parties a minimum of 9% annual inflation rate would be applicable, on O&M Service charges only;	To be deleted
84. If there is a Deflation in the country then deflation rate will be applied on monthly bill(s) accordingly;	To be deleted
85. In case of hyper inflation being announced by State Bank of Pakistan or Government of Pakistan, the rates will be mutually reviewed by both the parties for implementation;	To be deleted
86. In case Government of Pakistan decides/ imposes/ levies any additional taxes/surcharges etc., same will be adjusted in the tariff. However, overall cost of electricity on per unit cost basis shall not increase/go beyond the KESC rates in the initial 5 years and should remain 15% less than KESC tariff after completion of first 5 years;	The modus operandi for monthly payments of Bills may be revised/reviewed only to meet government's rules / regulations;
87. Delay charges on late payment by GE(N) Logistics i.e. beyond 30 days shall be 0.01% per day of the bill. For payment after 60 (thirty)	To be deleted

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN NAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



days, delay charges shall be 0.02% per day. The delay charges will however, not be applicable in case payment is withheld by PN due to any dispute, communicated to IESL in writing;	
88. Notwithstanding Article 3.1 to 3.8 above, throughout the tenure of the agreement, the per unit cost of IESL bill will remain lesser than KESC per unit cost (inclusive of all charges/taxes/ surcharges etc.), however, after completion of first five years of consumption of electricity by PN Dockyard, the per unit cost/rate (inclusive of all charges/taxes/surcharges etc.) of electricity will remain at least 15% below than the KESC per unit cost/rate including all applicable taxes/levies/ surcharge mentioned in KESC bill; whatever/whichever conditions applies.	Covered in Article 77 above
89. After complete adjustments of Bank's debts by IESL, the financial benefit(s) will be mutually shared between IESL and PN Dockyard. If the cash flow allows, IESL will aim to settle all bank debts at the earliest;	To be deleted
90. Monthly payment to IESL will be made by PN Dockyard through GE(N) Logistics, cheques payable as indicated by IESL, at designated Bank Account and Number;	No Change
91. The modus operandi for monthly payments of Bills can be revised/reviewed to meet government's rules/ regulations upon mutual consent of both the parties;	Notwithstanding dispute, GE(N) Logistics shall not withhold any amount from IESL invoice against the payment towards SSGC for outstanding gas bills or financial institutions. The delay charges on late payment by GE(N) Logistics beyond 30 days shall be 0.10% per day of the amount of corresponding bill. For payment after sixty (60), the delay charges shall be 0.20% per day. The delay charges shall not be applicable in case of disputed amount/bill that will be communicated to IESL in writing, 30 days prior to the date the bill was raised.

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

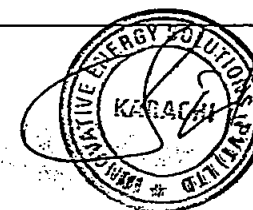
ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



