



MUGHAL ENERGY LIMITED

Schedule I
(regulation 3(1))

FORM OF APPLICATION

The Registrar,
National Electric Power Regulatory Authority (NEPRA),
Islamabad.


September 9, 2023

Subject: Application for Grant of Electric Power Supply License

I, Khurram Javaid, Chief Executive Officer, being the duly authorized representative of Mughal Energy Limited ("The Company") by virtue of Board Resolution dated April 17, 2023 hereby apply to the National Electric Power Regulatory Authority for the grant of Electric Power Supply License to the Mughal Energy Limited pursuant to section 14D (03) read with Section 23E of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

I hereby certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, and undertake to abide by the terms and provisions of the above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and no material omission has been made.

A 20620401 BANK DRAFT / PAY ORDER] in the sum of Rupees 1,092,500/-, being the license application fee calculated in accordance with Schedule II to the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, is also attached herewith (attached as per enclosed)


Khurram Javaid
Chief Executive Officer
Mughal Energy Limit





MUGHAL ENERGY LIMITED

Documents for Supplier license

The information / documents as required under regulation 3 of the Regulation are as under;

1. Prospectus

The coal-fired power generation facility is expected to be installed at 17-km on Sheikhpura Road, Lahore, within seismic zone IV. The proposed site is 1000ft above sea level. Using Circulating Fluidized Bed (CFB) coal utilization techniques, this plant will allow Mughal Steel Mills to run its plant at full capacity through uninterrupted supply of Electricity. The company intends to use 70% imported coal with 2% sulfur content, while the rest will be local coal with sulfur content up-to 5%. The company intends to install one condensing steam type turbine that will generate 11KV, 3 phase, and 50 Hz alternating current. For cooling purposes, both water and air cooled condensers are under consideration. Ground water is proposed to be used for the water cooled condensers.

The plant will evacuate power to the national grid through 132KV transmission lines located at the site. The power generated by the project is proposed to be dispatched to the Load Center of LESCO. Further, the power injected into the transmission system of LESCO will be wheeled to Bulk Power Consumers. Project shall be implemented on a fast track basis, provided there are no unforeseen delays during project implementation.

The salient features of project site are delineated as below:

- ♣ Access to roads and railways
- ♣ Uninterrupted power supply, water and natural gas
- ♣ Easy availability of semi-skilled and skilled labour
- ♣ Clean title of land

2. Certified Copy of Certificate of Incorporation is enclosed.
3. Certified Copy of Memorandum & Articles of Association is enclosed.
4. Certified Copy of Annual Report of the Company.
5. Last annual return of the Company submitted in compliance of section 130 of the Companies Act, 2017., is enclosed.
6. The detail of the applicant i.e. "Mughal Energy Limited" and the profile of Board of Directors is as under:



MUGHAL ENERGY LIMITED

- **Mughal Energy Limited (MEL)** is an associate company of Mughal Steel Group. It was incorporated in August 29, 2011 with the aim and objective to generate and produce electricity. MEL is situated at 17-KM, Shadman Pura Road, Lahore. The Company is currently installing a Coal-Fired Power Plant with the capacity of 36.50 MW. The Power generated will be sold to Mughal Iron & Steel Industries Limited (MISIL). The site of the Project is located adjacent to the existing manufacturing facility of MISIL therefore no wheeling arrangements will be needed.
- **Mr. Javed Iqbal, Chairman** rose to become a pioneer of the steel industry of Pakistan. During his exemplary career, Mr. Iqbal challenged and changed the personal and industry mindset, both within and beyond the business framework. He has not only developed new pathways to achieve energy efficiency and economies of scale, but has made remarkable contributions towards the technological advancement and effective documentation of the national steel industry. With his visionary leadership and unparalleled expertise, Mr. Iqbal has been the driving force behind the company's success – making the Company reach new heights of growth and expansion.
- **Mr. Khurram Javaid, CEO** holds an MBA from the Coventry University, UK. He has made spearheading the management team of the Group as CEO. Mr. Khurram over years contributed immensely in transforming the Group Companies into highly competitive organizations through modernization of manufacturing facilities, improving quality of products, developing of diversified product and market portfolio, identifying new markets, strengthening and broadening the sales of the network within country, creating efficiencies in inbound logistics and investment in alternate sources of energy. His efforts have resulted in enabling the Group Companies to deliver year on year improved performance and steer through difficult times. Mr. Khurram is well versed project management and steel and iron industry and will be looking after the operations of the Project Entity.
- **Mr. Jamshed Iqbal, Director** has over the years played a pivotal role in developing the clientele network across Pakistan to ensure that all kinds of geographical requirements are met by the Company, a feat that has resulted in expanded growth of the Company. His vast experience and in-depth knowledge of the steel sector and consumer market will highly beneficial for the Project.
- **Mr. Muhammad Mubeen Tariq Mughal, Director** has academic background in economics & finance and has done his Executive MBA (Leadership & Strategy) from London Business School (LBS). His astute financial acumen, combined with in-depth knowledge of steel manufacturing operations and production techniques has over the years resulted in improved operational efficiencies, optimum utilization of funds, better working capital management and strengthening of internal and financial controls.
- **Mr. Fazeel Bin Tariq, Director** holds a Bachelor's Degree in Business Administration from the Lahore School of Economics, Pakistan and a Postgraduate degree in Professional Accounting



MUGHAL ENERGY LIMITED

from the Swinburne University of Technology, Australia. He has also done Masters in Leadership from Northeastern University, Boston, USA.

- **Mr. Muhammad Mateen Jamshed**, Director holds a Bachelor's holds Degree in Business Administration from the Lahore School of Economics, Pakistan.
- **Mr. Fahad Javaid, Director** holds a Bachelor's holds Degree in International Business from Australian National University, Australia. He is well versed with Supply Chain practices & procedures.

7. Technical and financial proposals:


Currently we do not have any specific plan regarding this because electricity will provided through a single line MISIL is very close to our Generation Facility and this do not involve any outside area.

8. We hereby confirm that we have only been granted the Generation License No **SGC/152/2021** in the name of Mughal Energy Limited pursuant to Section 14B of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997/Amendment Act, 2018.
9. We hereby Confirm that we have not been refused grant of License under the Act.
10. We hereby confirm the above detail is correct, authentic and accurate to the best of our knowledge.

In light of above provided information and documents we request you to kindly issue us the Supply License at the earliest.

for and on behalf

MUGHAL ENERGY LIMITED


KHURRAM JAVAID
(Chief Executive Office)





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SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

LAHORE

CERTIFICATE OF INCORPORATION ON CHANGE OF NAME

[Under section 40 of the Companies Ordinance, 1984 (XLVII of 1984)]

Corporate Universal Identification No. 0080938

I hereby certify that pursuant to the provisions of section 38 or section 39 of the Companies Ordinance, 1984 (XLVII of 1984), the name of

"MUGHAL STAR ENERGY LIMITED"

has been changed to

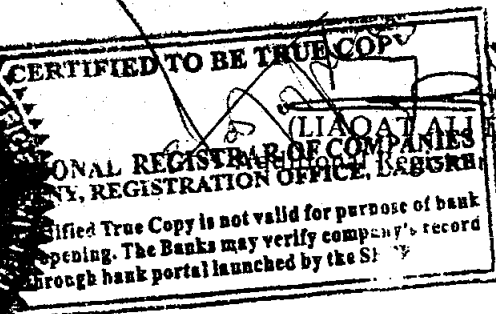
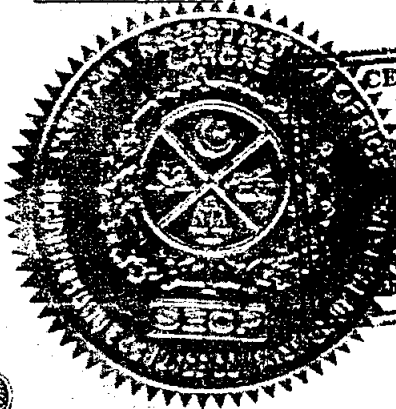
"MUGHAL ENERGY LIMITED"

and that the said company has been duly incorporated as a company limited by shares under the provisions of the said Ordinance.

This change is subject to the condition that for period of one year from the date of issue of this certificate, the company shall continue to mention its former name along with its new name on the outside of every office or place in which its business is carried on and in every document or notice referred to in clauses (a) and (c) of section 143.

Given under my hand at Lahore this 24th day of April, Two Thousand and Fourteen.

Fee Rs.5,000/-



No.ARL/ 23875 Dated: 24/4/2014

THE COMPANIES ORDINANCE, 1984
(Company Limited by Shares)

MEMORANDUM OF ASSOCIATION
of
"MUGHAL ENERGY LIMITED"

- I. The name of the Company is "MUGHAL ENERGY LIMITED"
- II. The Registered Office of the Company will be situated in the Province of the Punjab.
- III. The objects for which the Company is established are to carry out any or all of the following business:-
 1. To carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and to perform all other acts which are necessary or incidental to the business of electricity generation, transmission, distribution and supply.
 2. To make arrangement with power distribution companies for exchange of power supply and bridging of power supply arrangements.
 3. To locate, establish, construct, equip, operate, use, manage and maintain power plants operated gas (Natural gas or coal gasification).
 4. To locate, establish, construct, equip, operate, use, manage and maintain power plants grid station, transforming, switching, conversion, and transmission facilities, grid stations, cables, overhead lines, sub-stations, switching stations, tunnels, cable bridges,



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link boxes, heat pumps, plant and equipment for combined heat and power schemes, offices, computer centres, shops, dispensing machines for pre-payment cards and other devices, showrooms, depots, factories, workshops, plants, printing facilities, warehouses and other storage facilities.

5. To carry on all or any of the businesses of wholesalers, retailers, traders, importers, exporters, suppliers, distributors, designers, developers, manufacturers, installer, filters, testers, repairers, maintainers, contractors, constructors, operators, users, reconditioners, improvers, alterers, removers, hirers, replacers of and dealers in, electrical appliances, systems, products and services used for energy conservation, equipments, machinery, materials and installations, including but not limited to cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus equipment, systems and things incidental to the efficient generation, procurement, transformation, supply and distribution of electricity.

6. To ascertain the tariff for bulk supply that will secure recovery of operating costs, interest charges and depreciation of assets, redemption at due time of loans other than those covered by depreciation, expansion projects, payment of taxes, and reasonable return on investment, to quote the tariff to bulk purchasers of electrical power, and to prefer petition to the appropriate authority for approval of the schedule of tariff and of adjustments or increases in its bulk supply tariff, where desirable or necessary.

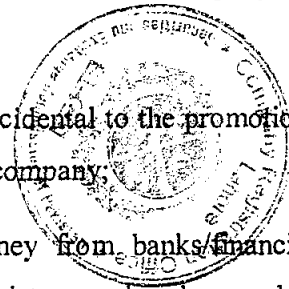
7. For the purposes of achieving the above objects, the company is authorized:-

- (1) to purchase/import raw materials and allied items required in connection thereto in any manner the company may think fit;
- (2) to do and perform all other acts and things as are incidental or conducive to the attainment of the objects of the company;
- (3) to own, establish or have and maintain shops, branches and agencies all over Pakistan or elsewhere for sale and distribution of cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus

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equipment, systems and things incidental to the efficient generation, procurement, transformation, supply and distribution of electricity;

- (4) to make known and give publicity to the business and products of the company by such means as the company may think fit;
- (5) to purchase, acquire, protect, renew, improve, use and sell, whether in Pakistan or elsewhere any patent, right, invention, license, protection or concession which may appear advantageous or useful to the company for running the business;
- (6) to pay all costs, charges and expenses, if any, incidental to the promotion, formation, registration and establishment of the company;
- (7) to borrow and arrange the repayment of money from banks/financial institutions or any lawful sources whether in Pakistan or elsewhere and in such manner as the company may think fit, including the issue of debentures, preference shares, bonds, perpetual or otherwise charged upon the whole or any part of the company's property or assets, whether present or future, and to purchase, redeem or payoff such securities;
- (8) to purchase, hold and get redeemed shares, debentures, bonds of any business, company, financial institution or any Government institutions;
- (9) to guarantee the performance of contracts, agreements, obligations or discharge of any debt of the company or on behalf of any company or person in relation to the payment of any financial facility including but not limited to loans, advances, letters of credit or other obligations through creation of any or all types of mortgages, charges, pledges, hypothecations, on execution of the usual banking documents or instruments or otherwise encumbrance on any or all of the movable and immovable properties of the company, either present or future or both and issuance of any other securities or sureties by any other means in favour of banks, Non-Banking Finance Companies (NBFCs) or any financial



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institutions and to borrow money for purpose of the company on such terms and conditions as may be considered proper.

8. It is, hereby, undertaken that the Company shall not engage in banking business or any business of investment company or non-banking finance company or insurance or leasing or business of managing agency or in any unlawful business and that nothing contained in the object clauses shall be so construed to entitle it to engage in such business directly or indirectly and the Company shall not launch multi-level marketing (MLM), Pyramid and Ponzi schemes.
9. Notwithstanding anything stated in any object clause, the Company shall obtain such other approval or license from competent authority, as may be required under law for the time being in force, to undertake a particular business.

LIABILITIES OF MEMBERS

- IV. The liability of the members is limited.

SHARE CAPITAL

- V. The authorized capital of the Company is Rs. 2,500,000,000/- (Rupees Two Billion Five Hundred Million only) divided into 200,000,000 (Two Hundred Million only) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five only) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five hundred, Seventy Thousand and Fifty-Five only) Class B shares of Rs. 10/- each., with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds subject to the provisions of the prevailing law and regulations."

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We, the several persons, whose names and addresses are subscribed below are desirous of the being formed into a Company, under the Companies Ordinance, 1984 in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company given opposite our respective names:-

Name and surname (Present & Former) in Full (in Block Letter)	Father's/ Husband's Name in full	CNIC	National ity with any former National ity	Occupation	Residential address in full	Number of shares taken by each sub- scriber	Signa
Mirza Javaid Iqbal	Mirza Bashir Ahmed	35202-9761226-7	Pakistani	Business	House No. 31, Shadman Colony 1, Race Course Road Lahore.	1000	
Khurram Javaid	Mirza Javaid Iqbal	35202-9750871-7	Pakistani	Business	House No. 150-F, Phase - V DHA Lahore.	670	
Muhammad Mubeen Bin Tariq Mughal	Muhammad Tariq Iqbal Mughal	35201-0221455-5	Pakistani	Business	House No. 111-E, Phase-I, Defence Housing Authority Lahore.	1670	
Jamshed Iqbal	Bashir Ahmed	35201-2176101-7	Pakistani	Business	House No. 1, Phase-I, Defence Housing Authority Lahore.	1670	
TOTAL SHARE						5010	

CERTIFIED TO BE TRUE COPY

**ADDITIONAL REGISTRAR OF COMPANIES
COMPANY, REGISTRATION OFFICE, LAHORE**

'This Certified True Copy is not valid for purpose of bank
account opening. The Banks may verify company's record
through bank portal launched by the SECP.'

Dated the 19th day of June 2012

Witness to above signature

Full Name: National Institutional Facilitation Technologies (Pvt) Ltd.

Signature: _____

Occupation: Services (Public/Private) Ltd.

Full Address: 5th Floor, AWT Plaza

I.I. Chundrigar Road, Karachi, Pakistan

THE UNIVERSITY OF CHICAGO
LIBRARY
540 EAST 57TH STREET
CHICAGO, ILL. 60637
TEL. 773-936-5000
FAX 773-936-5001
WWW.CHICAGO.EDU

THE COMPANIES ORDINANCE, 1984

(Company Limited by Shares)

ARTICLES OF ASSOCIATION

of

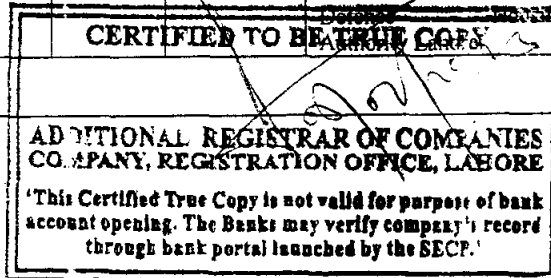
"MUGHAL ENERGY LIMITED"

1. The regulations in Table "A" in the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except as reproduced herein:

2. In these Articles, unless the context or the subject matter otherwise requires:
- a) "Articles" means these Articles as originally framed or as from time to time altered in accordance with law.
 - b) "Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assemble at a Board.
 - c) "Company" means **"MUGHAL ENERGY LIMITED"**
 - d) "Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
 - e) "Month" means calendar month according to the English Calendar.
 - f) "Office" means the Registered Office for the time being of the Company.
 - g) "Ordinance" means the Companies Ordinance, 1984 or any modification or re-enactment thereof for the time being in force.
 - h) "Register" means, unless the context otherwise requires, the register of members to be kept pursuant to Section 147 of the Ordinance.
 - i) "Seal" means the common or official Seal of the Company.
 - j) "Section" means Section of the Ordinance.
 - k) "Special Resolution" means the special resolution of the Company as Defined in Section (2) (1) (36) of the Ordinance.
 - l) Words importing masculine gender include the feminine gender.

We, the several persons, whose names and addresses are subscribed below are desirous of the being formed into a Company, under the Companies Ordinance, 1984 in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company given opposite our respective names:-

Name and surname (Present & Former) in Full (in Block Letter)	Father's/ Husband's Name in full	CNIC	National ity with any former National ity	Occupation	Residential address in full	Number of shares taken by each sub- scriber	Signa
Mirza Javaid Iqbal	Mirza Bashir Ahmed	35202-9761226-7	Pakistani	Business	House No. 31, Shadman Colony 1, Race Course Road Lahore.	1000	
Khurram Javaid	Mirza Javaid Iqbal	35202-9750871-7	Pakistani	Business	House No. 156-F Phase - V DHA Lahore.	670	
Muhammad Mubeen Bin Tariq Mughal	Muhammad Tariq Iqbal Mughal	35201-0221455-5	Pakistani	Business	House No. 111-E. Phase-I, Defence Housing Authority Lahore.	1670	
Jamshed Iqbal	Bashir Ahmed	35201-2176101-7	Pakistani	Business	House No. 1, Phase-I, Defence Housing Authority Lahore.	1670	
TOTAL SHARE						5010	



Dated the 19th day of June 2012

Witness to above signature

Full Name: National Institutional Facilitation Technologies (Pvt) Ltd.

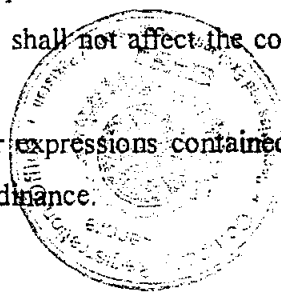
Signature: _____

Occupation: Services (Public/Private) Ltd.

Full Address: 5th Floor, AWT Plaza

I.I. Chundrigar Road, Karachi, Pakistan

- m) Words importing singular number include the plural number and vice versa.
- n) Expression referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
- o) Words importing persons shall include bodies corporate.
- p) The head notes are inserted for convenience and shall not affect the construction of these Articles.
- q) Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Ordinance.



PUBLIC COMPANY

3. The Company is a Public Company within the meanings of Section 2(1) (30) of the Companies Ordinance, 1984.

BUSINESS

4. The business of the Company shall include all or any of the objects enumerated in the Memorandum of Association.

5. The directors shall have regard to the restrictions on the commencement of the business imposed by section 146 of the Companies Ordinance, 1984, if and so far as those restrictions are binding upon the company.

CAPITAL

6. The authorized capital of the Company is Rs. 2,500,000,000/- (Rupees Two Billion Five Hundred Million only) divided into 200,000,000 (Two Hundred Million only) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five only) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five hundred, Seventy Thousand and Fifty-Five only) Class B shares of Rs. 10/- each., with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds subject to the provisions of the prevailing law and regulations."

6-A. Subject to applicable law, the Company shall have the powers to issue shares of different kinds having different rights, restrictions, and privileges, including but not limited to, the following as may be approved by the Company through Special Resolution;

- a) different voting rights; voting rights disproportionate the paid paid-up value of Shares held; voting rights for specific purpose only; or no voting rights at all;
- b) different rights for entitlement of Dividend, Right shares or Bonus shares or entitlement to receive the notices and to attend the General Meetings;
- c) different rights for participation in surplus assets in case of liquidation; or no participation at all;
- d) rights and privileges for an indefinite period, for a limited specific period or for such period or periods as may from time to time be determined by the Company;
- e) different manner and mode of redemption, including redemption in accordance with the provisions of these Articles including but not limited to, by way of conversion into Shares with such rights and privileges as determined by the Company;
- f) shares with various rights be issued on terms and conditions that may be determined by the Board of Directors subject to approval of the members in the General Meeting through Special Resolution including but not limited to right, privileges, terms and conditions regarding dividend, zero dividend, tracking or non-tracking, stepped or otherwise, voting rights, cumulative, non-cumulative, participation, non-participation, conversion, non-conversion, redemption, non-redemption;
- g) issuance of variant classes will be identified through distinctive class names.

