

# Gul Ahmed Energy Limited

BEFORE  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

APPLICATION FOR  
A LICENSE FOR SUPPLY OF ELECTRIC POWER

PURSUANT TO  
ENABLING PROVISIONS OF NEPRA ACT 1997, READ WITH ENABLING PROVISIONS OF RULES &  
REGULATIONS MADE THEREUNDER, INCLUDING  
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY LICENSING (APPLICATION &  
MODIFICATION PROCEDURE) REGULATIONS & THE NATIONAL ELECTRIC POWER REGULATORY  
AUTHORITY LICENSING (ELECTRIC POWER SUPPLIER) REGULATIONS, 2022

ON BEHALF OF

GUL AHMED ENERGY LIMITED

FOR NEPRA'S APPROVAL OF GUL AHMED ENERGY LIMITED'S  
ELECTRIC POWER SUPPLY LICENSE

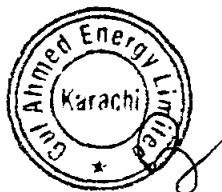
RELATING TO A THERMAL POWER GENERATION FACILITY OF 136.17 MW (GROSS)

LOCATED AT

KORANGI, INDUSTRIAL TOWNSHIP, KARACHI, SINDH, PAKISTAN

DATED: 13 OCTOBER, 2023

<u>LEGAL &amp; REGULATORY CONSULTANT</u>	<u>APPLICANT / COMPANY</u>
HAIDERMOTA & CO.  PLOT # 101, 4 <sup>TH</sup> FLOOR AL MURTAZA LANE # 1 PHASE VIII, DHA KARACHI-75500  EMAIL: <a href="mailto:HMCO@HMCO.COM.PK">HMCO@HMCO.COM.PK</a>	GUL AHMED ENERGY LIMITED  PRINCIPLE OFFICE 7 <sup>TH</sup> FLOOR, AL-TIJARAH CENTRE, 32-1-A, BLOCK 6, P.E.C.H.S, MAIN SHAHRA-E- FAISAL ROAD, KARACHI, PAKISTAN TEL: +92-21-34540270-73 FAX: +92-21-34540274 EMAIL: <a href="mailto:office@gaenergy.com">office@gaenergy.com</a>





# Gul Ahmed Energy Limited

C-NEPRA-L23-00045

Date: 13 October, 2023

**The Registrar**

National Electric Power Regulatory Authority,  
NEPRA Tower, Attaturk Avenue (East),  
Sector G-5/ 1, Islamabad.  
[registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

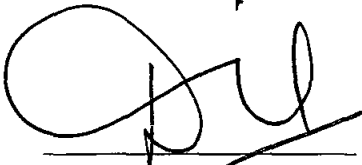
**SUBJECT: APPLICATION FOR GRANT OF ELECTRIC POWER SUPPLY LICENSE**

Dear Sir,

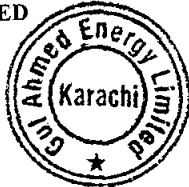
1. I, Danish Iqbal, being the duly authorized representative of Gul Ahmed Energy Limited (the "Company") by virtue of Certified true copy of the resolutions passed by the Board of the Company, hereby apply to the National Electric Power Regulatory Authority (the "Authority") for the grant of an Electric Power Supply License to the Company pursuant to section 23 E and F of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act").
2. 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) Procedures 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.
3. A Pay Order No. 27019503 of in the sum of PKR 2,279,279 /- (Pakistani Rupees Two Million Two Hundred Seventy Nine Thousand Two Hundred & Seventy Nine Only dated 11.10.2023), 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.