<p>92. For all queries/ disputes/ concerns/ bills/issues related to the Agreement, IESL will approach, contact, liaise and coordinate with PN Dockyard and CMES(N) COMLOG.</p>	<p>To look after the day to day issues, calculation of the electricity bill of IESL and to look after all issues related to IESL with regard to Power Plants and Plant(s), a committee is proposed. Composition of the committee is as under:</p> <table border="0"> <tr> <td>a. General Manager (S&S)</td><td>President</td></tr> <tr> <td>b. GE (N) Logistics</td><td>Member</td></tr> <tr> <td>c. Rep of IESL</td><td>Member</td></tr> </table>	a. General Manager (S&S)	President	b. GE (N) Logistics	Member	c. Rep of IESL	Member
a. General Manager (S&S)	President						
b. GE (N) Logistics	Member						
c. Rep of IESL	Member						
<p>93. IESL will produce bill on the basis of KWH actual consumed but not less than 2.25 MW on monthly basis (based on the calculations on yearly average basis). This payment for the billing is intended to cover the cash flow required for the operational costs;</p>	<p>Minimum monthly average off take by PN Dockyard shall be 2.7 MW i.e. 1,944,000 units / 30 days w.e.f 1 Jan 14.</p> <p>In case PN Dockyard consumption is below the min. average off-take of 2.7 MW i.e. 1,944,000 units of electricity per month, then PN shall pay for same units so that financial obligations of IESL are addressed. The differential amount paid by PN (due lower consumption of electricity) shall be adjusted with the bills of those months in which the average uptake by PN Dockyard is more than 2.7 MW.</p> <p>The adjustment shall be to the extent of differential amount paid by PN and shall only be adjusted within the same fiscal year.</p>						
<p>94. Water charges are not included in the tariff as 30 ton per day desalinated water is free of cost, however, in case of short supply a base penalty of Rs. 0.40 per gallon will be deducted from IESL bill;</p>	<p>Water charges are not included in the tariff as 30 ton (30,000 liters/6666 Imperial Gallons) per day desalinated water is free of cost, however, in case of short supply a base penalty of Rs. 0.40 per imperial gallon shall be imposed except if PN does not demand water:</p> <ol style="list-style-type: none"> Being no requirement at that particular time; Unavailability of source water Insufficient power off take 						

WAQAR HAMEED
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



	d. Any condition beyond the control of IESL Desalination plant shall be installed within 12 months of Contract Effective Date.
95. Letter of Credit (L/C): Arrangements / Opening up of Letter of Credit (L/C) is the sole responsibility of IESL and PN will not be involved in matters pertaining to bank's funding, whatsoever. As per arrangement made by IESL at their own cost and expense, IESL will open Letter of Credit in favor of an EPC contractor in consultation with the Bank, as per normal banking procedures. IESL will also arrange EPC contractor in consultation with the Bank. The total Bank funding is considered at USD 6.0 Million. IESL will acquire funding through Bank for a maximum period possible and is planned at 7 years. The amounts for funding may change subject to changes in prices of plants and associated accessories. Investment is subject to variation of 10%.	To be deleted
96. Provisioning of Electric Power while ensuring facilitation of uninterrupted power supply through power plants or <u>alternate sources</u> . IESL shall ensure that plants operate at their <u>optimum efficiency</u> as specified in technical documents provided by OEM. Additional requirement of PN for Electric Power over and above agreed in this agreement, will/may be contracted separately;	Provisioning of Electric Power while ensuring facilitation of uninterrupted power supply through 3 X 3.34 MW Gensets. IESL shall ensure that plants operate at their optimum efficiency as specified in technical documents provided by OEM. Additional requirement of PN for Electric Power over and above agreed in this agreement, will/may be contracted separately;
97. Ensure provisioning of uninterrupted gas supply for the operation of the plants;	IESL shall pay monthly bills against gas consumed by the power plants to SSGC within due date and maintain good business relationships with SSGC to ensure uninterrupted supply of gas.
98. IESL will ensure that power and desalination plants are procured new, tested/ascertained by team of PN at OEM's premises, installed, commissioned, operated and maintained in all respects in accordance with planned maintenance schedule provided/specified by OEM and that II specified tools/equipment are readily available at the site for repair/maintenance;	No Change
99. Implement/maintain design and functional specifications prescribed by OEMs through technical documents of respective	No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN 28 of 35
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