7. The Directors shall, as regards any allotments of shares duly comply with such of the provisions of Section 68 to 73 as may be applicable to the Company.

8. The minimum subscription upon which the directors may proceeds to make first

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allotment has been fixed at Rs. 500,000/-

9. Every person whose name is entered as a member in the Register shall, without payment, be entitled to receive within ninety days after allotment or within forty-five days of the application for registration of transfer, a certificate under the Seal specifying the share or shares held by him and the amount paid up thereon. Provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

10. If a Share Certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one rupee, and on such terms, if any, as to evidence and indemnity any payment of expenses incurred by the Company in investigating title as the Directors think fit.

11. Except to the extent and in the manner allowed by Section 95, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of, the Company's shares.

TRANSFER OF SHARES

12. The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register in respect thereof.

13. Shares in the Company shall be transferred, without *fee*, in the following form, or in any usual or common form which the Directors shall approve;

I of in consideration
of the sum of Rs Paid to me by ..
..... of
..... (hereinafter called the "Transferee" do hereby
transfer to the Transferee..... the
share(s) to inclusive, "MUGHAL ENERGY LIMITED" to

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hold into the transferee, his executors, Administrators and assigns, subject to the several conditions on which I held the same at the time of the Transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands this day of.. 201

Transferor

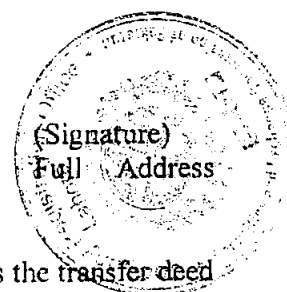
Transferee

Signature

Signature

WITNESSES:

1. _____
2. _____
(Signature)
Full Address:
of



14. The Directors shall not refuse to transfer any fully paid shares unless the transfer deed is defective or invalid. The Directors may also suspend the registration of transfer prior to the determination of entitlement or rights of the shareholders by giving seven days previous notice in the manner provided in the Ordinance. The Directors may decline to recognize any instrument of transfer unless the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.

15. If the Directors refuse to register a transfer of shares, they shall within thirty (30) days after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who, shall, after removal of such defect or invalidity be entitled to re-Lodge the transfer deed with the Company. The transferor or transferee or the person who gave intimation of the transmission by operation of law, as the case may be, may appeal to the commission against any refusal of the Company to register the transfer or transmission or

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against any failure on its parts within period as specified in Section 78 for which Section 78/A will be applicable.

TRANSMISSION OF SHARES

16. The executors, administrators, heirs, or nominees as the case may be of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the shares. In the case of a share registered in the names of two or more holders, the survivor or survivors, or executors or administrators of the deceased survivor shall be the only persons recognized by the Company as having any title to the share.

17. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

18. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings by the Company.

ALTERATION OF CAPITAL

19. The Company may from time to time, by special resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

20. Subject to the Provisions of the Ordinance, all new shares shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the

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Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer if not accepted, will be deemed to be declined and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this regulation.

21. Subject to the provisions of Section 87 of the Ordinance, the Company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans advances or credit or other non-interest bearing securities and obligations or having a term of not less than three years in the manner provided in any contract with any scheduled bank or financial institution to the extent of twenty percent (20%) of such balance.

22. The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital.

23. The Company may, by ordinary resolution:

- a) Consolidate and divide its share capital into shares of larger amount than its existing shares;
- b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Company's Memorandum of Association, subject, nevertheless, to the provisions to clause (d) of sub-section (1) of Section (92).
- c) Cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person.

24. The Company may, by Special Resolution, reduce its share capital in any manner and

with, and subject to any incident authorized and consent required by law.

GENERAL MEETINGS

25. The Statutory General Meeting of the Company shall be held within the period required by Section 157.

26. A General Meeting to be called Annual General Meeting, shall be held in accordance with provisions of Section 158, within eighteen months from the date of incorporation of the Company thereafter once at least in every calendar year within a period of four months following the close of its financial year and not more than fifteen months after the holding of its last preceding Annual General Meeting as may be determined by the Directors.

27. All General Meetings of the Company other than the Annual General Meeting shall be called Extraordinary General Meetings.

28. The Directors may whenever they think fit, call an Extraordinary General Meeting, and Extraordinary General Meetings shall also be called on such requisition, or in default, may be called by such requisition as is provided by Section 159. If at any time there are not within Pakistan sufficient Directors capable of acting to form a quorum, any Director of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which Meetings may be called by the Directors.

NOTICE AND PROCEEDINGS OF GENERAL MEETINGS

29. Twenty one days notice at least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of Meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Ordinance for the General Meeting, to such persons as are, under the Ordinance or the regulations of the Company, entitled to receive such notices from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings



at any General Meeting.

30. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheet and the reports of the Directors and auditors, the election of Directors, the appointment of and the fixing, of the remuneration of the auditors.

31. No business shall be transacted at any General Meeting unless a Quorum of members is present at that time when the meeting proceeds to business. Two members present personally who represent not less than twenty five per cent of the total voting power, either on their own account or as proxies shall be a quorum.

32. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two, shall be a quorum.

33. The Chairman of the Board of Directors, if any, shall preside as Chairman at every General Meeting of the Company, but if there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as Chairman, anyone of the Directors present may be elected to be Chairman, and if none of the Directors is present, or willing to act as Chairman, the members present shall choose one of their member to be Chairman.

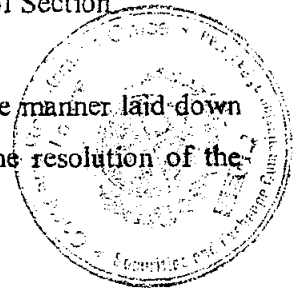
34. The Chairman may, with the consent of any meeting at which a Quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting.

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35. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or after the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion or the votes recorded in favor of, or against, that resolution.

36. A Poll may be demanded only in accordance with the provisions of Section

37. If a Poll is duly demanded it shall be taken in accordance with the manner laid down in Section 168 and the result of the Poll shall be deemed to be the resolution of the meeting at which the Poll was demanded.



38. A Poll demanded on the election of Chairman or on a question of adjournment shall be taken at once.

39. In the case of an equality of Votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the Poll is demanded, shall have and exercise a second or Casting Vote.

VOTES OF MEMBERS

40. On a show of hands every member present in person shall have one Vote except for election of Directors in which case the provisions of Section 178 shall apply. On a Poll every member shall have voting rights as laid down in Section 160.

41. In case of Joint holders, the Vote of the senior who tenders a Vote, whether in person or by proxy, shall be accepted to the exclusion of the Votes of the other Joint holders ; and for this purpose seniority shall be determined by the order in which the names stand in the register.

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42. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian, on a poll vote by proxy.

43. On a poll vote may be given either personally or by proxy. Provided that nobody corporate shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of Section 162 is in force.

44. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. A Proxy must be a member of the Company.

45. The Instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed, or a materially certified copy of that power or authority, shall be deposited at the Registered Office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

46. An instrument appoint" as near thereto as may be. In the following form, or a form as near thereto as may be,

MUGHAL ENERGY LIMITED

47. I/We -----of -----
-----full+ address) being the member(s) of MUGHAL ENERGY LIMITED
hereby appoint Mr. /Mrs./Miss. -----
-----of -----(who is
also member of the Company vide Registered Folio No.-----
----(being the Company) as my / our Proxy to attend at and vote for my / us on my
/ our behalf at the -----Annual /Extra Ordinary General Meeting of the
Company to be held at -----on -----

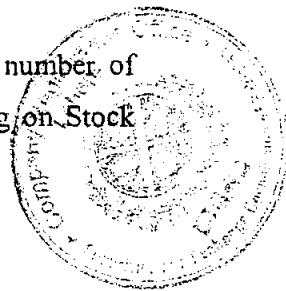


---at-----and at any adjournment thereof.

48. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

DIRECTORS

49. Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three and if the Company applies for listing on Stock Exchanges, then the number of Directors shall not be less than seven.



50. The following are the Present Directors of the Company.

1. MIRZA JAVAID IQBAL
2. KHURRAM JAVAID
3. MUHAMMAD MUBEEN BIN TARIQ MUGHAL
4. JAMSHED IQBAL

51. Save as provided in Section 187, no person shall be appointed as a Director unless he is a member of the Company and holds shares of the minimum value of Rs. 1,000/- in his own name relaxable in the case of Director representing interest holding shares.

52. The remuneration of a Director for performing extra services, including holding of the office of Chairman, and the remuneration to be paid to any Director for attending the meetings of the Directors or a committee of Directors shall from time to time be determined by the Board of Directors in accordance with law.

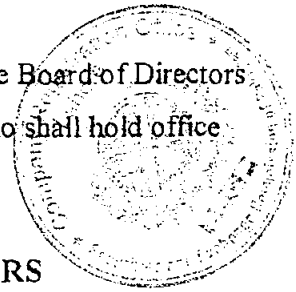
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CHAIRMAN

53. The Directors may from time to time appoint one of their members to be the Chairman of the Company for a period not exceeding three years on such terms and conditions as they deem fit. The Chairman shall preside over the meetings of the Board of Directors and members of the Company. In his absence, the Directors may elect one of them to preside over the Board Meeting. The questions arising at the meeting of the Directors shall be decided by a majority of votes. In the case of equality of votes, the Chairman, or the Director presiding over the meeting, as the case may be, shall have a casting vote.

CHIEF EXECUTIVE

54. The first Chief Executive of the Company will be appointed by the Board of Directors within fifteen days from the date of incorporation of the Company who shall hold office till the first Annual General Meeting.



POWERS AND DUTIES OF DIRECTORS

55. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Ordinance or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Ordinance or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

BORROWING POWERS

56. The Board may borrow from time to time, subject to section 146, any money for the purposes of the Company from its members or from any other person, firms, companies, corporations, Government Agencies, institutions or the Directors may themselves lend

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moneys to the Company.


57. The Board may raise and secure payment of such sums of money in such manner and upon such terms and conditions in all respects as it may think fit, and in particular by the issue of TFC's bonds, perpetual or redeemable debentures or by mortgage or charge or other security on the whole or any part of the property, assets and rights of the Company (both present and future), of the Company.

58. Any TFC's bonds, debentures or other securities issued or to be issued by the Company shall be under the control of the Board which may issue them upon such terms and conditions and in such manner and for such consideration as shall be considered to be for the benefit of the Company.

59. Any TFC's bonds, debentures or other securities may be issued with any special privileges as to redemption, surrender, drawing, convertibility into shares, attending and voting at General Meetings of the Company, appointment of Directors, and otherwise, provided that debentures with the right to vote or to be converted into shares shall be issued with the consent of the Company in General Meeting in terms of Section 114 of the Ordinance.

60. The Directors may from time to time, by Power of Attorney under the Company's seal, appoint any person or persons to be the Attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in, or exercisable by, the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such attorney(s) may, if authorized by the Directors, delegate all or any of the powers vested in him/them.

61. The Directors shall duly comply with the provisions of the Ordinance and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, to the keeping of a register of the Directors, and to the sending to the Registrar of an annual list of members



and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of Special Resolutions and a copy of the register of Directors and notifications of any changes therein.

62. The Director shall cause minutes to be made in books provided for the purpose of :

- a) all appointments of officers made by the Directors;
- b) the names of the Directors present at each meeting of the Directors and of any Committee of the Directors;
- c) all resolutions and proceedings at all meetings of the Company and of the Directors and of Committees of Directors;
- d) and every Director present at any meeting or Directors of Committee of Directors shall sign his name in a book to be kept for that purpose.

DISQUALIFICATION OF DIRECTORS

63. No person shall become a Director of the Company if he suffers from any of the disabilities or disqualifications mentioned in Section 187 and, if already a Director, shall cease to hold such office from the date he so becomes disqualified or disabled or provided, however, that no Director shall vacate his office by reason only of his being a member of any company which has entered into contracts with, or done any work for the Company but such Director shall not vote in respect of any such contract or work, and if he does so his vote shall not be counted.

PROCEEDINGS OF DIRECTORS

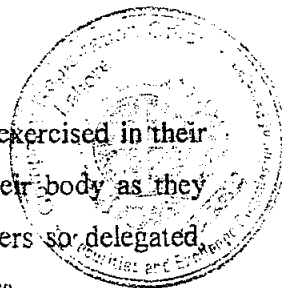
64. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. The quorum for a meeting of Directors shall not be less than one-third or two, whichever is greater. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have and exercise a second or casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. It shall not be

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necessary to give notice of a meeting of Directors to any Director for the time being absent from Pakistan.

65. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office but, if no such Chairman is elected, or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as Chairman, the Directors present may choose one of their number to be Chairman of the meeting.

66. The Directors may delegate any of their powers not required to be exercised in their meeting to Committees consisting of such member or members of their body as they think fit. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on them by the Directors.



67. A Committee may elect a Chairman of its meetings, but, if no such Chairman is elected, or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as Chairman, the members present may choose one of their numbers to be Chairman of the meeting.

68. A Committee may meet and adjourn as it thinks proper. Questions arising at any meetings shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairman shall have and exercise a second or casting vote.

69. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

70. A resolution in writing circulated to all the Directors signed by all the Directors or affirmed by them through telex or telegram shall be as valid and effectual as if it had

A handwritten signature in black ink, consisting of several stylized, overlapping loops and strokes.

been passed at a meeting of the Directors duly convened and held.

MEETING FEE

71A "Every director shall be paid meeting fee of Rs. 5000/- (Rupees Five Thousand Only) for attending meeting of the Board of Directors and/or attending any other meetings of the sub committees of the Board as constituted by the Board from time to time.

Reimbursement of expenses shall also be made to each director for expenses incurred in attending Board Meetings and/or attending any other meetings of the subcommittee of the Board."

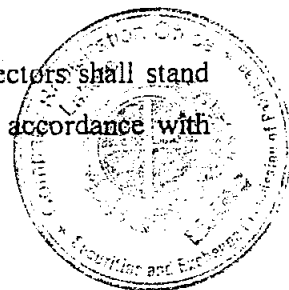
ELECTION AND REMOVAL OF DIRECTORS

71. At the first Annual General Meeting of the Company, all the Directors shall stand retired from office, and thereafter shall be re-elected in their place in accordance with Section 178 for a term of three years.

72.. A retiring Director shall be eligible for re-election.

73. The Directors of the Company, unless the number of persons who offer themselves to be elected is not more than the number of Directors fixed by the Board of Directors, shall be elected to office by the members in General Meeting in the following manner:

- (a) A member shall have such number of votes as is equal to the product of the number of voting shares or securities held by him and the number of Directors to be elected.
- (b) A member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose.
- (c) The candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected has



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been so elected.

74. Subject to the provisions of the Ordinance, the Company may from time to time in General Meeting increase or decreases the number of Directors.

75. Any Casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is chosen was last elected as Director.

76. The Company may remove a Director but only in accordance with the provisions of the Ordinance.

NOMINEE DIRECTOR

77. In addition to the elected Directors, the Financial Institutions shall be entitled, during the currency of their respective loan(s) to the Company, to appoint one person on the Board of Directors of the Company to be called Nominee Director and to recall and/or replace such a person from time to time. Such Nominee Director on the Board of Directors of the Company may not be holder of Share(s) in the Capital of the Company and the Articles 67 to 72 and other regulations and or rules pertaining to the election, retirement, qualification and/or disqualification of the Director shall not apply to him.

THE SEAL

78. The Directors shall provide a Common Seal of the Company which shall not be affixed to any instrument except by the authority of a resolution of the Board or by a committee of Directors authorized in that behalf by the Directors, and two Directors of one Director and the secretary of the Company shall sign every instrument to which the Common Seal is affixed.

79. The Directors may provide for the use in any territory, district or place not situated in Pakistan, of an Official Seal which shall be a facsimile of the Common Seal of the

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Company, with the addition on its face of the name of every territory, district or place where it is to be used. The provisions of Section 213 shall apply to the use of the Official Seal.

DIVIDENDS AND RESERVES

80. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.

81. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

82. No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits.

83. Subject to the rights of persons (if any) entitled to shares, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

84. The Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may, subject to the provisions of the Ordinance, from time to time think fit.

85. The Directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

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86. Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of any reserve or other fund or in the hands of the Company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the shares premium account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full, any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

87. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

88. If several persons are registered as joint holders of any share, anyone of them may give effectual receipt for any dividend payable on the shares.

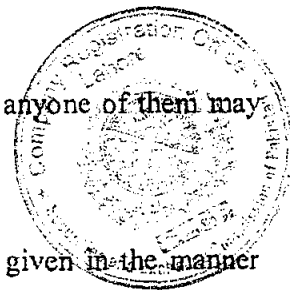
89. Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled to share therein.

90. The dividend shall be paid within the period laid down in Section 251.

91. All dividends unclaimed for six years after having been declared shall be kept in trust by the Company but may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

ACCOUNTS

92. The Directors shall cause to be kept proper Books of Account as required under Section 230.



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93. The Books of Account shall be kept at the Registered Office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

94. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any Account and Book or papers of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.

95. The Directors shall as required by Sections 233 and 236 cause to be prepared and to be laid before the Company in General Meeting such Profit and Loss Accounts and Balance Sheets and reports as are referred to in those sections.

96. A Balance Sheet, Profit and Loss Account, and other reports referred to in the preceding Article shall be made out in every year and laid before the Company in the Annual General Meeting made up to a date not more than four months before such meeting. The Balance Sheet and Profit and Loss Account shall be accompanied by a report of the auditors of the Company and the report of Directors.

97. A copy of the Balance Sheet and Profit and Loss Account and reports of Directors and auditors shall, at least twenty one days preceding the meeting, be sent to the persons entitled to receive notices of General Meetings in the manner in which notices are to be given as hereinafter provided.

98. Every Account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

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99. The Directors shall in all respect comply with the provisions of Sections 230 to 236.

AUDIT

100. Once at least every year the accounts of the Company shall be audited and the correctness of Profit and Loss Account and Balance Sheet ascertained by one or more Auditors. The Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 of the Companies Ordinance 1984.

SECRETARY

101. The Board may appoint a Secretary of the Company who shall perform such functions and duties as are required in these Articles, or as may be directed by the Board.

NOTICES

102. Notices shall be given by the Company to Members and Auditors of the Company and other persons entitled to receive notices in accordance with Section 50.

SECRECY

103. Every Director, Manager, Adviser, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so, required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by any Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

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104. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or examine the Company's premises or properties without the permission of the Directors, and to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient, in the interest of the members of the Company to communicate.

RECONSTRUCTION

105. On any sale of the undertakings of the Company the Directors or the liquidators on a winding up may, if authorized by a Special Resolution, accept fully paid shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (in a winding up), may distribute such shares or securities, or any other properties of the Company amongst the members without realization, or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto save only such statutory rights (if any) as are, in case the Company is proposed to be or in the course of being wound up, incapable of being varied or excluded by these presents.

WINDING UP

106. 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 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 same kind or not) and may, for such

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purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories, as the liquidator with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

107. 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 given in his favor 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.

ARBITRATION

108. Whenever any difference arises between the Company on the one hand and any of the members, their executors, administrators or assignees 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 done, executed, omitted or suffered in pursuance of these Articles or of the statutes or touching any breach or alleged breach of these Articles, or any claim on account of any such 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 the 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.

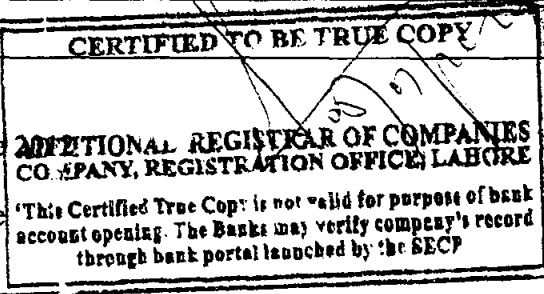
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We the several persons whose names and addresses are given below subscribed are desirous of being formed into a company, in pursuance of this Article of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Name and surname (Present & Former) in Full (in Block Letter)	Father's/ Husband's Name in full	CNIC	National ity with any former National ity	Occupation	Residential address in full	Number of shares taken by each sub- scriber	Signature
Mirza Javaid Iqbal	Mirza Bashir Ahmed	35202-9761226-7	Pakistani	Business	House No. 31, Shadman Colony 1, Race Course Road Lahore.	1000	
Khurram Javaid	Mirza Javaid Iqbal	35202-9750871-7	Pakistani	Business	House No. 130-F, Phase - V DHA Lahore.	670	
Muhammad Mubeen Bin Tariq Mughal	Muhammad Tariq Iqbal Mughal	35201-0221455-5	Pakistani	Business	House No. 111-E, Phase-I, Defence Housing Authority Lahore.	1670	
Jamshed Iqbal	Bashir Ahmed	35201-2176101-7	Pakistani	Business	House No. 1, Phase-I, Defence Housing Authority Lahore.	1670	
TOTAL SHARE							

Dated the 19th day of June

Witness to above signature



Full Name: National Institutional Facilitation Technologies (Pvt) Ltd.