Yours faithfully,

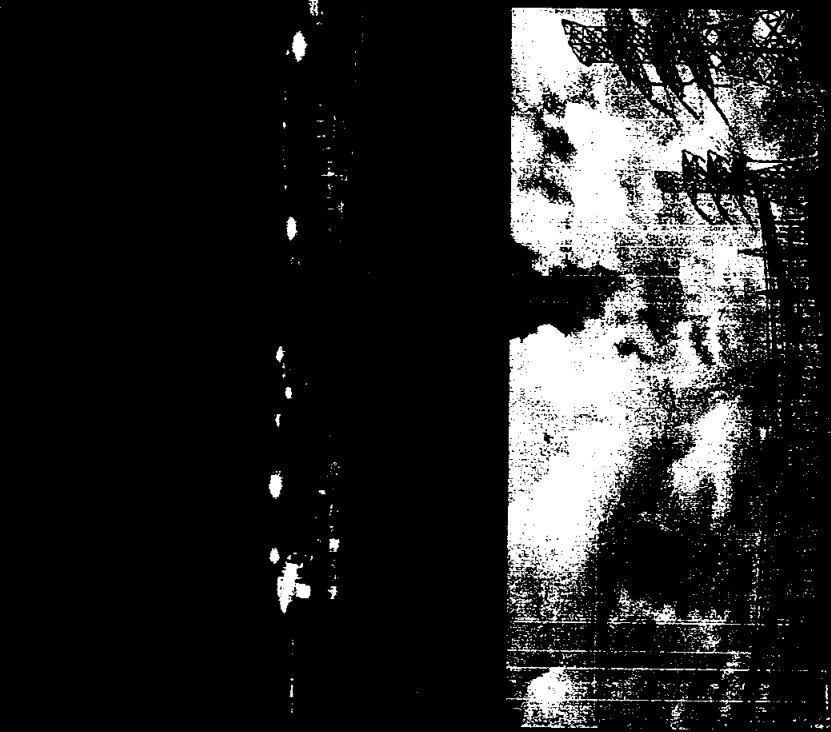
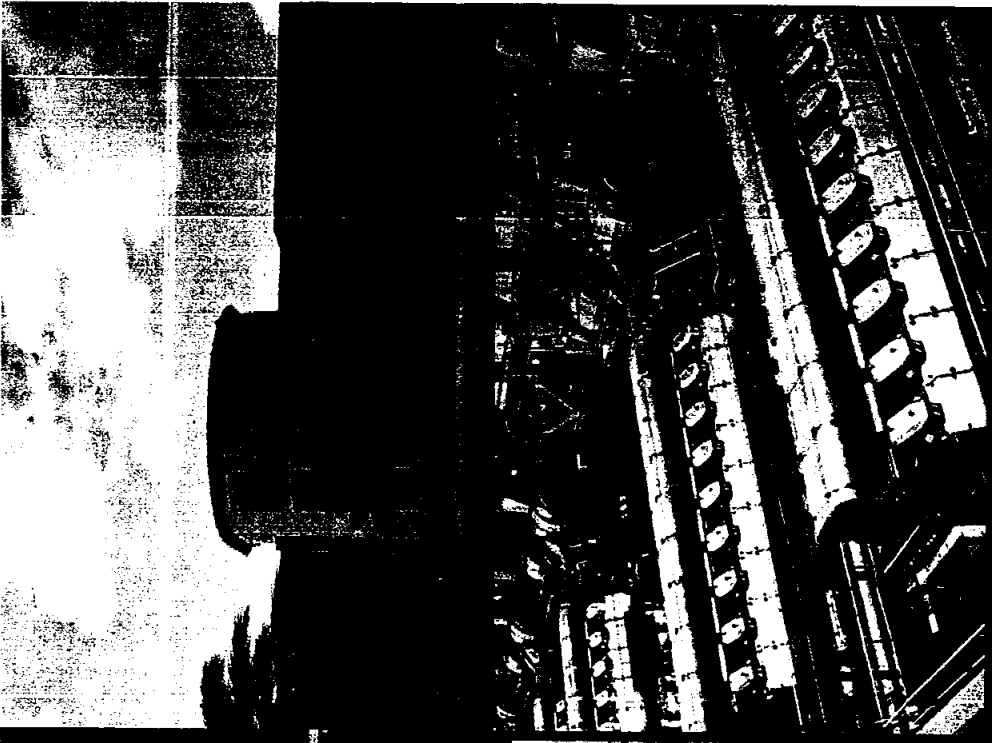
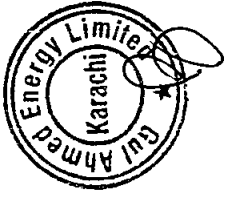
For and on behalf of  
**GUL AHMED ENERGY LIMITED**