plants;	
100. Plants, materials and equipment are brand new, utility grade and suitable for their intended use;	No Change
101. IESL shall provide to PN Dockyard 'as-built' electrical and mechanical drawings of the plants, within one month of commissioning of the plants;	No Change
102. Arranging joint inspections of the plants' status by IESL's and PN Dockyard on quarterly basis.	No Change
103. Arranging Factory Acceptance Trials of plants, which are to be witnessed by personnel of PN Dockyard at the cost and expense of IESL. Further IESL is to arrange training of at least 06 personnel from PN Dockyard in operation, repair, maintenance, instrumentation and fault identification / trouble shooting / rectification at OEM's premises, at the cost and expense of IESL.	No Change
104. On Job Training (OJT) of personnel of PN Dockyard on continual basis so as to enable PN Dockyard to operate and maintain the plants in case of any emergency or with written request of IESL.	PN Dockyard will suitably attach civilian personnel with IESL for On Job Training (OJT) so as to enable them to operate and maintain the plants in case of any emergency only with prior written request of IESL
105. In any scenario, the first right of refusal for discontinuation of Electric Power will be with IESL to facilitate uninterrupted power and desalinated water requirements of PN Dockyard, through installed plants or any other alternate source.	In any scenario, the first right of refusal for discontinuation of Electric Power will be with IESL;
106. As defined in section Article 15 of Section II of this agreement.	To be deleted
107. Make suitable site(s) or place(s) or area(s) available within PN Dockyard area, and grant leave and permission to use, to IESL for establishment or setting up the said plants for the purpose of this agreement;	Make suitable site(s) or place(s) or area(s) and source water (sea water or sub-soil water as available) within PN Dockyard area, and grant leave and permission to use, to IESL for establishment or setting up the said plants for the purpose of this agreement, against payment/rent as per a separate agreement.

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

29 of 35

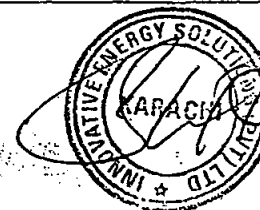


108. PN Dockyard will make sure that civil structure of the power house building is fit for installation of new power generation and Desalinated plants and shall be responsible only for the security;	No Change
109. Any modification if required inside power house building for installation of equipment will be undertaken by IESL at own expense.	No Change
110. PN Dockyard will ascertain Security Clearance of IESL and its employees/ workers/ technicians through concerned agencies of Pakistan Navy, under its own arrangements and issue temporary security passes in accordance with requisite procedures being adopted/undertaken by PN Dockyard.	No Change
111. As defined in Section II of this agreement.	No Change
112. Ensure enhancement of gas volume and pressure from SSGC for operation of plants against the terms and conditions of this agreement;	No Change
113. Make monthly payments to IESL through PN Dockyard for clearance of bills raised by IESL, in the fulfillment of the provisions of this agreement;	No Change
114. Fuel for operating the power generation plants will be natural gas, supplied through SSGC.	No Change
115. Installation of Plants: The equipment shall be installed under the supervision of the IESL engineers/technicians at their own arrangements.	No Change
116. Care of the Plants: IESL is responsible for security and safe keeping of plants. PN Dockyard however, shall be jointly responsible for the external security of Plants during the period of this Agreement.	No Change
117. Ownership of Plants: IESL is responsible to transfer full ownership of Plants; without any liabilities/ or debts/ or levies/ or legal responsibilities; upon completion of Agreement. In case, there are any liabilities/ or debts/ or levies/ or legal responsibilities etc., IESL will be responsible to carryout / undertake / bear all financial effects for the same.	Ownership of Plants: IESL is responsible to transfer full ownership of Plants; without any liabilities/ or debts/ or levies/ or legal responsibilities; upon completion of Agreement or in case of termination of contract. In case, there are any liabilities/ or debts/ or levies/ or legal responsibilities etc., IESL will be responsible to carryout / undertake / bear all financial effects for the same.