Signature: _____

Occupation: Services (Public/Private) Ltd.

Full Address: 5th Floor, AWT Plaza

I.I. Chundrigar Road, Karachi, Pakistan

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MUGHAL ENERGY LIMITED

AUDITED FINANCIAL STATEMENTS
FY -2022

(COMPANY NAME) | (CITY) (STATE) (ZIP)



INDEPENDENT AUDITOR'S REPORT

To the members of MUGHAL ENERGY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **MUGHAL ENERGY 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 loss, total comprehensive loss, 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 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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



147-SHADMAN-1,
LAHORE-54000 (PAKISTAN)



+92-42-37426771-3



+92-42-37426774



info@fmc.com.pk
fazalm@live.com



www.fmc.com.pk
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OTHER OFFICES: KARACHI, ISLAMABAD, SIALKOT & USA



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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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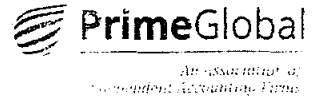


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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's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

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

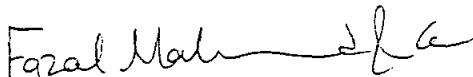
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 Imran Akhtar.


Fazal Mahmood & Company
Chartered Accountants
Lahore
Date: October 07, 2022
UDIN: AR202210308aihQmlzUf



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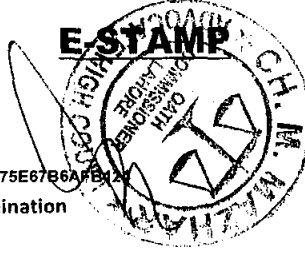


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ID: PB-LHR-87D75E67B6A7E2A
 Type: Low Denomination
 Amount: Rs 300/-



Scan for online verification

Description: AFFIDAVIT-4
 Applicant: MUGHAL ENERGY LTD[00000 000000-0]
 Representative From: MUGHAL ENERGY LTD
 Agent: MUHAMMAD ABBAS [35201-2741285-5]
 Address: LAHORE
 Issue Date: 9-Sep-2023 11:29:01 AM
 Delisted On/Validity: 16-Sep-2023
 Amount in Words: Three Hundred Rupees
 Only Reason: NEPRA ISLAMABAD
 Vendor Information: Muhammad Ahmad | PB-LHR-5858 | Ichra

نوٹ: یہ ٹرانزیکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیو آر کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔

Type "eStamp <16 digit eStamp Number>" send to 8100

Under Regulation 3(7)

Subject: Affidavit Regarding Correctness, authenticity and accuracy of the application.

Dear Sir/Madam,

I, Khurram Javaid son of Mirza Javaid Iqbal adult, resident of House No. 130-F, Street No. 05, Phase-V, Defence Housing Authority (DHA), Lahore and holding CNIC No. 35202-9750871-7 do hereby state on solemn affirmation as under: -

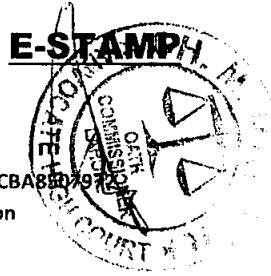
- All the information along with the provided documents are true and correct to the best of my knowledge and belief and nothing material or relevant thereto has been concealed or withheld therefrom.

Khurram Javaid
 Chief Executive Officer
 Mughal Energy Limited

ATTESTED
 CH. M. M. ABBAS
 NOTARY PUBLIC
 Lahore High Court Lahore



ID: PB-LHR-046ADDCBA8807972C
Type: Low Denomination
Amount: Rs 300/-



Scan for online verification

Description: AFFIDAVIT-4
Applicant: MUGHAL ENERGY LTD(00000-000000-0)
Representative From: MUGHAL ENERGY LTD
Agent: MUHAMMAD ABBAS [35201-2741285-5]
Address: LAHORE
Issue Date: 9-Sep-2023 11:26:48 AM
Delisted On/Validity: 16-Sep-2023
Amount in Words: Three Hundred Rupees
OnlyReason: NEPRA ISLAMABAD
Vendor Information: Muhammad Ahmad | PB-LHR-5858 | Ichra

نوٹ: یہ ٹرانزیکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیوار کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔

Type "eStamp <16 digit eStamp Number>" send to 8100

Under Regulation 3(g)

Subject: **AFFIDAVIT REGARDING LICENSE GRANTED UNDER THE NEPRA ACT**

Dear Sir/Madam,

I, Khurram Javaid son of Mirza Javaid Iqbal adult, resident of House No. 130-F, Street No. 05, Phase-V, Defence Housing Authority (DHA), Lahore and holding CNIC No. 35202-9750871-7 do hereby state on solemn affirmation as under: -

- We hereby confirm that, "Mughal Energy Limited" has never applied /submitted to the National Electric Power Regulatory Authority (NEPRA) for issuing an Electricity Supply License.
- We hereby confirm that we have only been granted the Generation License No SGC/152/2021 in the name of "Mughal Energy Limited" pursuant to Section 14B of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997/Amendment Act, 2018.

Khurram Javaid
Chief Executive Officer
Mughal Energy Limited

ATTESTED
CH. M. J. J. J.
NOTARY
PUBLIC
LAHORE

DIRECTORS' REPORT

Dear valued shareholders,

On behalf of the Board of Directors of MUGHAL ENERGY LIMITED, we are pleased to present the Directors' report along with company's audited financial statements for the year ended June 30, 2021.

Financial highlights	June 30, 2022 (Rs.)	June 30, 2021 (Rs.)
Loss before taxation	(9,356,864)	(2,250,514)
Taxation	-	-
Loss for the year	(9,356,864)	(2,250,514)
Loss per share – basic & diluted	(0.21)	(0.05)

DEVELOPMENT AND PERFORMANCE OF COMPANY'S BUSINESS DURING THE FINANCIAL YEAR

During, the year the Board of Directors approved investment in the purchase and installation of a 36.50 MW coal fired power plant along with purchase and installation of solar project. It is expected that the project will achieve commercial operations by mid of calendar year 2024. The Company has posted loss for the year amounting to Rs. 9,356,864 as compared to loss of Rs. 2,250,514 in the corresponding period. This loss is attributable to expenses incurred with respect to salaries, audit fee and other filling fee related expenses incurred during pre-operations period, however, the Company is expected to post reasonable profits upon achieving commercial operations date. In addition, the Company has obtained loans from Directors and their relatives amounting to Rs. 677,506,196.

NAMES OF THE PERSONS WHO, AT ANY TIME DURING THE FINANCIAL YEAR, WERE DIRECTORS OF THE COMPANY;

Following are the names of the persons who at any time during the financial year, were Directors of the Company:

S. No.	Name of Directors	Designation
1.	Mirza Javed Iqbal	Director
2.	Khurram Javed	Chief Executive Officer / Director
3.	Jamshed Iqbal	Director
4.	Muhammad Mubeen Tariq Mughal	Director
5.	Fazeel Bin Tariq	Director
6.	Fahad Javaid	Director
7.	Mateen Jamshed	Director

PRINCIPAL ACTIVITIES OF THE COMPANY

The principal purpose of the company is to carry on business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy.

DESCRIPTION OF PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

Since, the Company has not commenced any commercial operations yet therefore, the Company is not exposed to any risk. The Company is mainly exposed to following uncertainty:

- Commencement of operations
- Delay in project completion
- Increase in interest costs
- Increase in coal prices
- Increase in dollar rate

CHANGES IN NATURE OF BUSINESS

There has been no change in nature of the business of the Company during the year other than that disclosed elsewhere.

PATTERN OF SHAREHOLDING

Detailed pattern of shareholding is annexed to this report.

DEFAULTS IN PAYMENT OF ANY DEBTS

The Company has not defaulted in repayment of any debt nor is it likely to default in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes since June 30, 2022 other than those disclosed in this report and the Company has not entered into any commitment, which would affect its financial position at the date except for those mentioned.

DETAIL OF RELATED PARTY TRANSACTIONS AND JUSTIFICATIONS THEREOF

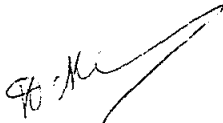
The transactions with all the related parties are made on arm's-length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties along with justification are fully disclosed in the financial statements of the Company.

FUTURE OUTLOOK

The directors will continue to provide financial support whenever needed and committed to maintain the going concern status of the Company. Finally, we would like to thank all stakeholders for their patronage and look forward to their continued support.

For and on behalf of the Board of Directors.


Khurram Javed
(CEO/Director)


Muhammad Mubeen Tariq Mughal
(Director)

Date: October 07, 2022

Place: Lahore



MUGHAL ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6.	1,672,238,889	799,261,558
Total non-current assets		1,672,238,889	799,261,558
CURRENT ASSETS			
Advances and deposits	7.	-	11,872,440
Due from the government	8.	133,524,683	1,510,594
Cash and bank balances	9.	20,617,557	149,003,962
Total current assets		154,142,240	162,386,996
Total assets		1,826,381,129	961,648,554
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	10.	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	11.	451,401,000	451,401,000
Accumulated losses		(48,216,340)	(38,859,476)
Equity contribution from Directors and their relatives	12.	1,412,787,203	535,281,007
Total equity		1,815,971,863	947,822,531
CURRENT LIABILITIES			
Trade and other payables	13.	10,409,266	13,826,023
Total current liabilities		10,409,266	13,826,023
Total equity and liabilities		1,826,381,129	961,648,554
CONTINGENCIES AND COMMITMENTS			
	14.		

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

MUGHAL ENERGY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
Administrative expenses	15.	(14,966,006)	(2,161,453)
Other charges	16.	(75,000)	(75,000)
Other income	16A.	5,717,853	-
Finance cost	17.	(33,711)	(14,061)
		(9,356,864)	(2,250,514)
Loss before taxation		(9,356,864)	(2,250,514)
Taxation	18.	-	-
Loss for the year		(9,356,864)	(2,250,514)
Other comprehensive income - net of tax:			
Other comprehensive income - net of tax:		-	-
Total comprehensive loss for the year		(9,356,864)	(2,250,514)
Loss per share - basic & diluted	19.	(0.21)	(0.05)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

MUGHAL ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,356,864)	(2,250,514)
Working capital changes:		
<i>(Increase) / decrease in current assets</i>		
Advances and deposits	11,872,440	(11,872,440)
Due from the government	(123,073,011)	(219,483)
	(111,200,571)	(12,091,923)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(3,416,757)	13,714,218
	(3,416,757)	13,714,218
Effect on cash flows due to working capital changes	(114,617,328)	1,622,295
Cash utilized in operations	(123,974,192)	(628,219)
Income tax paid	(8,941,078)	(396,000)
Net cash used in operating activities	(132,915,270)	(1,024,219)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of property, plant and equipment	(872,977,331)	(331,346,183)
Net cash used in investing activities	(872,977,331)	(331,346,183)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from equity contribution from Directors and their relatives	877,506,197	446,666,988
Net cash generated from financing activities	877,506,197	446,666,988
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS	(128,386,405)	114,296,586
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	149,003,962	34,707,376
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20,617,557	149,003,962

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

MUGHAL ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed & paid-up capital	Accumulated Loss	Equity contribution from Directors and their relatives	Total Equity
	-----Rupees-----			
Balance as at June 30, 2020	451,401,000	(36,608,962)	88,614,019	503,406,057
Total comprehensive loss:				
- Loss for the year ended June 30, 2021	-	(2,250,514)	-	(2,250,514)
- Other comprehensive income	-	-	-	-
	-	(2,250,514)	-	(2,250,514)
Disbursements during the year	-	-	446,666,988	446,666,988
Balance as at June 30, 2021	451,401,000	(38,859,476)	535,281,007	947,822,531
Total comprehensive Loss:				
- Loss for the year ended June 30, 2022	-	(9,356,864)	-	(9,356,864)
- Other comprehensive income	-	-	-	-
	-	(9,356,864)	-	(9,356,864)
Disbursements during the year	-	-	877,506,196	877,506,196
Balance as at June 30, 2022	451,401,000	(48,216,340)	1,412,787,203	1,815,971,863

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

MUGHAL ENERGY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated as Public Limited Company in Pakistan on August 19, 2012 and is domiciled in Lahore. The principal purpose of the Company is to carry on business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith. During the year, the Company has initiated the purchase and installation of solar project and 36.5 MW power plant project.

The geographical locations and addresses of the Company's business units including plant are as follows:

Business unit:	Addresses:
- Registered office	31-A Shadman-1, Lahore.
- Plant site	17 KM, Sheikhpura Road, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- 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, 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 stated in relevant notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards, requires management to use certain accounting estimates and exercise judgements in the process of applying the Company's accounting policies. Estimates and judgements are regularly evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. 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 revision and future periods, if the revision affects both current and future periods. The areas involving significant estimates or judgements are:

- Useful lives, residual values, depreciation method and impairment of property, plant and equipment (note 4.1 and 6)
- Current income tax expense, provision for current tax and recognition of deferred tax asset (note 4.4 and 18)
- Financial instruments - fair value and allowances for expected credit losses (note 4.6 and 23)
- Estimation of provisions (note 4.10)
- Estimation of contingencies (note 4.11 and 14)
- Control over associates (note 4.19)

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

Tangible fixed assets:

Freehold land is stated at cost less accumulated impairment losses (if any). Cost comprises of historical cost, borrowing cost pertaining to the erection period and other directly attributable costs of bringing the assets to its working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Cost incurred to replace a component of a tangible fixed asset is capitalized and the asset so replaced is derecognized. The cost of the day to day servicing is charged to statement of profit or loss.

An item of tangible fixed asset is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on disposal or de-recognition (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is taken to statement of profit or loss.

Capital work-in-progress:

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

Impairment:

Impairment test for property, plant and equipment is performed when there is an indication of impairment. At each period end, an assessment is made to determine whether there is any indication of impairment. If any indications exist, an estimate of the recoverable amount is calculated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of profit or loss so as to reduce the carrying amount of the asset to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the tangible fixed asset in its present form and its eventual disposal.

An impairment loss is recovered if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

4.2 Foreign currency transactions and translation

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. Exchange differences, if any, are charged to the statement of profit or loss.

4.3 Employee benefits

Post-employment benefit:

Based upon number of employees the Company is currently not required to provide any post employment benefits, therefore, no provision has been provided.

Short-term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries and other short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

4.4 Income tax

The taxation expense for the year comprises of current, prior and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, it is recognized in other comprehensive income or directly in equity, as the case may be.

Current:

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year, if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Prior:

This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years.

Deferred:

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

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

4.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with the customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at the point in time, as the control has been transferred to the customer. Any discounts or rebates, if any, on the contract price are generally allocated to the separate elements. The Company applies the requirements of IFRS 13 Fair Value Measurement in measuring the fair value of the non cash consideration (if any). If the fair value cannot be reasonably estimated, the non cash consideration is measured indirectly by reference to stand alone selling price of the respective material.

4.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement:

Trade debts and debt securities issued, if any, are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debt without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) – debt investment; fair value through other comprehensive income – equity investment or fair value through profit or loss (FVTPL), as appropriate. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies all its financial assets as measured at amortized cost. The classification is made in accordance with the Company's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. This classification is only made when the Company's financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and when the contractual cash flows of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company does not hold any debt investments or equity investments.

Financial liabilities

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

Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

Offsetting of financial assets and financial liabilities:

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

Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Impairment policy:

The Company recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI (if any); and
- contract assets (if any).

However, the Company does not have any debt investments measured at FVOCI or contract assets or trade debts or any other financial assets other than cash and bank balances.

For financial assets (other than trade debts) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on these financial asset has significantly increased since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities, if any, at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower / customer;
- a breach of contract such as a default or being more than 365 days past due; or
- the restructuring of a loan or advance by the Company on terms that the Company would not consider - otherwise;
- it is probable that the borrower / customer will enter bankruptcy.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written-off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

4.7 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

4.8 Balances from contract with customers

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade debts:

Trade debts represent the Company's right to an amount of consideration that is unconditional. Trade debts are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from that customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

Right of return assets:

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns as well as any additional decreases in the value of the returned products.

Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash at hand and balances with banks.

4.10 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

4.11 Contingent liabilities

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

4.12 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalized as part of the cost of that asset.

4.13 Share capital

Ordinary shares are classified as equity instruments and recognized at their face value. Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4.14 Dividend and reserve appropriations

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are approved by the Board of Directors. Any other movements in reserves are recognized in the period in which the appropriations are approved by the Board of Directors.

4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief executive officer (CEO) has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Currently, the results are reported as a single reportable segment.

4.17 Finance costs

Finance costs comprise interest expense on borrowings and impairment losses recognized on financial assets, if any. The Company's policy relating to borrowing costs is mentioned in note 4.12. Foreign currency gains and losses are reported on a net basis.

4.18 Loans, deposits, interest accrued and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.19 Control over associates

The management determined whether or not the Company is a parent by assessing whether or not it has control over its associated companies (associates based upon common directorship / shareholding). The assessment is based upon whether the Company has the practical ability to direct the relevant activities of associated companies unilaterally. In making its judgement, the management considers the following:

- power over the associated companies;
- exposure, or rights, to variable returns from its involvement with the associated companies; and
- the ability to use its power over the associated companies to affect the amount of the Company's returns.

The Board of Directors have confirmed that the Company has no involvement in the activities of the associated companies nor is the Company exposed to, or have any rights, to any returns from the associated companies. Based upon its assessment, the management has concluded that the Company does not have control or significant influence over its associated companies and is therefore, not regarded as "Parent Entity".

5. ADOPTION OF NEW AND AMENDED STANDARDS

5.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Following standards, amendments to the IFRS and interpretations are mandatory for companies having accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements:

		Effective date (annual periods beginning on or after)
New standard:		
IFRS - 17	Insurance Contracts	1 January 2023
Amendments to existing		
IFRS - 1	First-time Adoption of International Financial Reporting Standards	
	Annual Improvements to IFRS Standards 2018-2020 (subsidiary as a first-time adopter).	1 January 2022
IFRS - 3	Business Combinations	
	Updating a reference to the Conceptual Framework.	1 January 2022
IFRS - 9	Financial Instruments	
	Annual Improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities).	1 January 2022
IFRS - 17	Insurance Contracts	
	Amendments to address concerns and implementation challenges that were identified after IFRS 17.	1 January 2023
IAS - 1	Presentation of Financial Statements	
	Amendments regarding the disclosure of accounting policies.	1 January 2023
	Classification of liabilities.	1 January 2023

		Effective date (annual periods beginning on or after)
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors	
	Amendments regarding the definition of accounting estimates.	1 January 2023
IAS - 12	Income Taxes	
	Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
IAS - 16	Property, Plant and Equipment	
	Prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	1 January 2022
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets	
	Costs to include when assessing whether a contract is onerous.	1 January 2022

* IFRS - 1 - (First Time Adoption of International Financial Reporting Standards), IFRS - 17 - (Insurance Contracts) and IFRIC-12 - (Service concession arrangements), have not been notified locally or declared exempt by the SECP as at June 30, 2022.

	Note	2022	2021
		----- Rupees -----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	509,100,875	509,100,875
Capital work-in-progress	6.2	1,163,138,014	290,160,683
		<u>1,672,238,889</u>	<u>799,261,558</u>
6.1 Operating fixed assets:			
Freehold land			
Cost as at July 01,		509,100,875	467,915,375
Additions		-	41,185,500
Cost as at June 30,		<u>509,100,875</u>	<u>509,100,875</u>
6.2 Following is the movement in capital work-in-progress:	Opening	Additions	Closing
Power plant	290,160,683	851,528,327	1,141,689,010
Solar project	-	21,449,004	21,449,004
June 30, 2022	<u>290,160,683</u>	<u>872,977,331</u>	<u>1,163,138,014</u>
June 30, 2021	-	<u>290,160,683</u>	<u>290,160,683</u>
7. ADVANCES AND DEPOSITS			
Advances to suppliers (un-secured)		-	11,872,440
		-	<u>11,872,440</u>
8. DUE FROM THE GOVERNMENT			
Advance income tax		10,232,189	1,291,111
Sales tax		123,292,494	219,483
		<u>133,524,683</u>	<u>1,510,594</u>
9. CASH AND BANK BALANCES			
Cash in hand		7,666,116	29,782,617
Balances with banks:	9.1		
- Current		9,906,323	119,221,345
- Savings		3,045,118	-
		<u>12,951,441</u>	<u>119,221,345</u>
		<u>20,617,557</u>	<u>149,003,962</u>
9.1 The bank balances include an amount of Rs. Nil (2021: Rs. 104.762 million) maintained in an account over which lien is marked. Saving accounts carried profit rate upto _% (2021: Nil).			
10. AUTHORIZED SHARE CAPITAL			
This represents 100,000,000 (2021: 100,000,000) ordinary shares of Rs. 10/- each.			
11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
This represents 45,140,100 (2021: 45,140,100) ordinary shares of Rs. 10/- each. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets and are paid in cash.			
Issued, subscribed and paid up capital		451,401,000	451,401,000
		<u>451,401,000</u>	<u>451,401,000</u>

12. EQUITY CONTRIBUTION FROM DIRECTORS AND THEIR RELATIVES

This represents interest-free and unsecured loan provided by Directors and their relatives for meeting various capital expenditure and working capital requirements. Since, it is repayable at discretion of the Company, therefore, it has been recognized as part of equity.