**Danish Iqbal**  
Authorized Representative

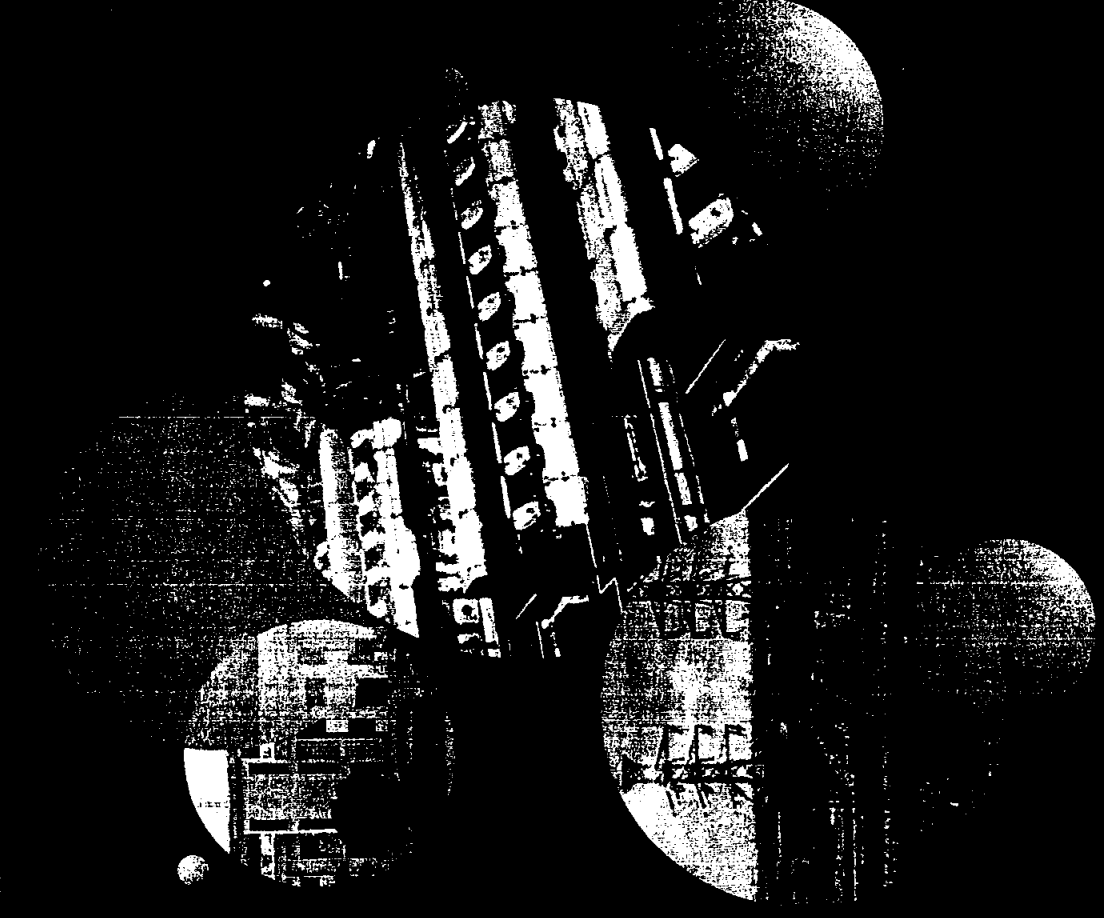






# PROFILE





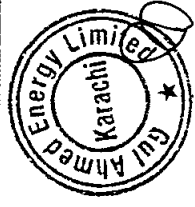
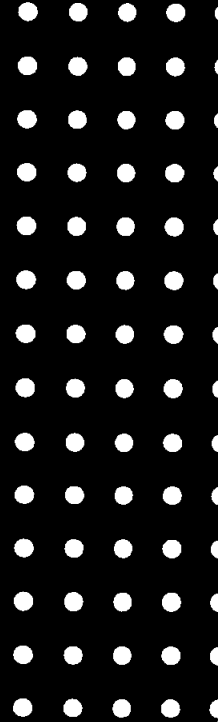
- Gul Ahmed Energy Limited has been operational as a RFO based power generation facility of 136.17 MW gross at Korangi Industrial Area, Karachi, Sindh.
- GAEL has been selling electricity to K Electric since November 1997.