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

30 of 35



118. Breakdown: PN Dockyard shall not attempt to affect repairs in case of any breakdown on plants itself except when requested by IESL in writing.	No Change
119. Consequential Loss: IESL shall not in any event be liable to PN Dockyard for indirect, economic or consequential loss, whether or not arising from breach of agreement, or any other fault on the part of IESL, its principal, employees or agents and whether or not in the completion of IESL and / or the PN Dockyard at or prior to the commencement of the agreement.	IESL shall not in any event be liable to PN Dockyard for indirect, economic or consequential loss, arising without any breach of agreement, or any other fault on the part of IESL.
120. PN Dockyard shall not in any event be liable to IESL for indirect, economic or consequential losses whether or not arising from breach of agreement, negligence or any other fault on the part of the PN Dockyard and whether or not in the contemplation of PN Dockyard and/or IESL at or prior to the commencement of the Agreement.	PN Dockyard shall not in any event be liable to IESL for indirect, economic or consequential loss, arising without any breach of agreement, or any other fault on the part of PN Dockyard.
121. Liability: IESL shall fully accept liability for any damage, loss to the plants or for injury to personnel during erection, installation, operations, repairs and maintenance of the plants and its associated equipment.	The IESL shall indemnify, defend, and render harm free, PN Dockyard, its members, directors, officers, employees and agents, and their respective heirs, successors, legal representatives and assignees, from and against any and all liabilities, damages, costs, expenses (including attorneys' fees), losses, claims, demands, action, causes of action, suits, and proceedings of every kind, including those for damage to property of any person or entity (including the IESL) and/or for injury to or death of any person (including the IESL's employees and agents), which directly or indirectly result from or arise out of or in connection with negligence or willful misconduct of the IESL during erection, installation, operations, repairs and maintenance of the plants and its associated equipment.
122. Changes of Sites: The plants shall not be moved/removed from the original Sites without the written consent of IESL. Expenditure on shifting, installation, calibration, civil works, manpower, transportation etc. will be borne by the PN Dockyard if the shifting is done at the request of the PN Dockyard.	No Change
123. Force Majeure: Following force majeure conditions shall be applicable:	No Change

WACAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

31 of 35



a. Neither party shall have any liability for, or for any direct or indirect consequences of, any delay or failure on its part in carrying out any or all of, or any part of any of, its obligation under the Agreement if such delay or failure is attributable to the failure of any part, component, or item of equipment or machinery caused by or occurring in connection with any strike, lock-out, riot, civil commotion, insurrections, act of war (whether or not it was officially declared), or civil war or unrest (whether or not it was officially declared), terrorist attack, reduction of pressure or disruption of gas supply through illegal means including bomb blast(s), war-like action, act of any parliament, government agency or department either (whether local or national), natural calamity, fire, flood, storm, tempest, earthquake, volcanic eruption or any other circumstances beyond the reasonable control either party.

b. For the avoidance of doubt, this Clause shall operate to exclude the liability of the defaulting party for such delay or failure by the occurrence of the relevant circumstance and no notice shall be required to be given by or to either party.

c. Either party may terminate this Agreement on giving written notice to the other party within one week of occurrence of force majeure, where an event of force majeure has occurred and that (and/or any other) event of force majeure has continued for a period of not less than 45 days.

d. The parties shall use their utmost endeavors to mitigate the effect of any event of force-majeure.

124. Any amendments to the agreement pertaining to the terms and condition of the agreement shall be made only in writing, signed by the duly authorized representatives of the parties after mutual agreement;

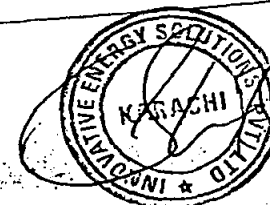
125. Where any amendment is required or considered appropriate/desirable, the initiating party shall propose the required

No Change

No Change

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN 32 of 35
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard



amendment to the 2nd party in writing. Only mutually agreed amendment(s) shall be incorporate in the agreement as addendum under a mutually signed protocol;	
126. In case, independent auditors disclose in the accounts that IESL has gone into negative cash flow or financial loss, then the rate of billing may be mutually reviewed / revised and agreed upon between PN Dockyard and IESL, prior implementation of revised rates.	No Change
127. Technical Specifications of the 3 x 2.677 MW natural gas operated generators and water desalination plants are attached at Annex A and B respectively.	Technical Specifications of the 3 x 3.34 MW natural gas operated generators and water desalination plants were verified by PN Teams during FATs.
128. IESL will be responsible for arranging any exemptions from any duty, taxes, surcharge etc. that may be available for import of the Plants.	No Change
129. Presently, there is no taxes/levies/duties on utility services. However, in case Government of Pakistan decides/imposes/levies any taxes/ surcharges etc., same will be adjusted in the tariff through mutual consent of both the parties.	<p><u>Taxes and Duties</u></p> <p>a. IESL shall bear and promptly pay all statutory taxes, duties, levies and cases, assessed/levied on the IESL, its contractors or their employees that are required to be paid by the IESL as per the Law in relation to the execution of the Power Generation and for supplying power as per the terms of this Contract. All taxes such as sales tax or any other tax levied by Government of Pakistan shall be charged on the Bill and any input adjustments permissible by Government of Pakistan shall be adjusted by IESL and any other laws governing such taxes / clauses / regulations would be applicable on both the parties.</p> <p>b. PN Dockyard shall be indemnified and held harmless by the IESL against any claims that may be made against PN Dockyard in relation to the matters set out in sub clause a above.</p> <p>c. PN Dockyard shall not be liable for any payment of taxes, duties, levies, cases whatsoever for discharging any obligation of the IESL by the PN Dockyard on behalf of IESL or its personnel, provided the IESL has consented in writing to PN Dockyard for such work, which consent shall</p>

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

33 of 35

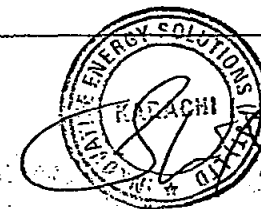


	not be unreasonably withheld.
	130. Maximum upto Eleven (11) employees of IESL, maybe provided bachelor accommodation at any suitable/convenient site/location of PN Dockyard against payment/rent as per a separate agreement in accordance with relevant/applicable rules and regulations.
	131. IESL is to be registered/security cleared with HQ COMLOG/MES as a registered contractor/supplier as per practice in vogue by PN.
Overriding Clause	132. Title "Agreement" is to be replaced with title "Contract No. 1/2011 Dated 15 February 2011"; wherever applicable
	<p>NOTICES</p> <p>(1) Any written notice provided hereunder shall be delivered personally or sent by registered post, acknowledgement due, or by courier for delivery on written receipt, with pre-paid postage or courier charges, to the other party, at the following address:</p> <p>PN Dockyard: The Managing Director PN Dockyard West Wharf Road Karachi</p> <p>IESL: The Chief Executive Officer M/s Innovative Energy Solution Pvt Ltd. 495, Deh Landhi Shahra-e-Faisal Karachi</p>

WAQAR HAIDER
Commander Pakistan Navy
CMES (NAVY) COMLOG

ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard

34 of 35



(2) Notice delivered personally shall be deemed to have been given when it is delivered at the office of the IESL or to the office of the (Designation of Senior Official of PN Dockyard), PN Dockyard, as the case may be, at address set forth above and actually delivered to such person or left with and received by a responsible person in that office. Notice sent by post or courier shall be deemed to have been given on the date of actual delivery as evidenced by the date appearing on the acknowledgement of delivery.

(3) Any party to this contract may change its address for serving a written notice, by giving written notice of such change to the other party.

Both parties agree that the Addendum after signing shall be referred to NHQ for endorsement. PN Dockyard shall seek endorsement of the Addendum as soon as possible.

FOR AND BEHALF OF PAKISTAN NAVY

Signatures


WAQAR HAIDER
CMES(N) COMLOG Commander Pakistan Navy
CMES (NAVY) COMLOG

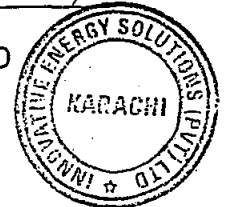
Recommended/Not Recommended by HQ COMLOG

Approved / Not Approved by NHQ

FOR AND BEHALF OF M/S IESL

Signatures


MUHAMMAD SHOAIB MAJEED



CSO to COMLOG

DE&CW


ADNAN MAZHER KHAN
Captain Pakistan Navy
General Manager IPP Project
PN Dockyard