13. TRADE AND OTHER PAYABLES

Accrued and other liabilities		4,905,731	997,245
Security against rent	13.1	480,000	-
Temporary bank overdrawn	13.2	5,023,535	12,828,778
		<u>10,409,266</u>	<u>13,826,023</u>

13.1 This represents security against short-term rent agreement which can be used for business purposes.

13.2 This represents cheques issued by the Company at the reporting date to be met with subsequent deposits

14. CONTINGENCIES AND COMMITMENTS

Contingencies:

There were no contingencies as at June 30, 2022 (2021: Nil).

Commitments:

Capital commitments	-	2,038,124,508
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15. ADMINISTRATIVE EXPENSES

Directors' remuneration	15.1	8,800,000	-
Salaries and wages		1,152,000	1,152,000
Utilities		4,585,681	-
Fee and subscription		328,325	849,453
Legal and professional charges		100,000	160,000
		<u>14,966,006</u>	<u>2,161,453</u>

15.1 This represents remuneration paid to 3 Directors (2021: Nil). No remuneration was paid to CEO (2021: Nil). No other benefits were provided.

16. OTHER CHARGES

Auditors' remuneration - audit fee	75,000	75,000
	<u>75,000</u>	<u>75,000</u>

16A. OTHER INCOME

Profit on saving accounts	4,044,901	-
Profit on term-deposit receipts	232,952	-
Rental income	1,440,000	-
	<u>5,717,853</u>	<u>-</u>

17. FINANCE COST

Bank charges	33,711	14,061
	<u>33,711</u>	<u>14,061</u>

18. TAXATION

No provision has been recognized since the Company does not have any income, accordingly, reconciliation between income tax expense and accounting profit is not required. The Company has filed tax returns up to tax year 2021.

19. LOSS PER SHARE - BASIC AND DILUTED

Loss for the year		(9,356,864)	(2,250,514)
Weighted average number of ordinary shares	19.1	45,140,100	45,140,100
Loss per share - Basic		(0.21)	(0.05)

19.1 There were no dilutive potential ordinary shares outstanding as at June 30, 2022 and June 30, 2021.

20. ENTITY WIDE INFORMATION

The Company constitutes of a single reportable 'Energy' segment.

- (i) The Company has not yet started commercial operations.
- (ii) All non-current assets of the Company as at June 30, 2022 are located within Pakistan.
- (ii) Since the Company has not yet started commercial operations, therefore the Company does not have transactions with any external customers which amount to 10 percent or more of its revenues.

	Note	2022	2021
		----- Numbers -----	
21. NUMBER OF EMPLOYEES			
Number of persons employed as at June 30,		6	6
Average number of employees during the year		6	5

22. RELATED PARTY / ASSOCIATED UNDERTAKING DISCLOSURE

The Company ("the reporting entity") in the normal course of business carries out transactions with various related parties ("the entities"). Related parties comprise of entities regarded as related due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity.

Detail of related parties with whom the Company had entered into transactions or had agreements and /or arrangements in place during the year, along with the basis of relationship, percentage of shareholding and details of transactions (other than those which have been disclosed elsewhere in these financial statements) are as follows:

	Note	2022	2021
		----- Rupees -----	
Entities			
Mughal Iron & Steel Industries Limited			
Relationship		Common directorship	
Percentage of shareholding		Nil	
Detail of transactions			
- Commission on corporate guarantee		60,000,000	12,032,967
Major shareholders, key management personnel and their relatives			
Major shareholders, Directors and their relatives			
- Proceeds of short-term loan from Directors and their relatives - net		877,506,196	446,666,988

The member of the Mughal Iron & Steel Industries Limited have approved issuance of corporate guarantee of Rs. 6,000,000 million in the favor of the banks on behalf of the Company in the extraordinary general meeting held on April 19, 2021 for the purpose of availing financing for a period of 5 years.

There were no outstanding balances with related parties as at the year end except for those which have been disclosed separately in relevant notes.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	Opening balance	Financing cash flows	Closing balance
	----- Rupees -----		
Equity contribution from Directors and their relatives	535,281,007	877,506,196	1,412,787,203
June 30, 2022	535,281,007	877,506,196	1,412,787,203
June 30, 2021	88,614,019	446,666,988	535,281,007

24. FINANCIAL INSTRUMENTS

Financial risk management:

The Company has exposure to the following risks arising from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

24.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arises from balances with banks. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. The carrying value of financial assets represents the maximum credit risk. The detail of financial assets along with maximum exposure to credit risk is as follows:

	Note	2022	2021
		----- Rupees -----	
Bank balances	9.	9,906,323	119,221,345
		<u>9,906,323</u>	<u>119,221,345</u>
Maximum exposure to credit risk by type of counterparty is as follows:			
Bank balances with banking companies and financial institutions		9,906,323	119,221,345
		<u>9,906,323</u>	<u>119,221,345</u>

Geographically, there is no concentration of credit risk. Out of the total financial assets, credit risk is concentrated in bank balances as they constitute almost 100% (2021: 100%) of the total financial assets.

The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties assigned to them by credit rating agencies. Out of the total bank balances of Rs. 12.951 million (2021: Rs. 119.221 million) amounts aggregating to Rs. 6.13 million (2021: Rs. 14.280 million) are with banks having short-term credit rating of A1+, amount aggregating to Rs. 6.54 million (2021: Rs. 104.672) is with bank having short-term credit rating of A-1. Whereas the remaining minor amount is placed with bank having minimum short-term credit rating of A-2, except Rs. 0.27 million with bank having short-term rating of A-3.

24.2 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, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The following are the contractual maturities of financial liabilities including estimated interest payments (if any) and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	More than 1 but less than 5 years	After 5 years
Financial liabilities	----- Rupees -----				
At amortized cost					
- Trade and other payables	10,409,266	10,409,266	10,409,266	-	-
June 30, 2022	<u>10,409,266</u>	<u>10,409,266</u>	<u>10,409,266</u>	<u>-</u>	<u>-</u>
	Carrying amount	Contractual cash flows	Within 1 year	More than 1 but less than 5 years	After 5 years
Financial liabilities	----- Rupees -----				
At amortized cost					
- Trade and other payables	13,826,023	13,826,023	13,826,023	-	-
June 30, 2021	<u>13,826,023</u>	<u>13,826,023</u>	<u>13,826,023</u>	<u>-</u>	<u>-</u>

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

24.3 Market risk

Market risk is the risk that changes in market prices, such as currency risk, interest rates and equity prices will affect the Company's income or the value of its holdings of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

i) Currency risk:

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

ii) Price risk:

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments trading in market. The Company does not hold any investments which exposed it to price risk.

iii) Interest rate risk:

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

24.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating fair value of an asset or liability, the Company takes into the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs - are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs - these are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs - are unobservable inputs for the asset or liability.

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for the fair value of financial assets and financial liabilities recognized in these financial statements equals the transaction price at initial recognition. Accordingly, the carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values.

	Note	2022	2021
		----- Rupees -----	
24.5 Financial instruments by category			
Financial assets:		Amortized cost	
Maturity within one year			
- Cash and bank balances		20,617,557	149,003,962
		<u>20,617,557</u>	<u>149,003,962</u>
Financial liabilities:		Amortized cost	
Maturity within one year			
- Trade and other payables		10,409,266	13,826,023
		<u>10,409,266</u>	<u>13,826,023</u>
Off balance sheet financial liabilities:			
- Capital commitments		-	2,038,124,508
		-	<u>2,038,124,508</u>

25. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations / investing activities through equity and loan from directors and their relatives, accordingly the Company has a gearing ratio of 0% (2021: 0%) as of the reporting date.

26. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 07, 2022 by the Board of Directors of the Company.

27. GENERAL

The figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Mughal Energy Limited

Category of Shareholders	Share held	Percentage
DIRECTORS, CHIEF EXE. OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN	37,642,000	83.33%
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES	7,498,000	16.67%
BANKS, DFI AND NBF	0	0.00%
INSURANCE COMPANIES	0	0.00%
MODARABAS AND MUTUAL FUNDS	0	0.00%
GENERAL PUBLIC (LOCAL)	0	0.00%
GENERAL PUBLIC (FOREIGN)	0	0.00%
OTHERS	0	0.00%
FOREIGN COMPANIES	0	0.00%
Company Total	45,140,100	100.00%

*SHAREHOLDERS HOLDING 10% AND MORE	37,614,400	83.33%
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Form A
THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018
(Section 130(1) and Regulation 4)
ANNUAL RETURN OF COMPANY HAVING SHARE CAPITAL



PART - I

Complete in typescript or in bold block capitals:

1. Registration Number: 0080936

2. Name of the Company: MUGHAL ENERGY LIMITED

3. Payment details:

3.1. Challan No: E-2022-1225061 3.2. Amount: 1650.0

3.3. dd mm yyyy

4. Form A made upto: 30/10/2022

5. Date of AGM: 30/10/2022

PART - II

Section A

2. Registered Office Address: 31-A, GHAFMAN - I, LAHORE Lahore Punjab 54000

3. Email Address: fahedhateez@mghe.com

4. Telephone No: 35960841

5. Facsimile No: 35960846

6. Principle line of business: ALTERNATE ENERGY

7. Mobile No. of Authorized officer (Chief Executive/ Director/ Company Secretary/ Chief Financial Officer): 03244050006

2.7 Authorized Share Capital

Classes and kinds of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		1,000,000,000.00	

2.8 Paid up Share Capital

Classes and kinds of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		451,401,000.00	

2.9 Particulars of the holding / subsidiary company, if any

Name of Company	Holding/Subsidiary	% Shares Held

2.10 Chief Executive

Name: KHURRAM JAVAID

Address: HOUSE NO. 130-F, STREET NO. 05 PHASE -V, DEFENCE HOUSING AUTHORITY (DHA) L

NIC No: 3520297508717

Next Page

2.11 Chief Financial Officer

Name

Address

NIC No



2.12 Secretary

Name

MUHAMMAD FAHAD HAFEEZ

Address

77-K2, WAPDA TOWN, LAHORE

NIC No

3520282649439

2.13 Legal Advisor

Name

M Law Associates

Address

Office No. 64, Ground floor, Al-murteza Centre, 2-Mozang Road, Lahore

NIC No

2.14 Particulars of Auditors

Name

Muniff Ziauddin and Co

Address

Office No. 43 and 44, Third Floor, Sadiq Plaza, Shahrah-e-Quaid-e-Azam, Lahore.

2.15 Particulars of Shares Registrar (if applicable)

Name

Address

Email

Section-B

2.16 List of Directors on the date Annual return is made

S#	Name of Director	Residential Address	Nationality	NIC (Passport No. if foreigner)	Date of appointment /election	Name of Member/Creditors nominating/appointing
1	MUHAMMAD MUBEEN TAL	HOUSE NO. 71-G, PHASE - V DHA, LAHORE	Pakistan	3520102214555	01/01/2022	
2	MIRZA JAVED IOBAL	HOUSE NO 130-F, STREET NO. 05, PHASE V, DHA, LAHORE	Pakistan	3520297612267	01/01/2022	
3	KHURRAM JAVAID	HOUSE # 130-F STREET # 5 PHASE - V, DHA, LAHORE Punjab Pakistan 54000	Pakistan	3520297508717	01/01/2022	
4	JAMSHED IOBAL	HOUSE # 111-E PHASE-1, DHA, LAHORE Punjab Pakistan 54000	Pakistan	3520121761017	01/01/2022	
5	Fazeel bin Tariq	House# 130-F, Street No 05, Phase V, DHA, Lahore	Pakistan	3520120324561	01/01/2022	
6	Fahad Javaid	House# 130-F, Street No. 05, Phase V, DHA, Lahore	Pakistan	3520240252811	01/01/2022	
7	Mateen Jamshed	House# 130-F, Street No. 05, Phase V, DHA, Lahore	Pakistan	3520115968901	01/01/2022	

2.17 List of members & debenture holders on the date upto which this Form is made

Sr	Folio#	Name	Address	Nationality	No of shares	Percentage	Passport (if foreigner)
Members							
		FAZEEL BIN TARIQ	HOUSE NO. 71-G PHASE NO 05 DEFENCE HO	Pakistan	7531334		352010324561
		MUHAMMAD MUBEEN TARIQ MUGHAL	HOUSE NO. 71-G PHASE NO 05 DEFENCE HO	Pakistan	16700		3520102214555
		FAHAD JAWAD	HOUSE NO. 130-F STREET NO 05 PHASE	Pakistan	7498000		3520240252811
		JAMSHED IZBAL	HOUSE NO. 81-E PHASE V DEFENCE HC	Pakistan	15047033		3520121761017
		KHURAM JAWAD	HOUSE NO. 130-F STREET NO 05 PHASE	Pakistan	7538033		3520297508717
		MUHAMMAD WALFED BIN TARIQ MUGHAL	HOUSE NO. 71-G PHASE NO 05 DEFENCE HO	Pakistan	7498000		3520120334061
		MUHAMMAD MATHEEN JAMSHED	HOUSE NO. 81-E PHASE V DEFENCE HC	Pakistan	1000		3520115969801
		MIRZA JAVED IQBAL	HOUSE NO. 130-F STREET NO 05 PHASE	Pakistan	10000		3520297612267
Debenture Holders							

In case the member or debenture holder is holding shares or debentures on behalf of other person(s), the name of such other person(s) shall be mentioned in parentheses along with the name of the member or debenture holder

Previous Page

Next Page

2.18 Transfer of shares (debentures) since last Form A was made

S#	Name of Transferor	Name of Transferee	No of Shares Transferred	Date of Registration of transfer
Members				
1	JAMSHED IQBAL	MUHAMMAD MATEEN JAMSHED	1000	24-01/2022
Debenture Holders				

PART-3

3.1 Declaration:

I do hereby solemnly, and sincerely declare, that the information provided in the form is:

- (i) true and correct to the best of my knowledge in consonance with the record as maintained by the Company and nothing has been concealed; and
 (ii) hereby reported after complying with and fulfilling all requirements under the relevant provisions of law, rules, regulations, directives, circulars and notifications whichever is applicable.

3.2 Name of Authorized Officer with designation/ Authorized Intermediary

JAMSHED IQBAL

Director:

3.3 Signatures

Electronically signed by JAMSHED IQBAL

3.4 Registration No of Authorized Intermediary, if applicable

Day Month Year

3.5 Date

03/11/2022

Previous Page

Next Page



Digital Certified True Copy
This is a digital certified copy of the original document.
It is not valid for any legal or official purpose.
It is not a certified copy issued through the portal launched by the SSCP.

THIS IS DIGITAL CERTIFIED COPY AND NEEDS NO STAMP/SIGNATURE. CTC ISSUED DATE : 13-01-2023 (VALIDITY 01 MONTH)

Detail of
Information Pertaining to the Company/Licensee and Its
Generation Facility/Thermal Power Plant/

(A). General Information

(i).	Name of the Company/ Licensee	Mughal Energy Limited
(ii).	Registered/Business Office of the Company	31 Shadman -1 Colony, Lahore, Pakistan
(iii).	Location of the Generation Facility/Thermal Power Plant	17 KM Sheikhpura Road, Lahore
(iv).	Type of Generation Facility/Thermal Power Plant	Thermal Generation Facility

(B). Plant Configuration

(i).	Installed Capacity/ Size the Generation Facility/ Coal Power Plant	36.50 MW	
(ii).	Type of Technology of the Generation Facility/ Coal Power Plant	Circulating Fluidized Bed Boiler (Subcritical Steam Parameters) and Steam Turbine Thermal Generation Facility	
(iii).	Number of Units/Size (MW)	1 x 31.50 MW + 1 x 5.00 MW	
(iv).	Unit Make/Model & Year of Manufacture	Steam Turbine	Siemens/General Electric/TGM Kanis Turbinen GmbH/Alstom/Skoda/ or Equivalent
		Boiler	Sulzer Switzerland/ Foster Wheeler/ Andritz AG/or Equivalent
(v).	Expected COD of the Generation Facility/ Coal Power Plant	July 01, 2024	

(C). Fuel/Raw Material Details

(i).	Primary Fuel	Imported Coal or Local Coal of equivalent specification	
(ii).	Start-Up Fuel	RFO	
(iii).	Fuel Source for each of the above (i.e. Imported/Indigenous)	Primary Fuel	Start-Up Fuel
		Imported Sub-Bituminous Coal from the countries surrounding Indian Ocean, i.e. Indonesia, South Africa, Botswana or Australia, etc./Local Coal within the country from any available source	Indigenous/Imported
(iv).	Fuel Supplier for each of the above	Primary Fuel	Start-Up Fuel
		Will be provided later	Shell Pakistan/Pakistan State Oil/Any other OMC Company
(v).	Supply Arrangement for each of the above Fuels	Primary Fuel	Start-Up Fuel
		Trucks/ Conveyors/ Stacker	Through Oil Tankers
(vi).	No of Storage Bunkers/Tanks/ Open Yard	Primary Fuel	Start-Up Fuel
		Primary coal yard Secondary coal yard	1
(vii).	Storage Capacity of Sheds/Open yard/ Tanks Etc.	Primary Fuel	Start-Up Fuel
		2 x 9000 Ton	500 Tons
(ix).	Gross Storage	Primary Fuel	Start-Up Fuel
		18000 Ton	500 Tons

(D). Emission Values

		Primary Fuel	Start-Up Fuel
(i).	SO _x (mg/Nm ³)	1700 mg/Nm ³	As Per National Standards (NEQs)
(ii).	NO _x (mg/Nm ³)	1200 mg/Nm ³	-do-
(iii).	CO ₂ (%)	1000 mg/Nm ³	-do-
(iv).	CO (mg/Nm ³)	800 mg/Nm ³	-do-
(v).	PM ₁₀	500 mg/Nm ³	-do-

(E). Cooling System

(i).	Cooling Source/Cycle	Water	Wells at the site will be used as a source of the raw water for the generation facility/Thermal Power Plant/Closed Cycle
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(F). Plant Characteristics

(i).	Generation Voltage	11 Kv
(ii).	Frequency	50 Hz
(iii).	Power Factor	0.85
(iv).	Automatic Generation Control (AGC) (MW control is the general practice)	No
(v).	Ramping Rate (MW/min)	Will be provided later
(vi).	Time required to Synchronize to Grid (Hrs.)	Will be provided later

Information
Regarding Consumer(s)/ BPC(s) to be Supplied by
the Licensee i.e. MEL

(i).	Location of Consumers/Bulk Power Consumer(s)/BPC(S)		BPC-I	BPC-II	BPC-III
			Mughal Iron and Steel Industries Limited- MI&SIL	Mughal Steel Metallurgies Corporation Limited- MSMCL	Indus Steel Mills Corporation (Pvt.) Limited- ISMCPL
(ii).	Location of consumers (distance and/or identity of premises)		17-Km on Lahore-Sheikhupura Road Tehsil & District Sheikhupura in the Province of Punjab		
(iii).	Contracted Capacity		BPC-I	BPC-II	BPC-III
			22.50 MW	04.50 MW	04.50 MW
(iv).	Specify Whether:				
	(a).	The consumer is an Associate undertaking of the Licensee - If yes, specify percentage ownership of equity;	MEL and the BPC(S) are associated companies of the Mughal Steel Limited.		
	(b).	There are common directorships:	Currently, there are some common directors of MEL and BPC(S).		
	(c).	Either can exercise influence or control over the other.	Yes		
(v).	Specify nature of contractual Relationship				
	(a).	Between the consumer and the Licensee	MEL will construct, own and operate the generation facility and provide electric power to BPC(S).		
	(b).	Consumer and DISCO	BPC-I	BPC-II	BPC-III
			B-4 Consumer	B-3 Consumer	B-3 Consumer

Information
Regarding Distribution Network for Supply of
Electric Power to BPC(S)

Sr. No.	Description		BPC-I	BPC-II	BPC-III
(i).	No. of Feeders		Three (03)	One (01)	One (01)
(ii).	Length of Each Feeder (Meter)		100-150 m	100-150 m	100-150 m
(iii).	Length of Each Feeder to each unit of the Licensee and its each Bulk Power Consumer				
(iv).	In respect of all the Feeders, describe the property (streets, farms, Agri land, etc.) through, under or over which they pass right up to the premises of customer, whether they cross-over.		The 11 kV feeders supplying power to the BPC(S) are mainly located on private property however, all the feeders crosses a public property of road.		
(v).	Whether owned by Licensee, Consumer or DISCO-(deal with each Feeder Separately)				
	(a).	If owned by DISCO, particulars of contractual arrangement	The Feeders/Underground cables will be constructed by the Licensee or BPC(S) and will be handed over to DISCO either through sale or lease as decided mutually by the parties (i.e. Licensee/MEL, BPC(S) and LESCO)		
	(b).	Operation and maintenance responsibility for each feeder	Mutually agreed terms and conditions to be decided/agreed by the parties (i.e. Licensee/MEL, BPC(S) and LESCO)		

AL-KAHURBAA

System & Service Provider

Coal-Fired Thermal Hybrid Power Generation Plant [36.5MW]

Technical Assumption Confirmation

Technical Feasibility Report (visual)

M/S. KHUGHAL ENERGY LIMITED

Located at 17- Km Sheikhupura Road, Lahore



Flat # 1, Sharif Complex, Main Market, Gulberg-II, Lahore, Pakistan

Tel: - +9242 3575 2327 Mobile: - +92300 847 8369 Email: - kahurbaa@gmail.com

Coal-Fired Thermal Hybrid Power Generation Plant having capacity [36.5MW]

M/S Mughal Energy Limited, 17-Km Sheikhpura Road, Lahore

Visual Inspection of Hybrid Power Plant of 36.5 MW including all auxiliary and composite machinery such as Boiler set, Turbines, STG, ESP and other equipment has been carried out illustrated as given below,

Coal-Fired thermal Hybrid power generation plant, Boiler with steam turbine condensing type consist of several main components that work together to generate electricity efficiently. Detailed visual examination of used power plant indicates that it is of sound serviceable life manufacture of main equipment including start- up boiler main boiler, STG set, water cooling systems, and other composite and Auxiliaries plant machinery & equipment are available to operate for the next 10 years providing that it is operated & maintained according to manufacturer specification.