of electricity have been supplied to K-Electric by  
GAEL in last 25 years and

From November 2019 to date





GUL AHMED ENERGY GROUP ("GAEG") holds 100% shareholding in the Project and is one the largest groups in Pakistan, having diversified business portfolios in energy, textile, beverages, real estate, and capital market.



The Gul Ahmed Group has been in existence since 1948 and is one of the leading groups in the Pakistani business circle.

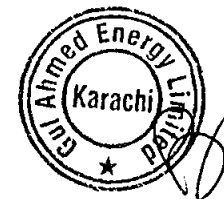


The Project's sponsors consist of a highly skilled and experienced group of companies that are well-versed with the energy sector and through the subject Project have brought their global skills and expertise to Pakistan.



Gul Ahmed Energy Group consists of Gul Ahmed Energy Limited, Gul Ahmed Electric Limited, Gul Ahmed Wind Power Limited, Gul Ahmed Energy Power Solutions Limited & Gul Ahmed Solar Power Limited under its umbrella.

***To be recognized as the performance leader in the Energy sector of Pakistan.  
Becoming performance leader require achievement of operational excellence,  
industry leading customer satisfaction and superior performance.***





# GAEL Strategic Importance



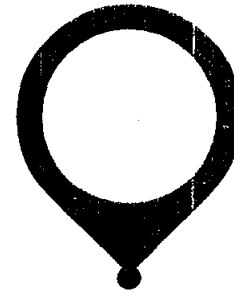
## GRIDS

GAEL is located inside the industrial hub of Karachi in Korangi Industrial Area and is a source of supplying uninterrupted, reliable power to three of the biggest areas of city, Korangi, Landhi, and Jinnah International Airport which is one of the busiest airport of the country.



## LOCAL FUEL

GAEL uses HFO produced by local refineries, which is a by-product of crude oil. Major products of crude oil includes Diesel, Petrol, Kerosene, Jet fuel etc. Thus, providing savings in terms of FOREX to country and creating demand for local refineries which helps them in keep continue running their operations



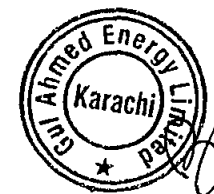
## HUMAN RESOURCE

Continued operation of the Facility will ensure optimization of the existing resources developed by the Company. Such resources include continued use of over 200 highly skilled, experienced, and exceptional employees.



## CSR

The Company is consistently involved in the Corporate Social Responsibility (CSR) activities for the improvement of their stakeholders and has also contributed significant amounts to Akhuwat Foundation, Indus Hospital and Saylani Welfare Trust





## **The Facility & its Useful Life**

### **RULA Study by Continental Marine Energy (CME) Malaysia**

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Remaining Useful Life Assessment (RULA) Study by Continental Marine Energy (CME) Malaysia

GAEL's 136.17MW RFO Based Facility was certified for useful operational life:

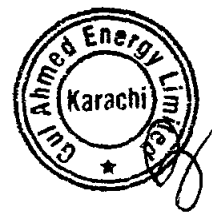
**“Continental Marine Energy RULA Study Remarks: After critical assessment and review of O&M, site inspection results, it is concluded that the nine units including power transformers are all found in sound condition and are fit for the **continued service.**”**

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**COPY OF  
EXTRACT OF  
RESOLUTION PASSED BY  
BOARD OF DIRECTOR OF  
GUL AHMED ENERGY LIMITED**







# Gul Ahmed Energy Limited

CERTIFIED EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF GUL AHMED ENERGY LIMITED HELD ON 06 SEPTEMBER 2023, AT 7<sup>TH</sup> FLOOR, AL-TIJARAH CENTRE, 32-1-A, BLOCK-6, PECHS, KARACHI