1- Main Components / Specification of Power Plant:

1.1- Boiler [Super critical main boiler]

Make: SULZER
Serial No: 15905
Steam: 120 tons/Hour
Pressure: 149 Bar
Temperature: 535 ° C

1.2- Auxiliary Boiler / Start-up Boiler

Make: Standard Kessel Germany
Serial No: 6 N 89825514
Mfg. No: 21354
Steam: 39.996 Ton/Hour
Pressure: 24.51 Bar
Temperature: 108 ° C



1.3- Steam Turbines [Booster Turbine]

Capacity: 4.85 Mwe
Make: Siemens
Serial No: 68170-400
Type: DGX E 3510
Steam pressure: 145 Bar
Temperature: 535 ° C
Extraction: 75 Bar

1.4- TGM Kanins Turbine [Extraction condensing]

Capacity: 30.69 Mwe
Fabrication: K 19018
Type: CTE 50
Steam pressure: 73 Bar
Temperature: 525° C
Extraction: 2.7 Bar

1.5- Gen. Electro Generator

Type: IEC 60076-11
Model: 710L14
Serial No.: FN 34376

1.6- Synchronous AC Generators

Serial No: P-141302-10
Model: IEC 60034
Frame: A 183 D4

1.7- Condenser

1.8- Cooling System

1.9- Condensate Extraction Pump

1.10- Feed water Pump

1.11- Steam Condensate and Cooling Water System

1.12- Raw Water Treatment Unit

1.13- Electrical & Instrumentation System

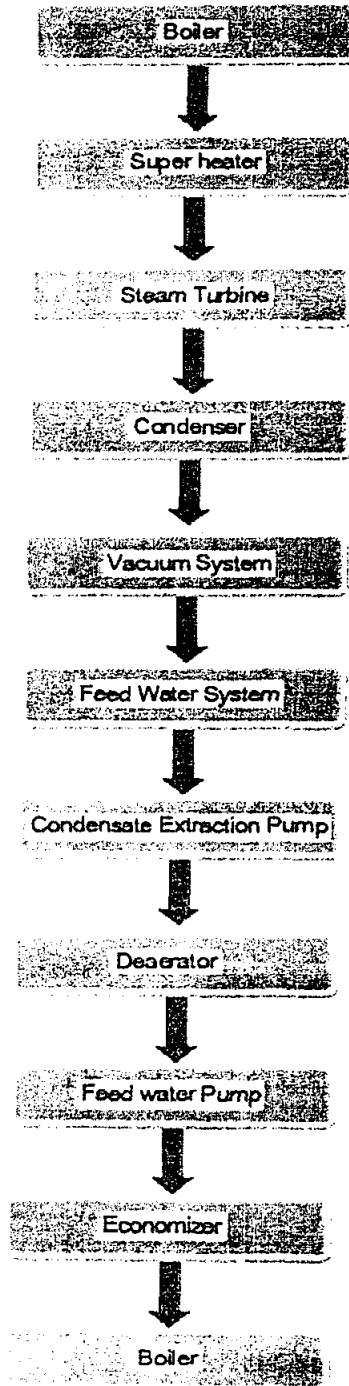
1.14- Protection and Monitoring system

2- Steam Flow and Feed Water System:

In a steam turbine condensing type power generation plant, the steam flow and feed water system work together to ensure the efficient operation of the power plant. Simplified flowchart page-5 showing steam flow and feed water cycle.



Steam & feed water system Flow Chart



3- Gas Temperature after Combustion Chamber Outlet:

The gas temperature after the combustion chamber outlet = 1170 ° C
[Reference SULZER Boiler Operating Data]

4-Temperature Distribution at the Super Heater Outlet:

- I. Temperature after super heater outlet = 535 ° C
 - II. Temperature at TG 5 = 533 ° C
 - III. Temperature at TG 6 = 523 ° C
- [Reference Heat Balance diagram ANNEX-004-HBD-NOM]

5- Summary of Efficiencies:

Following efficiencies are commonly used to evaluate the performance and effectiveness of the power plant:

1. Operation Mode Normal [Annual Average Climatic condition]
 - A- Plant Thermal Efficiency, Gross: 35.68%
 - B- Estimated Thermal Efficiency, Net: 31.51%
2. Operation Mode Summer [Annual Max. Ambient Temperature]
 - C- Plant Thermal Efficiency, Gross: 34.14%
 - D- Estimated Thermal Efficiency, Net: 29.98%
3. Operation Mode Winter [Annual Min. Ambient Temperature]
 - E- Plant Thermal Efficiency, Gross: 35.62%
 - F- Estimated Thermal Efficiency, Net: 31.46%

[Reference GE Energy report in cooperation with Electric power research institute EPRI]

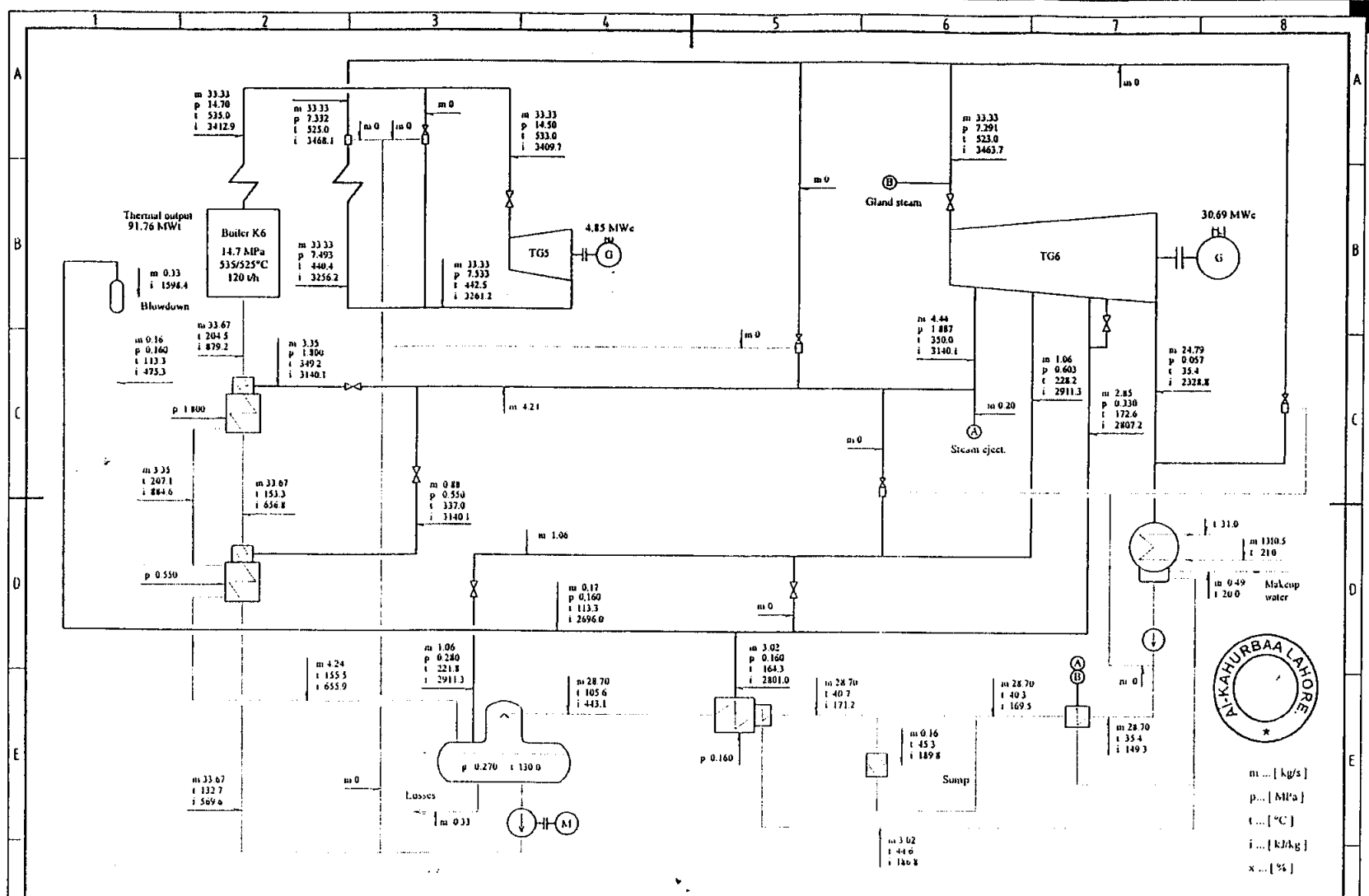
6- Image Structure of Sulzer Boiler:

Image structure of Sulzer Boiler shall be provided later

7- Operation Data of Sulzer Boiler:

Operation data of Sulzer Boiler is attached
[Reference pdf file: Provoz a údržba (Betriebsdaten) (1)]

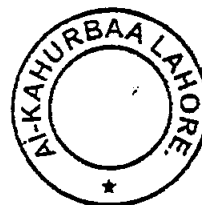




MUGHAL DESIGNER: ENRHO PROJECT PHARA Main Dep: 2505 Proj. Dep: 2537		Date: 03/2021 Job number: 11-05576-38-001 Degree of proj.: File:	Designed by: Ing. Wadwa Checked by: Ing. Visk Head proj. dep.: Ing. Pakt Project Man.: Ing. Guwino	Const-oper unit: Mughal Energy 36.5 MW LPPF Retraction to Lahore Job title: Pre-draft Basic Design by Oct. 2021 Drawing title: Heat Balance Diagram, Operation mode Winter Cooling water temperature 21°C (minimal)	Scale: Site: A3 / 2x44 Archive number:	Cancel. sym: Serial No.: Sheet:	Date: Repaired by: EGP
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A3/2A4 (297x420)

1. operational data
- 3.1 boiler
 - 3.2 fuels
 - 3.3 Money With supplementary fuels
 - 3.4 sootblower system
 - 3.5 steam luvo
 - 3.6 fresh air fan
 - 3.7 induced draft fan
 - 3.8 regenerative luvo
 - 3.9 pulverized coal fire G
 - 3.10 raw coal feed
 - 3.11 mills
 - 3.12 mill air blower
 - 3.13 SW pumps
 - 3.14 dust collector (E- Filter)
 - 3.15 rad demand
 - 3.16 larks - and sludge mixing plant
 - 3.17 scratch - de-asher



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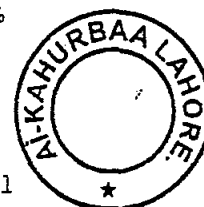
3. Betriebsdaten

3.1 Kessel

HD-Dampfstrom	120 t/h
HD-Frischdampfdruck	149 bar
HD-Frischdampf Temperatur (above 60% Load)	535 °C
reheater steam flow	approx.
steam pressure	111 t/h
steam	73/71
temperature	okay
	415/5 15 okay
drum overpressure	163 bar
saturated steam temperature	349 °C
approval overprint	173 bar
feed water before Eco	200 °C
feedwater flow	approx. 114 t/h
injection 1	approx. 4.0 t/h
injection 2	approx. 3.0 t/h
blowdown	approx. 1 t/h
area of auto. Scheme for pure coal operation	100-40 %

3.2 Fuels

Design fuel for determination of efficiency	Hard coal Ruhr/Saar
lower Calorific value	28, 0 MJ/kg
Ash content Water	8th %
content Sulfur content	9 %
Voluntary components (waf) ash	0.6 %
softening point min.	30 %
heating oil:	1150 °C
Gas for ignition	
Supplementary fuels	heating oil S acc. DIN 51603 Propane Gas



Dept. 0333- 3
01

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2

3IBK0610 .



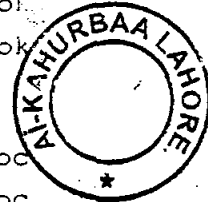
SULZER

3. OPERATING DATA

1) bark water	60 t/d = 2.5 t/h
content	Max. 70 %
calorific value raw	6.28 MJ/kg (1500 kcal/kg)
2) waste sludge out	32 t/d = 1.33 t/h
papermaking water	72 %
content raw	40 - 50 %
incombustible	2.92 MJ/kg (700 kcal/kg)
calorific value raw	
3) Operating case (wood etc)	1 ton/d - while Day shift
Calorific water content	8.37 MJ/kg (2000 kcal/kg)
	approx. 10 %

3.3 Data flir Operation: Money With auxiliary fuels

air volume before Luvo	43.8 kg/s
air volume after Windward	40.5 kg/s
amount of flue gas before Luvo	46.7 kg/s
Exhaust amount	50.0 kg/s
Lufttemperatur vor Dampfhuvo	15 - 25 °C
Lufttemperatur vor Luvo	25 °C
Lufttemperatur vor Brenner	290 °C
Rauchgastemperaturen:	
nach Brennkammer	1170 °C
nach Schottenliberhitzer	1030 °C
nach Endliberhitzer	890 °C
nach Zwischenliberhitzer	740 °C
nach Vorliberhitzer	460 °C
nach Eco	360 °C
exhaust	140 °C
efficiency With Money alone	92.3 %
exhaust loss	5.6 %
radiation loss	0.6 %



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Firing loss Various	1, 5 %
losses Ambient	
temperature Lower	25 °C
heating value Fuel	28000 kJ/kg
quantity (coal)	approx. 13 t/h

3.4 sootblower system (Bergemann)

Blowing	medium superheater steam
vapor pressure	35 bar
installation	between
bundles of feed blower type	out lance screw
gun	

3.5 Steam windward:

allowed _ operating	160 °C
temperature medium	steam
allowed operating pressure	3 bar

3.6 fresh air fan (Rothemihle) :

number	1
design	radial
control	twist

3.7 suction fan (Red Hemtiple) :

number	1
design	radial
control	twist



3.8 regenerative luvo (Red Hemtiple) :

Gas volume before	windward
windward Gas volume	
after windward Air	
volume after	

44.1 kg/s

46.3 kg/s

49.7 kg / s

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3

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Sheet
No.: 4

3IBK/610.01



Luvo Gas temperature	362 °C
after Luvo air	140 °C
temperature before Luvo	25 °C
air temperature to	290 °C
windward	

3.9 pulverized coal firing

burner type	combined coal dust
	Oil vortex burner
Muffle diameter (dust burner)	approx. 795 mm
required Pressure difference for the burners	approx. 35 mbar
of burners	6 Piece
number the layers	3 Piece

3.10 raw coal task

	M... - ow. 050
	3 piece
Trough chain conveyor	approx. 6 t/h
type number	
Max. performance	

3.11 Mishlen

	ball mill
Type mill	EM
entype number	3 piece
performance ever mill (100% mill load)	approx. 6,800
kg/h with coal Hu=28.00 KJ/kg	

3.12 mill air blower

Design	radial fan
Number Flow	3 Piece
rate	approx. 5 m ³ / s
Temperature	273 °C



number of
Sheet: 6

5

3IBK/610.01



3.13 SW pumps

Type	MS 125 x 15
number	2
Operating	flow rate 150 t/h
operating pressure max	186 bar

3.14 dust collector

Fa. Research -Cottrell	
amount	149000 Nm ³ /h
Temperature	160°C
Dedusting	degree 98.94 %

3.15 mud requirement

Putzmeister

3.16 barks - and mud mixing plants

Lodige	
Type	KM 600 DW
Motor	power 15 (kW)

3.17 scratch - Entasher

Fa. Steinmüller	
Type: wet deslagger	
engine power	5, 5 (kW)





MUGHAL ENERGY LIMITED

Under Regulation 3(h)

Subject: Statement regarding Applicant has never been refused grant of any license under the Act

Dear Sir/Madam,

I, Khurram Javaid son of Mirza Javaid Iqbal sult, resident of House No. 130-F, Street No. 05, Phase-V, Defence Housing Authority (DHA), Lahore and holding CNIC No. 35202-9750871-7 do hereby state on solemn affirmation as under: -

- Mughal Energy Limited (Applicant) has never been refused by the NEPRA authority any license before.

Khurram Javaid
Chief Executive Officer
Mughal Energy Limited





MUGHAL ENERGY LIMITED

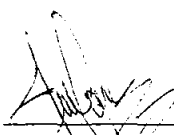
ABSTRACT OF RESOLUTIONS PASSED AT THE BOARD MEETING
OF MUGHAL ENERGY LIMITED HELD ON APRIL 17, 2023 AT 31-A,
SHADMAN - 1, LAHORE.

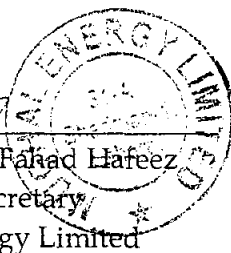
"RESOLVED that the Company is hereby authorized to apply for the License of Electric Power Supply with the National Electric Power Regulatory Authority (NEPRA)".

"RESOLVE FURTHER that Mr. Khurram Javaid having CNIC # 35202-9750871-7 hereby authorize, to apply license with NEPRA on behalf of the Company to execute all documents relating thereto and assignments or any other document or documents required by authorities, on behalf of the Company, and agree that any document(s) or undertaking hereto or hereafter so executed on behalf of the Company shall be as binding on the Company as executed by the director individually."

CERTIFIED TRUE COPY

We hereby certify that the above resolutions were duly passed by the Board of Directors of the Company in its meeting held on April 17, 2023 and the same has been entered in the minutes book of the company in accordance with the Articles of Association of the company and that the above resolutions are valid and in effect on the date specified herein below.


Muhammad Falaad Hafeez
Company Secretary
Mughal Energy Limited



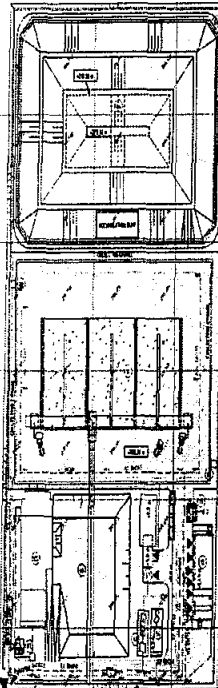
As per Schedule III of SR.O. 760 (1)12021 dated June 17, 2021 documents required for Electric Power Supply are described in this Schedule.

1. *Relevant Feeder Maps, number of consumers and expected load: The relevant feeder maps is mentioned below. Further we have four consumer namely*

- 1) *"Mughal Iron & Steel Industries Limited".*
- 2) *"Indus Steel Mills Corporation (Pvt.) Limited"*
- 3) *"Indus Engineering (SMC-Pvt.) Limited"*
- 4) *"Mughal Steel Metallurgies Corporation Pvt. Limited"*

MUGHAL ENERGY LIMITED - COAL-FIRED POWER PLANT

Coal-fired Power Plant
36.5 MW
1:1000



Legend

- New Object
- Road Construction - Asphaltic Concrete
- Road Construction - Concrete
- Hard Surfaces - Pavement
- Greenery
- Green Surfaces
- Concrete Surfaces
- Coal Storage
- Existing Road
- Existing Edge, Foundations
- Coal Storage Wall
- Fencing
- Elevation above Sea Level
- Building Height
- Ground Clearance (Pipe Bridges)
- Truck and Administrative Gates
- Vehicle Entrances to Buildings
- Pedestrian Entrances to Buildings
- Pipe Bridges
- Cooling Water Piping
- Make-up Cooling Water
- Raw Water Distribution System
- Drinking Water Distribution System
- Fire Fighting Water Distribution System
- Sewage Drainage System
- Sanitary Waste Water System
- Oil Water System
- Cool Dust Water System
- Collecting Channel
- Separators of Oil Substances

List of CO

Code	Description
CO1	Coal Storage and Processing
CO2	Coal Handling System
CO3	Conveyer for Storage and Coal Handling Level Road
CO4	Coal Pumping Station
CO5	Water Pump
CO6	Water Pump
CO7	Water Pump and Transformer
CO8	Water Pump
CO9	Water Pump
CO10	Water Pump
CO11	Water Pump
CO12	Water Pump
CO13	Water Pump
CO14	Water Pump
CO15	Water Pump
CO16	Water Pump
CO17	Water Pump
CO18	Water Pump
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CO100	Water Pump

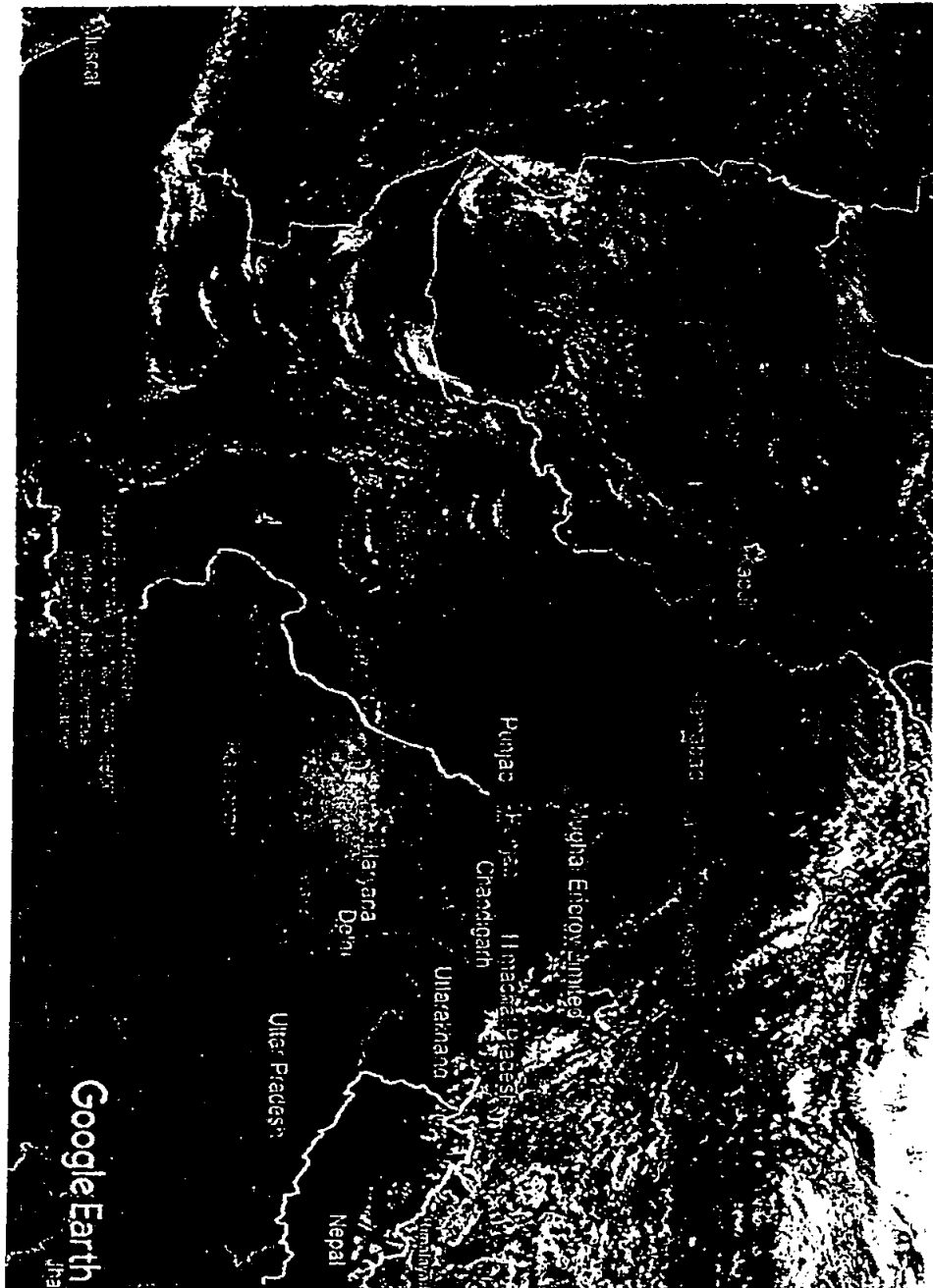


10,000 m = 209.45 m a.s.l.
+205.20 m a.s.l. - Final Landscaping Altitude Power Plant Area
+205.30 m a.s.l. - Final Landscaping Altitude Coal Storage Area

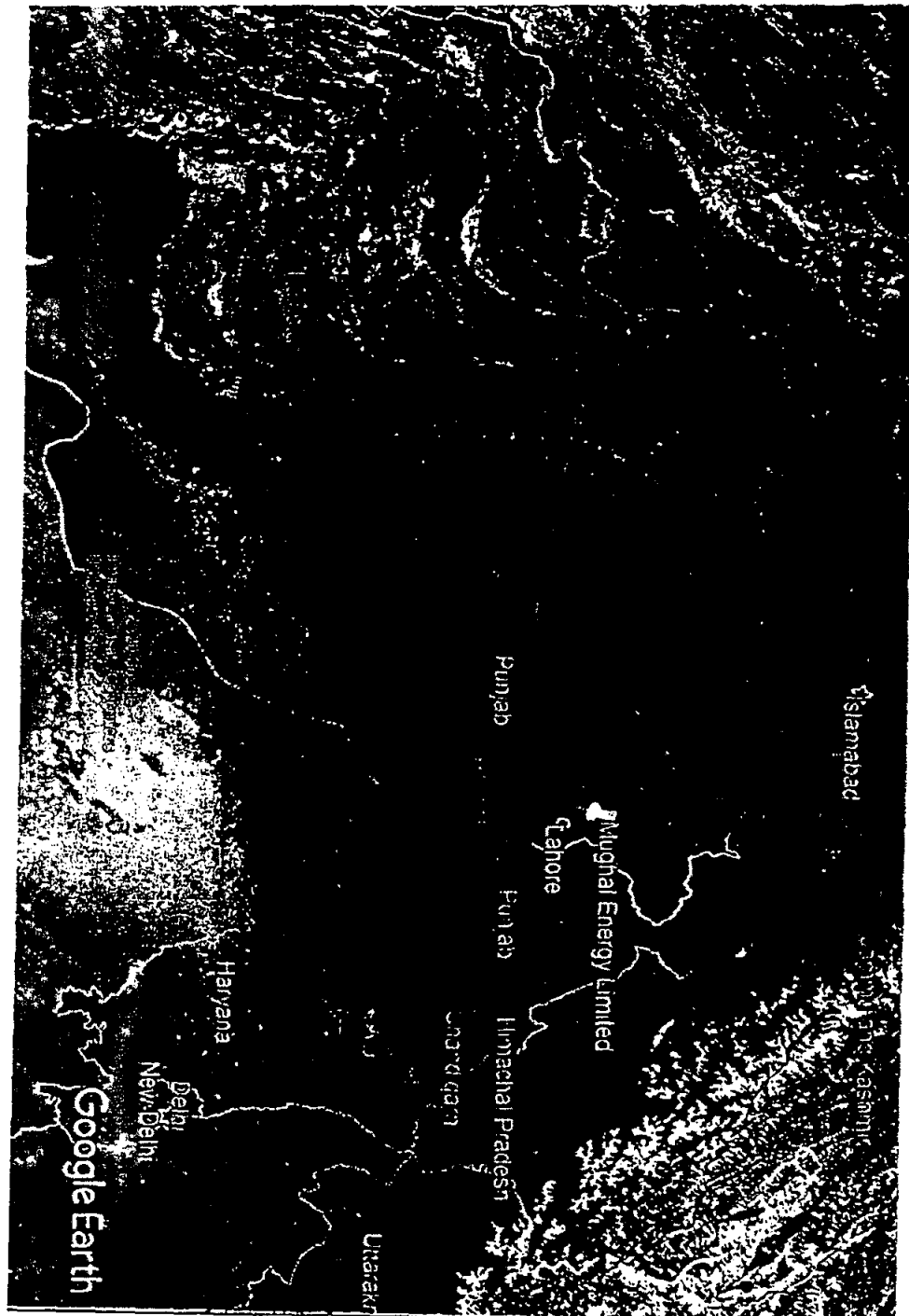
PRE-DRAFT BD by Oct 2021

MUGHAL ENERGY LIMITED		Project Name	
Coal-fired Power Plant		36.5 MW	
Project Location		Project Scale	
1:1000		1:1000	
Project Status		Project Date	
Pre-Draft		Oct 2021	
Project Manager		Project Engineer	
M. J. Khan		M. J. Khan	
Project No.		Project No.	
ME-2021-001		ME-2021-001	
Project Type		Project Type	
Coal-fired Power Plant		Coal-fired Power Plant	
Project Status		Project Status	
Pre-Draft		Pre-Draft	
Project Manager		Project Engineer	
M. J. Khan		M. J. Khan	
Project No.		Project No.	
ME-2021-001		ME-2021-001	
Project Type		Project Type	
Coal-fired Power Plant		Coal-fired Power Plant	

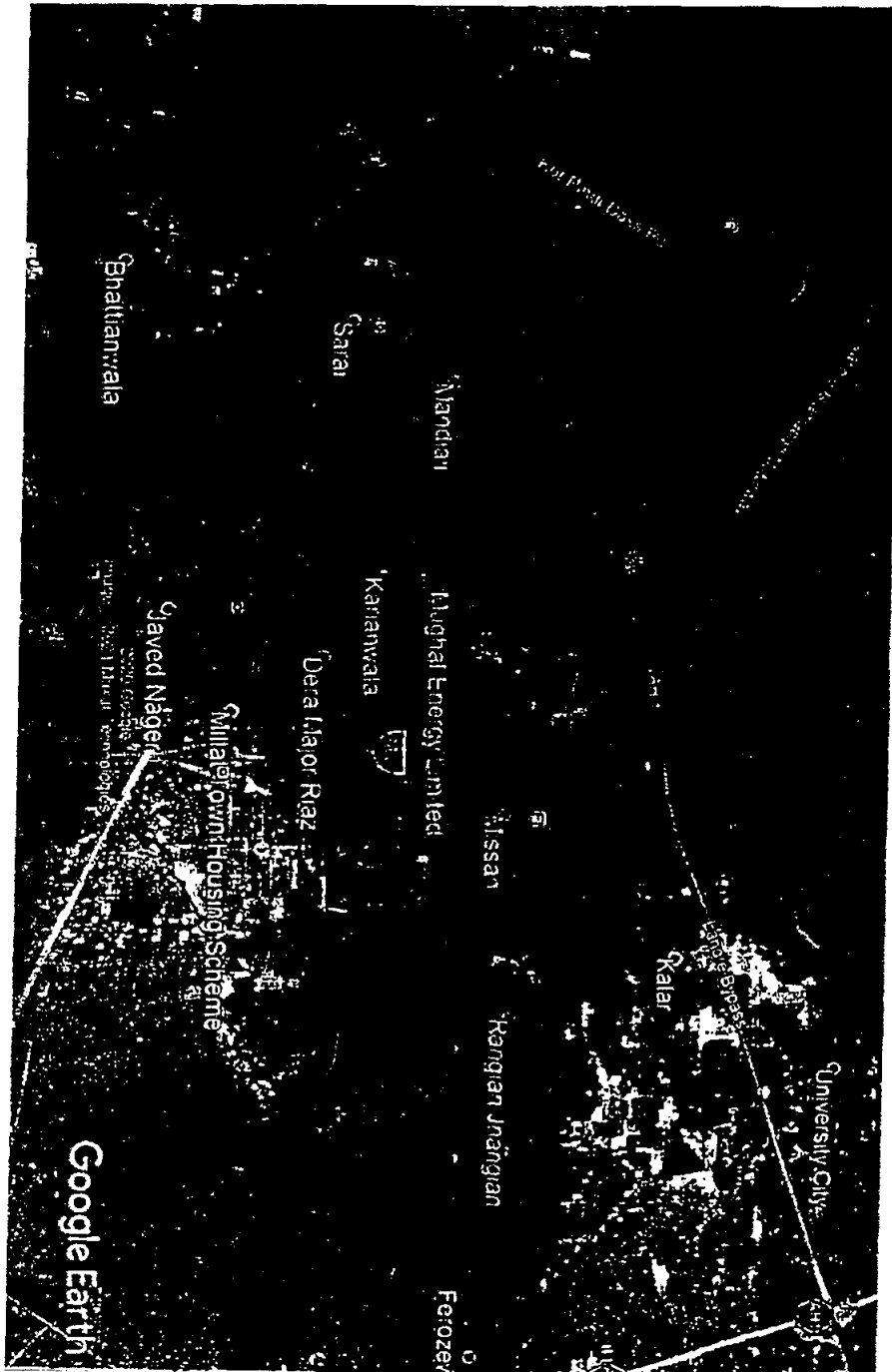
Location of the
Generation Facility/Thermal Power Plant
of the Licensee on Map of Pakistan



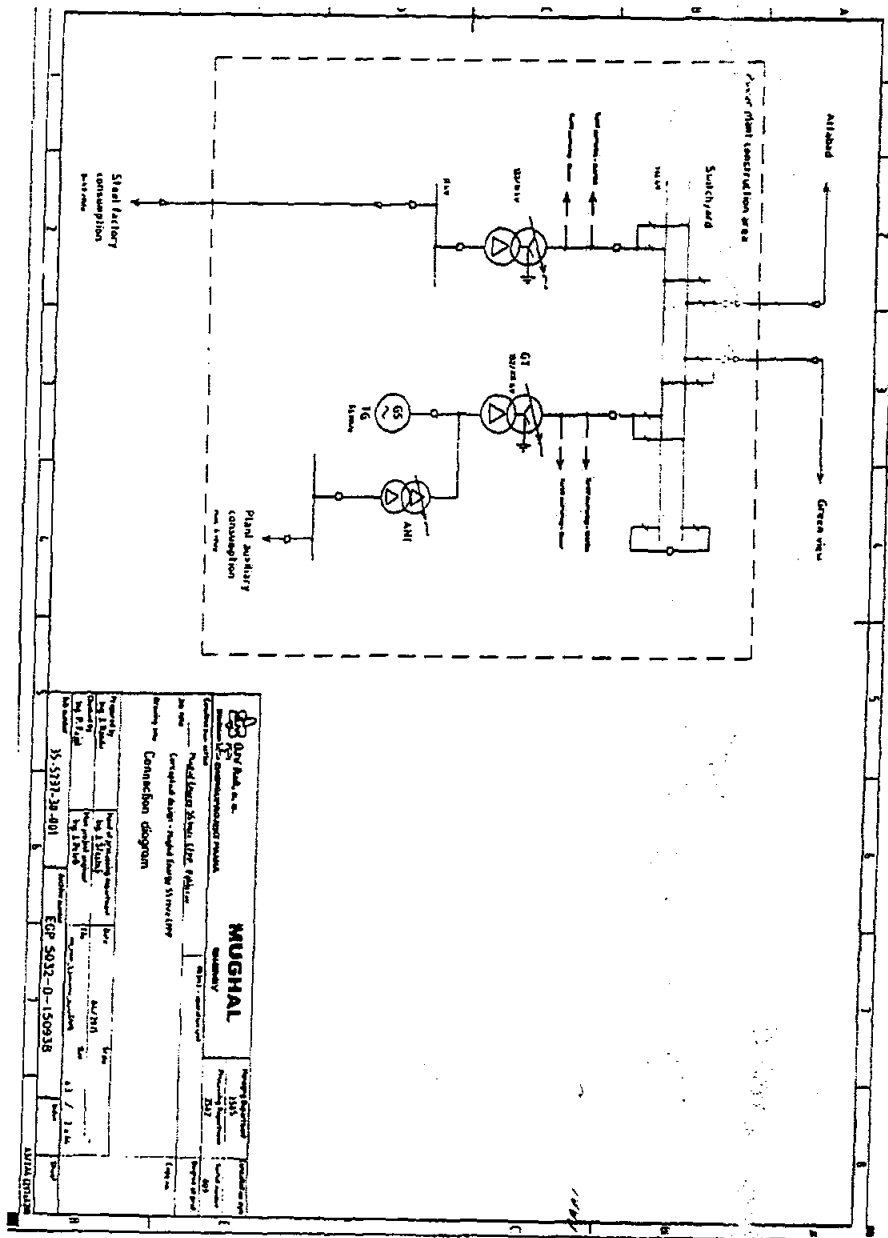
Location of the
Generation Facility/Thermal Power Plant
of the Licensee on Map of Province of Punjab



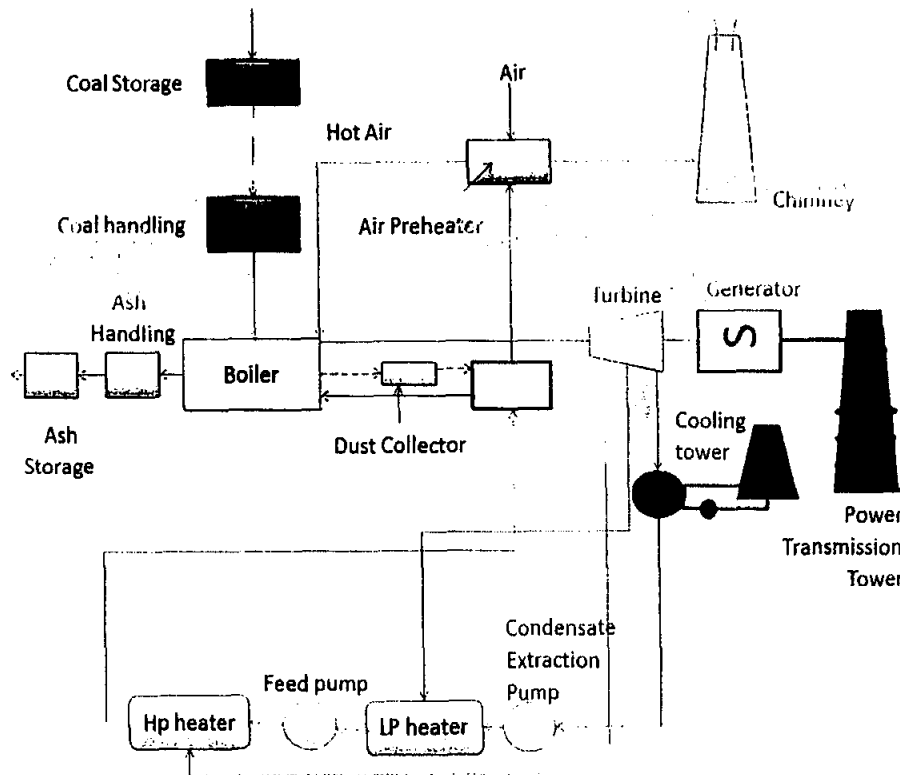
Location of the
Generation Facility/Thermal Power Plant
of the Licensee



Single Line Diagram
of the Generation Facility/ Land Coordinates of the
Generation Facility/ Thermal Power Plant
of the Licensee



Layout of the
Generation Facility/ Thermal Power Plant
of the Licensee



2. **Consumer Class/Category, Sub category on the basis of sanctioned load and voltage level:**
Consumer class/category is "B" and sub category is B4.
3. **Tariff categories of consumer classes to be served:** Tariff category of consumer class to be served is **"B4 Industrial"**.
4. **Demand and consumption pattern on different time period:** Electricity supply to BPC's is not yet started so demand and consumption pattern not available.
5. **Procurement Plan for meeting expected loads:** We have enough in house generation facility of 36.5 MW to meet demand of (1) "Mughal Iron & Steel Industries Limited (2) "Indus Steel Mills Corporation (Pvt.) Limited" (3) "Indus Engineering (Pvt-SMC) Limited" (4) Mughal Steel Metallurgies Corporation Pvt. Limited.
6. **12 Month projections on expected load, number of consumers and expected sale of units for each consumer category:** Projection on expected load of "Mughal Iron & Steel Industries Limited", "Indus Steel Mills Corporation (Pvt.) Limited" and "Indus Engineering (Pvt-SMC) Limited" yet not available.
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):**
Currently we do not have any specific plan regarding this because electricity is being provided through a single line and property where BPC's are operating is very close to our facility and this do not involve any outside area/property.
8. **Training and development procedures and manuals: (Annexure A).**
9. **Consumer service manual: (Annexure B)**
10. **Information relating to:**
 - **Proposed service territory:** Already shared in point number 1.
 - **Billing and collection procedures (including provisions for remote metering):** Remote Metering available at Power Plant. At the end of each month consumer are billed on the basis of actual consumption recorded by the meters installed at the Power Plant at the agreed price. Payment will

received in the name of "Mughal Energy Limited" through cross cheque.

- **Ability to access consumer metering systems and other services/equipment:** Available
- **Emergency provision and protocols:** (Annexure C)
- **Basis of common services for commercial and residential consumers and their allocation thereof:** We do not have commercial and residential consumers. We only have Industrial consumer.

Training & Development Program

(Annexure-A)

Purpose:

The Purpose of this program is to ensure and maintain the Organization workplace w.r.t Occupational health & Safety aspects and impacts through introducing and providing the Training & Development Programs to its employees, visitors, customers, and others stakeholders involved in any dealings or attached with system chain. Mughal Energy Limited bearing in mind the prevailing knowledge of the industry and specific hazards, providing a safe and healthy working environment by taking adequate steps to prevent accidents and injury. Maintaining harmless working environment for employees while optimizing cost and productivity is the major purpose of this program.

Scope:

The procedure is applicable in Mughal Energy Limited

Responsibility:

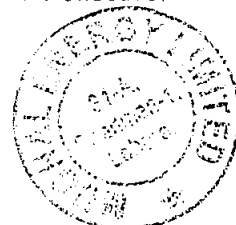
Manager HR & Admin Management Representative Head of Departments (Concerned) Chief Security Officer.

Policy:

It is company policy to provide knowledge of industry safe and healthy working environment to its employees and to take adequate steps to prevent accident and injury or any other loss of health.

PROCEDURE:

- In Mughal Energy Limited, it is ensured that workers have a safe, healthful and hazard free workplace where adequate preventive measures are taken to avoid health and safety hazards and accidents both in the short and long term.
- Workers are able to perform their functions through their adult lifetime without actual or latent occupational health damages.
- Management is responsible for workplace condition and therefore, for ensuring that worker training and the overall occupational health and safety program is effective.



At system levels following steps are taken:

- Health and safety posters, program and work instructions, emergency exits covering accident and emergencies that could arise. These work instructions are disseminated to all workers, including management, contract and permanent workers in Urdu and English languages.
- The management has assigned the responsibility of health and safety to Management Representative and Chief Security Officers who shall be accountable for the implementation of health and safety elements of this standard.
- There are clearly assigned health and safety responsibility with documentation of accountability from, top management to supervisory level as well as the necessary resources to meet these responsibilities. Employee's involvement in activities having a significant effect on the health and safety.
- All trainings imparted during the working hours, not as an added task outside work.
- A consistent disciplinary system is applied to all employees (including managers and supervisors) who will disregard the rules.
- Accidents reports with written documentation and analysis of trends in injury/ illness experience and in hazards found are carried out with worker's involvement to identify pattern of problems and implement programs adjustments. Accident reports are complete and fully available to auditors, action taken to avoid reoccurrence is recorded.
- Personal equipment's are provided to workers at no cost and there are measures to ensure these are in use throughout the facility.
- National health and safety regulations are fulfilled by both middle and top management as well as employees are involved in the enforcement of the same.
- Annual health and safety program evaluations are done with written narrative reports, recommendations for program changes, action plans and verification purposes.



Safety Measures:

Following activities are carried out time to time ensures the health and safety:

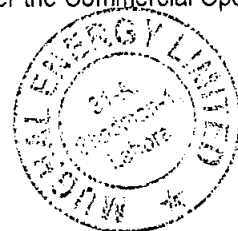
- Safety Switches are within easy reach of workers in case of machinery functions.
- Training and awareness programs take place regularly and properly recorded.
- Emergency Exits are clearly marked, aisles are unblocked and exit doors are unlocked.
- Adequate first aid supplies and trained first aid personnel are available on site to attend any accident. Doctor or medically competent personnel can be reached in case of emergencies and employees are trained to contact appropriate medical and emergency providers.
- Emergency exits and fire extinguisher systems are ensured. Fire drills take place after every three months. Workers have access to potable water and eating facilities and sanitary.
- Latrine facilities are hygienic, functional, and segregated as per local requirement and sufficient in number of the size of workforce.
- Ventilation and lighting, temperature control is adequate to prevent injury to health. Workers doing carriage job are provided with the safety gloves. Productive equipment's are freely available.



CONSUMER SERVICE MANUAL

Sale and Purchase of Energy & Capacity:

- (a) Subject to the terms of this Agreement (including the Technical Limits), from and after the Commercial Operations Date, the Company shall:
 - (i) make available to the Power Purchaser the Declared Available Capacity at the Contract Capacity (adjusted to then-prevailing Ambient Site Condition);
 - (ii) deliver and sell to the Power Purchaser at the Connection Point the Dispatched Net Electrical Output; and
 - (iii) provide to the Power Purchaser the Ancillary Services.
- (b) Subject to and in accordance with the terms of the PPA Agreement (including the Technical Limits), the Power Purchaser shall:
 - (i) from and after the Commercial Operations Date, pay to the Company for the Declared Available Capacity, the consideration described in PPA Agreement and determined in accordance with the provisions;
 - (ii) from and after the Commercial Operations Date take delivery of and pay to the Company for the Dispatched and Delivered Net Electrical Output, the consideration described in PPA Agreement and determined in accordance with the provisions described;
 - (iii) prior to the Commercial Operations Date take delivery of and pay to the Company for the Net Electrical Output generated by the Complex following synchronization of the Complex with the Electrical Energy System, the consideration described in PPA Agreement 8.7 and determined in accordance with the provisions described; and
 - (iv) from and after the Commercial Operations Date take delivery of and pay for the Net Electrical Output generated during Capacity Tests carried out under PPA Agreement, the consideration described in PPA Agreement and determined in accordance with the provisions.
- (c) For the avoidance of doubt, in no event shall the Power Purchaser have any obligation to pay for any electric energy produced by the Complex prior to the synchronization of the Complex with the Electrical Energy System or during any testing of the Complex not provided for in Article VIII after the Commercial Operations Date.



Power Purchaser's Exclusive Right to Energy and Capacity

Except to the extent that electric energy is required for the operation of any part of the Complex, the Company shall not, without the prior written approval of the Power Purchaser:

- (a) sell or deliver electric energy produced at the Complex to any Person other than the Power Purchaser; or
- (b) confer upon any Person other than the Power Purchaser any right in or to the Available Capacity.

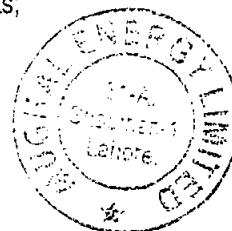
Construction of the Company Interconnection Facilities

- (a) The Company shall carry out or cause to be carried out the Company Interconnection Works with all proper skill and care and in all material respects in accordance with:
 - (i) this Agreement;
 - (ii) the Laws of Pakistan and the applicable Company Consents;
 - (iii) the Generation License, if applicable;
 - (iv) Prudent Utility Practices and Prudent Electrical Practices;
 - (v) Schedule 3; and
 - (vi) the design specifications of the Power Purchaser applicable at the relevant time (a copy of which shall be provided to the Company by the Power Purchaser in a reasonably timely manner), so that the Company Interconnection Facilities can be reasonably expected to provide a useful life of not less than the Term.
- (b) The design, scope and specification of the Company Interconnection Works are set out in Schedule 3. The Company shall give the Power Purchaser in the Construction Reports not less than thirty (30) Days' prior notice of the date from which it or its Contractor will commence the Company Interconnection Works and shall complete the Company Interconnection Works in accordance with the Interconnection Works Schedule. The Company shall procure (or shall cause its Contractor in respect of the Company Interconnection Works to procure) all Company Consents necessary for carrying out the Company Interconnection Works.

The Power Purchaser Interconnection Facilities

The Power Purchaser shall be responsible for the design, construction, financing, completion and commissioning of the Power Purchaser Interconnection Facilities in accordance with Schedule 3. The Power Purchaser shall carry out, or cause to be carried out, the Interconnection Facilities with all proper skill and care and in all material respects in accordance with:

- (i) this Agreement;
- (ii) the Laws of Pakistan and the applicable The Power Purchaser Consents;



- (iii) Prudent Utility Practices and Prudent Electrical Practices, so that the Power Purchaser Interconnection Facilities can be reasonably expected to provide a useful life of not less than the Term.

Data Necessary for Construction Power Purchaser Interconnection Facilities

Within three (3) Months after the execution of this Agreement, the Company shall provide to the Power Purchaser the information required in Schedule 3. Based upon this information, The Power Purchaser will design, construct and complete the Power Purchaser Interconnection Facilities within the time required by PPA Agreement 6.5. Within ten (10) Days of a request by Power Purchaser, the Company shall provide all additional information reasonably requested by Power Purchaser in connection with its completion of the Power Purchaser Interconnection Facilities. The Power Purchaser shall use such supplemented information in its final design of the Power Purchaser Interconnection Facilities. The timely provision by the Company of such supplemental or additional information shall not modify the obligation of the Power Purchaser to complete the Power Purchaser Interconnection Works as required herein.

Granting of Easements and Right-of-Way

- (a) If required, the Company shall grant to the Power Purchaser for the duration of the Term easements and rights of way across the Site reasonably necessary to carry out and complete the Power Purchaser Interconnection Works and to operate, maintain, replace and/or remove the Power Purchaser Interconnection Facilities. The easements shall grant to Power Purchaser continuing rights adequate for the purposes set forth in this PPA Agreement enter the Site subject only to Power Purchaser giving prior notice to the Company. Upon request by the Power Purchaser, the Company shall execute such easements, right of way, licenses and other documents, each in recordable form, as the Power Purchaser may reasonably require to record any and all of the above rights. Consideration for such rights shall be the execution of this Agreement and no other consideration shall be required. Revocable licenses and easements, if any, granted to Power Purchaser pursuant to this PPA Agreement 6.4 shall include such reasonable further term, not to exceed one hundred and twenty (120) Days beyond the Term, to allow Power Purchaser to remove the Power Purchaser Interconnection Facilities. When on Site Power Purchaser shall comply with all reasonable instructions of the Company and its Contractors relating to the carrying out of any work on the Site and, notwithstanding any other provision in this Agreement to the contrary, Power Purchaser shall indemnify and hold the Company and the Contractors harmless from any loss or damage sustained on account of the Power Purchaser's negligence or willful misconduct in the exercise of rights pursuant to this PPA Agreement 6.4, but only to the extent that such loss or damage is not covered by insurance.
- (b) Except as provided in PPA Agreement 6.4(a), the Power Purchaser shall be responsible for obtaining all right-of-way, easements and other real or personal property interests necessary to construct, complete, operate and maintain the Power Purchaser Interconnection Facilities during the Term.



Construction and Completion of the Power Purchaser Interconnection Facilities

(a) On or after the date of execution of this Agreement, the Company shall give to the Power Purchaser not less than [two (2) months] prior written notice of the Scheduled Commercial Operations Date then anticipated by the Company. Following the receipt of such notice, Power Purchaser shall commence the final design of the Power Purchaser Interconnection Facilities. Thereafter, Power Purchaser shall give the Company and the Power Purchaser reports on the progress of the Power Purchaser Interconnection Works as appropriate until the same are completed. Power Purchaser shall complete the Power Purchaser Interconnection Works and be able to absorb into the Electrical Energy System electrical power generated by the Complex as is necessary to enable the Company to carry out the pre-commissioning of the Complex and the Commissioning Tests no later than sixty (60) Days prior to the Synchronization Date of the first Unit which is anticipated to be [_____] ("Scheduled Commercial Operations Date"); provided, however, that such completion date shall be extended on a Day-for-Day basis for any changes in the Scheduled Commercial Operations Date and to the extent necessary because of the occurrence of any of the following:

- (i) the failure by the Company to execute, in sufficient time for Power Purchaser to complete the Power Purchaser Interconnection Facilities, such easements, rights-of way, licenses and other documents, each in recordable form, as Power Purchaser may reasonably require to record the deeds, easements, rights-of-way and licenses granted pursuant to PPA Agreement 6.4;
- (ii) the failure by the Company to provide Power Purchaser, on a timely basis, with any technical data not included in Schedule 3 available to the Company and requested by Power Purchaser relating to the Complex reasonably necessary for Power Purchaser to undertake the design, construction, installation, commissioning, maintenance and operation of the Power Purchaser Interconnection Facilities;
- (iii) a Force Majeure Event (excluding PPFME and CLFME) that materially and adversely affects the Power Purchaser's ability to perform its obligations in accordance with this Article VI;
- (iv) any other failure by the Company to perform in accordance with this Agreement that materially and adversely affects Power Purchaser's ability to perform its obligations in accordance with this Article VI;

provided, however, that no extension shall be granted to the Power Purchaser to the extent that such failure or delay would have nevertheless been experienced by Power Purchaser.

(f) If the Power Purchaser has not completed, Commissioned and energized the Power Purchaser Interconnection Works by the date required in this PPA Agreement 6.5, as such date may be extended pursuant to this PPA Agreement 6.5, and such delay causes a delay in the Commissioning of the Complex, the Required Commercial Operations Date shall be extended Day-for-Day until the date on which the Power Purchaser Interconnection Works are completed. In addition, if Power Purchaser has not completed the Power



Purchaser Interconnection Works by the date which is fifteen (15) Days following such date, and such delay causes a delay in Commissioning of the Complex, as certified by the Engineer under PPA Agreement 8.3, then Power Purchaser shall pay to the Company, Monthly in arrears, (and prorated for any portion of a Month) an amount equal to the sum of (i) Carrying Costs, (ii) fifty percent (50%) of the "Insurance Component, (iii) fifty percent (50%) of the Fixed O&M (Foreign) Component, (iv) fifty percent (50%) of the Fixed O&M (Local) Component; and (v) the Return on Equity Component, of the Capacity Price as specified in the Tariff. For the purposes of calculating (ii), (iii), (iv), and (v), the Contract Capacity shall be deemed to be the Available Capacity. The Return on Equity during the extended construction period on account of such delay shall be accrued and payable through the updating of Reference Tariff Table 1 in Schedule 1 at the time of the Commercial Operations Date. Such payments shall commence on the Scheduled Commercial Operations Date prevailing immediately prior to such delay and shall continue until the earlier of (i) the end of a period equal to the period of delay in completing the Power Purchaser Interconnection Works and (ii) the completion of the first attempted Commissioning Tests (whether successfully completed or not); provided, however, that the payment of such amounts by Power Purchaser and extension of the Required Commercial Operations Date shall be subject to issuance by the Engineer of the Certificate of Readiness for Synchronization for the first Unit and a certification by the Engineer that the delay caused by Power Purchaser has caused the then scheduled Commissioning Tests to be delayed. Power Purchaser shall notify the Company and the Power Purchaser at the end of any such delay. In addition to the payments set out in this PPA Agreement above, if the delay by Power Purchaser in completing the Power Purchaser Interconnection Facilities continues beyond the sixtieth (60th) Day following the date of the issuance by the Engineer of the Certificate of Readiness for Synchronization for the first Unit and a simultaneous certification by the Engineer that the delay caused by Power Purchaser would likely cause the then scheduled Commissioning Tests to be delayed, Power Purchaser shall also be required to pay the principal debt payments when due under the Financing Documents; provided, that such principal debt paid by Power Purchaser under this PPA Agreement 6.5 shall be excluded in any determination or calculation of the Tariff at the Commercial Operation Date to be paid by the Power Purchaser hereunder. Such principal debt payment shall be due from Power Purchaser on the later of thirty (30) Days following receipt of an invoice therefore or the due date for such payment under the Financing Documents (but in no event earlier than the sixtieth (60th) day following the Scheduled Commercial Operations Date prevailing immediately prior to such delay), which invoice may be signed by the Lenders or the Agent certifying the amount shown therein to be correct and stating the due date for such payment of principal debt under the Financing Documents. Such payments shall continue until the earlier of (i) the end of a period equal to the period of delay in completing the Power Purchaser Interconnection Works and (ii) the completion of the first attempted Commissioning Tests (whether successfully completed or not).



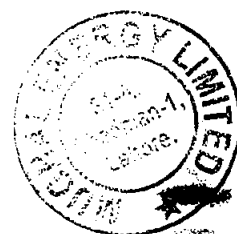
- (c) Power Purchaser shall have no obligation to make the payments provided in this PPA Agreement 6.5 if and to the extent that the delay in the Commissioning Tests would nevertheless have occurred regardless of Power Purchaser's delay or deferral of such tests. If payments by Power Purchaser under this PPA Agreement 6.5 shall have commenced or the obligation for such payments shall have accrued, the Complex shall be tested at the first available opportunity thereafter. Except as provided in this PPA Agreement 6.5, PPA Agreement 8.1 and PPA Agreement 16.2, the Company shall be entitled to no other compensation or claim for damages under this Agreement as a result of delay in the completion of the Power Purchaser Interconnection Facilities or deferral of the Commissioning Tests by Power Purchaser.

Protective Devices

- (a) As part of the Company Interconnection Works, the Company shall install protective relays in accordance with Schedule 3. The Company shall maintain the settings of all relays in the Complex at the levels agreed by the Company and Power Purchaser, and the Company shall not change such settings without the prior consent of Power Purchaser.
- (b) The Company and Power Purchaser shall verify the operation of the protection devices in accordance with the testing program set out in Schedule 3.
- (c) Subject to giving the Company reasonable notice, Power Purchaser may require the Company to modify or expand the requirements for protective devices. Following approval by Power Purchaser of the costs of such modification or expansion, the Company shall perform such modification or expansion. Such work shall be completed within a reasonable time under the circumstances. Power Purchaser shall be notified in advance of, and shall have the right to observe, all work on the protective devices.
- (d) Following completion of such modification or expansion work, the Company shall provide Power Purchaser with an invoice for the reasonable and necessary costs therefor, together with supporting documentation with respect thereto. Power Purchaser shall pay the Company the required amount within thirty (30) Days after delivery of the invoice by the Company.
- (e) Each Party shall notify the other Party in advance of any changes to either the Complex or the Electrical Energy System that may affect the proper co-ordination of protective devices between the two systems, and neither Party shall make any such changes to either the Complex or the Electrical Energy System, as the case may be, without the other Party's approval.

Testing

The Company and the Power Purchaser shall cooperate in testing the Power Purchaser Interconnection Facilities and the Company Interconnection Facilities in accordance with the schedule developed by the Operating Committee (but in no event later than the time provided in PPA Agreement 6.5) and at such other times thereafter as either Party may reasonably require.



Capacity Payments

- (a) Commercial Operations Date, the Power Purchaser shall pay the Company the Capacity Payments, in accordance with the procedures specified in PPA Agreement 9.6, for the Available Capacity for each Month or Part-Month, such payments being calculated in accordance with this PPA Agreement 9.1 and the provisions of Schedule 1.
- (b) For the purposes of calculating Capacity Payments in 1(a) and Schedule 1, the "Available Capacity" shall in any hour be the Declared Available Capacity as communicated to the Power Purchaser by the Company, unless:
- (i) the Company has informed the Power Purchaser of a Revised Declared Available Capacity in accordance with PPA Agreement 5.3(c) that is less than the Declared Available Capacity of the Company prevailing at the Declaration Deadline, in which case the Available Capacity for that hour shall be the Revised Declared Available Capacity (at the forecasted Ambient Site Condition prevailing at the time of the declaration),
 - (ii) the Company has informed the Power Purchaser of an Adjusted Declared Available Capacity in accordance with PPA Agreement 5.3(e) that is greater than or less than the Declared Available Capacity of the Company prevailing at the Declaration Deadline, as applicable, in which case the Available Capacity for that hour shall be the Adjusted Declared Available Capacity (at the forecasted Ambient Site Condition prevailing at the time of the declaration),
 - (iii) the Company has informed the Power Purchaser of a Revised Declared Available Capacity in accordance with PPA Agreement 5.3(c)(ii) that is greater than the Declared Available Capacity of the Company prevailing at the Declaration Deadline, in which case the Available Capacity for that hour shall be the Revised Declared Available Capacity (at the forecasted Ambient Site Condition prevailing at the time of such declaration) notified at least four (4) hours prior to the start of the relevant hour as per PPA Agreement 5.3(c)(ii) unless adjusted on account of PPA Agreement 5.3(e) in such case the Adjusted Declared Available Capacity, as notified up to forty five (45) minutes prior to the start of such hour), shall be applicable, or
 - (iv) the Net Electrical Output is less than the Dispatched Net Electrical Output due to reasons other than those described in PPA Agreement 5.4(d), in which case the Available Capacity for the applicable hour shall be the capacity, in MW, as determined by the Net Electrical Output for such hour.
 - (v) Notwithstanding anything to the contrary contained in this Agreement, should the Complex be Dispatched up to the Declared Available Capacity or the Revised Declared Available Capacity or the Adjusted Declared Available Capacity and the Net Electrical Output is more than the Dispatched Net Electrical Output for that hour then in that case the Available Capacity for that hour shall be the

capacity, in MW, as determined by the Net Electrical Output for such hour subject to a maximum upper limit of one hundred and one and one fifth percent (101.2%) of the Dispatched Net Electrical Output.

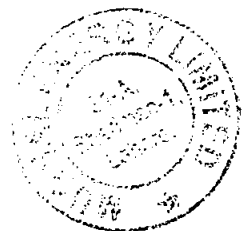
- (c) In addition to the payment by the Power Purchaser of Capacity Payments for the Available Capacity pursuant to PPA Agreement 9.1(a), from and after the Commercial Operations Date, the Power Purchaser shall pay to the Company the Capacity Price for each kW of the then prevailing Tested Capacity then unavailable during any period during which the Complex is undergoing a Scheduled Outage scheduled by the Company in accordance with PPA Agreement 5.5; provided that the total outages for which payment will be made by the Power Purchaser under this PPA Agreement 9.1(c) in any Agreement Year shall not exceed the product of the then prevailing Tested Capacity and the number of hours permitted for Scheduled Outages under PPA Agreement 5.5 in the relevant Agreement Year.
- (d) In addition to the payment by the Power Purchaser of Capacity Payments for the Available Capacity pursuant to PPA Agreement 9.1(a) and for payments during Scheduled Outages pursuant to PPA Agreement 9.1(c), from and after the Commercial Operations Date, the Power Purchaser shall pay to the Company the Capacity Price for each kW of the then prevailing Tested Capacity then unavailable during any period during which the Complex is undergoing a Forced or Partial Forced Outage notified by the Company not later than three (3) hours (except in the case of an emergency shutdown) prior to the relevant hours or a Maintenance Outage notified by the Company in accordance with PPA Agreement 5.3(b) and PPA Agreement 5.6; provided, that the total outages for which payment will be made by the Power Purchaser under this PPA Agreement 9.1(d) in any Agreement Year shall not exceed the product of (i) the then prevailing Tested Capacity and (ii) [2] ([24]) hours plus the number of hours, not to exceed [3] ([24]) hours (measured on a total Complex basis), for which the Company has not received payment under PPA Agreement 9.1(c) in the relevant Agreement Year as a result of completing the Scheduled Outage in less time than is allowed therefor.
- (e) If, during the Term, the Tested Capacity of the Complex as determined by two (2) consecutive Annual Capacity Tests is reduced by an amount that exceeds six percent (6%) of the Contract Capacity and if there are any further reductions in Tested Capacity in excess of two percent (2%) of the Contract Capacity thereafter, then in each case the "Reference Non-Debt Service Component" of the Capacity Price for the present Agreement Year and each subsequent Agreement Year shall be adjusted so that, after such adjustment, the Capacity Price for the average Available Capacity provided for the Term, assuming average Available Capacity in each prior Agreement Year equal to the applicable Tested Capacity in each such prior Agreement Year and average Available Capacity equal to the then prevailing Tested Capacity for the present Agreement Year and all subsequent Agreement Years for the remainder of the Term, shall equal the leveled Capacity Price shown



in Annex 1 to Schedule 1. If the Company and the Power Purchaser cannot agree on the appropriate adjustment to the Capacity Price to be made in connection with the reduction in Tested Capacity, the matter shall be referred to an Expert for determination in accordance with PPA Agreement 18.2. If, following any downward adjustment in the Capacity Price pursuant to the PPA Agreement 9.1(f), the Tested Capacity is increased by one percent (1%) or more of the Contract Capacity, the "Reference Non-Debt Service Component" of the Capacity Price shall be adjusted upward in the like manner used for the downward adjustment.

Energy Payments

The Commercial Operations Date, the Power Purchaser shall pay to the Company the Energy Payments in accordance with the procedures specified in PPA Agreement 9.6 for Dispatched and Delivered Net Electrical Output for the relevant Month (or part Month), such payments being calculated in accordance with the provisions of Schedule 1.



EMERGENCY PROVISION SOP FOR ACTION PLAN IN CASE OF ELECTRICAL POWER FAILURE:

Objective:

To lay down a procedure to describe the Action plan in case of electrical power failure other than normal power change over time.

Scope:

This standard operating procedure is applicable for procedure involved in the action plan in case of electricity power failure other than normal power changes over time 3-5 minutes, to be followed at formulation plants.

Responsibility:

- Officer / executive Engineer shall be responsible for the execution of this procedure.
- Engineering Manager shall be responsible for the implementation of this SOP.
- Head QA/designee shall be responsible for the compliance of this SOP.

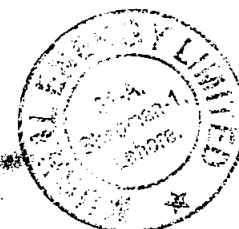
Abbreviations and Definitions:

SOP: Standard Operating procedure.

- No: Number
- QA: Quality assure
- Qty: Quantity
- HVAC: Heating ventilation and air conditioning

Procedure for Engineering Control:

- **Duration**
 - Normal power change over duration from DG set to BMF within 3-5 Minutes.
 - Normal change over duration from BMF to DG set within 3-5 Minutes.
 - The power failure time exceeds from 8 Minutes, it shall be considered as power failure. The above time limit is based on normal power change over.
- **Procedure:**



- Immediately inform to Head of Engineering, Head of QA, Head of G and Head of Production regarding the Electrical power failure.
- separate SOP followed by production department for action plan in case of electrical power failure.
- After proper communication to all concerns identify the fault and get it repaired.
- Again inform to all concerns before putting power supply ON put ON the power supply where is required.
- Start all the necessary utilities as per their start up procedure.
- Start the HVAC System as per requirement of users.
- Start the Purified water system as per the startup procedure after system failure.
- Ensure all the machines and system for proper functioning.
- Record power changeover is maintained as per SOP of Diesel Generator.

Cause of Emergency | Protocol:

- Earth Fault occurs at 11 kV cables/panels! Equipment failure.
- Electric short-circuits cause of power failure.
- Sudden malfunction in process.
- Prime mover failure at emergency mode.
- Instrument damaged /out of order.
- Prime mover is acceding /cross parameter high limit cause failure.
- System over loading.
- Birding at overhead line.
- Weather condition effect at the overhead line.
- Fire incident occur at a circuit.

SAFETY PROCEDURE:

- First of all obtain PTW on concerned circuit.
- Carry out tail board conference.
- Took up the hand line with the help of pilot rope, maintain the limit of approach, attach hand line to tower arm or bridge.



- Raise grip all or clamp stick.
- The outer or lowest conductor teased for checking of isolation with the help of grip all.
- (Note: Isolation of circuit must be verified before proceeding).
- Attach brush with grip all and clean the conduct 450mm.(19inch) from conductor clamp.
- Raise earth lead and install T clamp on tower arm.
- Attach the other end (Duck Bell) .with the help of grip all on cleaned portion of conductor.
- Move hand line for access to next conductor and repeat procedure.

SAFETY PRECAUTIONS:

- PTW of required circuit must be obtained.
- All the T&P must be checked before using.
- Always approved PPE must be used.
- When apply grounds, first apply at tower arm or bridge (ground end) then at conductor, when Removing the ground first remove from conductor and then from tower arm or bridge (ground end).

Distribution:

- Master copy — Documentation cell (Quality Assurance).
- Controlled Copies — Engineering Department.

EMERGENCY RESPONSE/PLANING

PURPOSE:

To develop and maintain a concise, efficient and effective plan for the handling emergencies.

GENERAL:

- a) An emergency is an incident which has the potential to cause serious damage to persons and property, and which can tend to cause disruption inside and / or outside of the plant site and requires the use of emergency resources.



- b) Emergency procedures are designed to provide maximum protection for employees and property against such major incidents as serious fire, Electric Related Emergencies, terrorist acts, civil disturbances or serious weather conditions.
- c) Emergency procedures are broadly to include the following aspects:
- Pre Emergency Planning A: continuous process to devise, review and develop procedures to control effectively any emergency situation and institute damage control measures.
 - Emergency Response Specify actions related to various emergency situations need to be elaborated in order to guide emergency response actions which should be known (and practiced through training) by all Senior Manager's. Additionally, develop a set of procedures that describe how to get personnel out of an area safely in an emergency and account for each individual.

TYPE OF EMERGENCY:

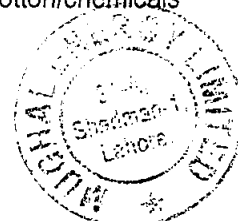
FIRE:

- Fire is a serious emergency, which if not controlled, can cause grievous loss to both personnel and property.
- Detailed instructions on Fire Fighting have been prepared which are included in the following Fire Fighting standard operating procedures.
- SOP No. SAI-33 = Fire Fighting Procedures.
- SOP No. SAI-34 = Fire Extinguisher and Fire House Station Inspection.

BOMB THREAT: In the prevailing environment of unknown terrorism, Bomb Threat is a possibility which besides causing severe psychological in security amongst the personnel, can cause serious damage to life and property, if the threat becomes a reality and cannot be prevented in time.

TRANSPORTATION INCIDENTS:

Owing the unsafe road conditions, violation of traffic discipline on a mechanical failure, a company vehicles or a contracted transport is liable to meet an accident, which can lead to damage involving both personnel and property belonging to the company or another party. Besides, if a truck containing cotton/chemicals



meets an accident possible of a hazardous spill (motor vehicle fuel or chemical leakage) cannot be ruled out, which can be a menace for public health & life. Any of these situations are dangerous and necessitate the development of an elaborate SOP (Standard Operating Procedures) to prevent and occurrence, minimize the damage that can be caused.

CIVIL UNREST

Civil agitation can escalate, which could result in violence. During such frenzy, unruly mobs can cause damage to company property or injury to its personnel in the vicinity of the plant.

SEVERE WEATHER PHENOMENON

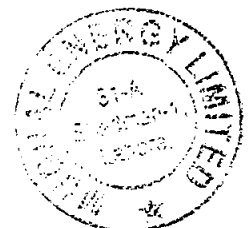
Severe tropical monsoon rains are an annual feature in our part of the world. Floods that ensue can cause severe damage, necessitating an elaborate procedure to prevent and counter any possible devastation.

SPILL SITUATION

- An emergency can arise, if spillage of any kind of chemical takes place, inside the plant or in the peripheral areas like the transformer room, Generator Room or Diesel Oil Storage! Hazardous Material storage room.
- Response to such a situation has been elaborately laid down in Administration in HR & Administration Dept.

RESPONSIBILITY AND RESPONSE:

- The senior plant officials present at the time will assume full responsibility for emergency and will assess the situation and direct appropriate action, until released by a higher authority.
- Following persons will generally responsible to handle an Emergent situation, the sequence also indicating the degree of responsibility:
 - (a) Director Concerned, (b) Manager H.R & Admin, (c) All Units / Dept. Heads, (d) Chief Engineer, (e) Manager Administration, (f) Chief Security Officer (g) Fire Master, (h) Management Representative.
- It is responsibility of each employee; in particular, the Management staff to ensure that higher authority is informed quickly to ensure that corrective action will be initiated immediately.



- It is the responsibility of senior plant official on the basis of available information to activate the emergency procedures.

ACTION BY SENIOR PLANT OFFICIALS:

The senior most plant officials will immediately organize to deal with emergency as follows:

- Depending on the type of emergency sound an alarm / Alert (general or otherwise) on a need to know basis.
- Ensure the emergency evacuation of all personnel including visitors and contractors.
- Arrange to minimize the possibility of the problem spreading and segregate the affected area.
- Coordinate actions amongst Departmental Head, Managers and Officers concerned, which will assure responsibility for their own group/area.

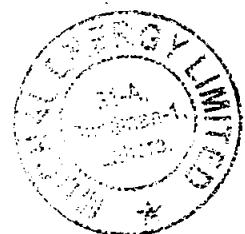
COMMAND AND CONTROL SYSTEM:

- In case of fire or a chemical spill situation, which entails evacuation of personnel, command post will be established in the Security Office at the Main Gate. The cellular phones available in the concerned or Admin Department will augment existing telephonic communications through PABX Exchange. Senior most Managers present in the plant out of the ones designated above will be available in the concerned post, till the time the situation has been brought under control.
- In case of any other emergency office of Concerned Director or Sr. GM H.R & Administration will serve as the Nerve Center from where the response will be directed.
- For communication, PABX and direct telephone connections / cordless phones will be available to coordinate and direct response.
- In case of disruption of normal channels, available cellular, / Mobile phone will be used as alternative means.

GENERAL GUIDELINES FOR RESPONSE:

In most situations, there are some common elements of response, which inevitably will come into play. They are: -

- Informing the senior most Managers present in the plant.



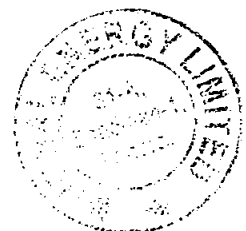
- Establishing a command post in one of the location identified above.
- Depending on the type of emergency quick passage of information to all or some of the following agencies: -
- 1. Nearest Fire Station. 2. Ambulance Service. 3. Water and sanitation authority. 4. Police. 5. Electric Department. 6. Office of the area Magistrate. 7. Concerned G.M./Departmental Head if they are not present in the plant.
- Depending on the situation sounds a general Alarm.
- If needed, conduct an immediate evacuation.

EVACUATION PLAN:

Evacuation of personnel is necessitated in many emergency situations. Evacuation plan has been displayed on prominent locations.

TRAINING FOR EMERGENCY RESPONSE:

- Fire Fighting Training is to be carried out periodically under the plants own arrangements with the help of Government's Civil Defense Department.
- In order to Familiarize Management staff with firefighting mechanism and system established in the plant, this subject will receive due importance in the training conducted for the Management Staff.
- All other Topics of Emergency Response will also be discussed and disseminated to the Mangers / Supervisors in their monthly hearing sessions.
- Departmental Training in Emergency Response is to be imparted by Department Heads in coordination with the H.R. & Administration Department.
- A formal prescribed **"EMERGENCY PLAN & PROTOCOL CHART"** is also mandatory to be displayed on each location where potential emergency threat may cause serious damage to persons and property, and which can tend to cause disruption inside and / or outside of the plant site and requires the use of emergency resources. The specimen of protocol chart can be seen below.



MUGHAL ENERGY LIMITED**EMERGENCY PLAN & PROTOCOL CHART**

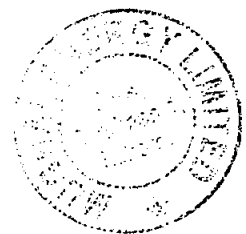
Emergency Type	Date of issue	Plan/Protocol No

Sr. #	Hazard Description	Details
1		
2		
3		

Sr. #	Safety Precautions available	Location
1		
2		
3		
4		

Special instructions / Actions

Key Personnel	Name	Designation	Contact
Shift Supervisor			
Deptt. Head			
Main Gate			
Fire Brigade			
Civil Defense			





MUGHAL ENERGY LIMITED


Registrar
National Electric Power Regulatory Authority (NEPRA)
NEPRA Tower, G-5/1, Islamabad

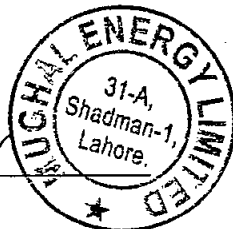
December 19, 2023

Subject: - Application of Mughal Energy Limited for the Grant of Power Supply Licence

- 1) This is in continuation to your letter No. NEPRA/R/LAS-100/37831, dated December 04, 2023 wherein it has been informed that the Federal Govt. has notified the eligibility criteria rules for the Supplier Licence on September 09, 2023. In view of the said, it has been directed that we are required to submit the certain information/documents in respect of our subject application.
- 2) In consideration of the above, we will like to clarify that we had set up a 36.50 MW coal based generation facility which supplies specifically to three (03) designated consumers/Bulk Power Consumers-BPC(s) in the name of (a). Mughal Iron and Steel Industries Limited (MISIL); (b). Mughal Steel Metallurgies Corporation Limited (MSMCL); (c). Indus Steel Mills Corporation (Pvt.) Limited- (ISMCP). In this regard, it is pertinent to mention that the said generation facility will be working at 11 KV voltage and supplying through dedicated feeders to the above mentioned entities. Further to the said, we have reviewed to the various provisions of the high level design and detailed design of the CTBCM, National Electricity Policy/Plan and the provisions of the Eligibility Criteria Rules that the Federal Govt. has prescribed for the supplier licence. In this regard, it is submitted that all the requirements enshrined in the notified rules pertains to a generating company/facility being in central dispatch operated by a System Operator and supplying to a distinctly located BPC through wheeling using the network of NTDC or DISCO as the case may be.
- 3) In view of the above, it is submitted that the requirements of the Eligibility Criteria Rules are not applicable in our case. In order to have more clarity we have tabulated the requirements communicated and our observations in the matter the review of the same will strengthen our position in this regard. In view of the above, it is submitted that processing of our pending application be expedite.

Thanking You


Khurram Javaid
Chief Executive Officer
Mughal Energy Limited

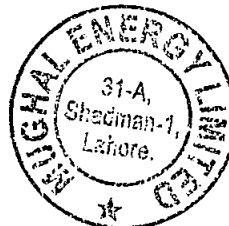


Requirements of the Eligibility Criteria Rules and Observations of Mughal Energy Limited

Sr. No.	Communicated Requirement	Our Observation
(1).	Certificate of Incorporation with SECP. As per proviso of Rule 3(a) of the Rules a generation company as an applicant for the supply licence shall be registered with the SECP exclusively for its generation as well as supply of electric power business and in such case shall maintain separate accounts for its each business.	We have already provided a certified copy of certificate of incorporation that SECP has issued. The Memorandum of Association clearly indicates the objectives of the company which include generation and supply businesses. We also undertake to keep separate accounts for the each business which normally the Authority also requires as in the case of K Electric Limited even before the eligibility criteria rules.
(2).	Information regarding Minimum Solvency Requirement as provided in Schedule-I of the Eligibility Criteria Rules.	The Schedule-I of the Eligibility Criteria Rules clearly stipulates its applicability on competitive supplier through CTBCM or Supplier of Last Resort which is not our case as explained in the covering letter
(3).	Strategic Business Plan for the three years duly certified by CEO or CEO or Company Secretary, demonstrating its capability to undertake electric power supply business	In view of the supply arrangement explained this provision is not applicable to us being a fixed supply arrangement out of the scope of CTBCM
(4).	Minimum Human Resource Requirement as provided in Schedule-II to meet all of its service-level commitments.	-Do-
(5).	an affidavit substantially in the form attached herewith in Schedule-III by its duly authorized officer solemnly declaring and affirming therein that it shall always fulfill the obligations imposed on it under the National Electricity Policy and the National Electricity Plan made under section 14A of the Act.	-Do-
(6).	Information regarding ability to ensure prompt and effective coordination with the system operation, market operator and relevant distribution licensees to comply with the provisions of grid	Not applicable as explained that the arrangement does not involve any coordination with system operator, market operator or distribution company. Further, we also do not require compliance of any of the

Requirements of the Eligibility Criteria Rules and Observations of Mughal Energy Limited

Sr. No.	Communicated Requirement	Our Observation
	code, distribution code, commercial code and other relevant legal instruments as applicable	mentioned codes being not connected to the grid.
(7).	Information regarding ability to discharge public service obligations (a). Quality of electric power supply service by; (i). Automated systems of software tools for billing and collection. (ii). Exchange system for communication and transaction with the system operation, market operator and relevant distribution licensees, and other relevant entities. (iii). Complying with the performance standards and any codes specified by the Authority for provision of electric power services, particularly, effective and timely billing and collection of charges. customer support services and resolution of consumer complaints. (iv). Ensuring timely dissemination of reporting requirements. (v). Maintaining the complete and accurate records and data in respect of all aspects of electric power supply business, All such records and data shall, unless provided otherwise under the law, be maintained for a period of five years after the creation of such record or data. (b). information regarding transparency of transaction by: (i). compliance with the accounting standards and uniform system of accounts as specified by the Authority; and in addition to that ensure compliance with international financial reporting standards (IFRS) as	The review of the requirements clearly stipulates that these requirements are for a generation company dispatched by the system operator and supplying to a BPC through infrastructure of NTDC or DISCO which is not in our case therefore, the requirement is not applicable.



Requirements of the Eligibility Criteria Rules and Observations of Mughal Energy Limited

Sr. No.	Communicated Requirement	Our Observation
	<p>applicable in Pakistan; (ii). Sharing the necessary information and data through website or portal as required by any legal instrument. (iii). information required by the Authority for the purpose of monitoring (c). Collection and deposit of following charges, as may be determined by the Authority, in a timely manner, including but not limited to (i). Transmission use of system charges; (ii). Distribution use of system charges (iii). Market and system operator fee. (iv). Any other charges as provided in Rules 5 of the Rules. (d). Collection and deposit of any and all surcharges as may be imposed by the Federal Government and applicable taxes in a timely and effective manner.</p>	
(8).	<p>Information/documents required under Rule 6 of the Supply Eligibility Criteria Rules: (i). At the time of submission of an application, the applicant shall submit a sworn and verified affidavit to the Authority that it fulfills all the requirements of these rules for grant of the licence.</p>	Not applicable as explained above.