**RESOLVED THAT**, Gul Ahmed Energy Limited, a company duly established and existing under the laws of Pakistan with its registered office located at Plot No. 8, Sector Model Village, Humak, Islamabad, Pakistan, operating a 136.17 MW (Gross) thermal power generation facility located at Korangi Industrial Township, Karachi, Sindh, Pakistan (the “Company”) be and is hereby authorized to prepare, finalize, deliver, file, apply, submit, and further pursue pursuant to the applicable laws of Pakistan, including the ‘Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997’ (the “NEPRA Act”) and the rules and regulations made thereunder (the “Applicable NEPRA Laws”), an application for grant of Electric Power Supply License (together with all documents attached thereto) (the “Supply License Application”) before the National Electric Power Regulatory Authority (the “Authority”) for the Authority’s approval and in relation thereto, enter into and execute all required documents, make all filings, attend all hearings, provide all required information and pay all applicable fees, in each case, of any nature whatsoever.

**FURTHER RESOLVED THAT**, in respect of the matters relating to the Supply License Application, (i) Mr. Danish Iqbal, the Chairman & Chief Executive Officer of the Company, having CNIC No. 42201-4584613-1; and (ii) Mr. Ubaid Amanullah, the Chief Operating Officer of the Company, having CNIC No. 42301-8209569-7, (iii) Muhammed Amin Bhimani, CFO and Company Secretary having CNIC No.42201-0545032-3, be and are hereby singly and jointly appointed as authorized representatives of the Company and are Hereby authorized and empowered for and on behalf of the Company, as the Company’s duly appointed Authorized Representatives, to address, perform, negotiate, decide, execute, implement and/or undertake all matters of any nature whatsoever in relation to the Supply License Application, without limitation to:

- i. review, execute, submit, and deliver the Supply License Application and any related documentation required by the Authority for its approval of the Supply License Application including any contracts, documents, powers of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memorandum, amendments, letters, communications, notices, certificates, request statements and any other instruments of any nature whatsoever;
- ii. represent the Company in all negotiations, representations, presentations, hearings, conferences and/ or meetings of any nature whatsoever with any entity (including, but in no manner limited to the Authority, any private parties, companies, partnerships, individuals, governmental and/or semi-governmental authorities and agencies, ministries, boards, departments, regulatory authorities and/or any other entity of any nature whatsoever);
- iii. sign, execute and deliver, for and on behalf of the Company, all necessary documentation (including any contracts, documents, powers of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memorandum, amendments, letters, communications, notices, certificates, request statements and any other instruments of any nature whatsoever), pay the necessary fees, appear before any entity (including the Authority, any private parties, companies, partnerships, individuals, governmental and/or semi-governmental authorities and agencies, ministries, boards, departments, regulatory authorities and/ or any other entity of any nature whatsoever), as required from time to time, and do all acts necessary for processing and further approvals in relation to the Supply License Application by the Authority;
- iv. further sub-delegate any or all of the aforementioned powers and authorities to one or more officers of the Company or any other person or persons, singly and/ or jointly; and
- v. do all such acts, deeds and things as may be necessary for carrying out the purposes aforesaid and give full effect to the above resolutions.

Certified to be a True Copy

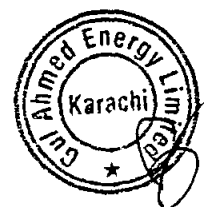
For and on Behalf of

GUL AHMED ENERGY LIMITED

MUHAMMED AMIN BHIMANI  
COMPANY SECRETARY



**AFFIDAVIT FOR OTHER APPLICATION(S) APPLIED UNDER THE NATIONAL  
ELECTRIC POWER REGULATORY AUTHORITY LICENSING (APPLICATION,  
MODIFICATION, EXTENSION AND CANCELLATION) PROCEDURE  
REGULATIONS, 2021**

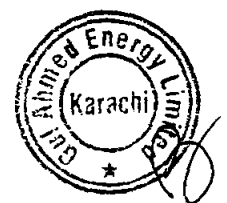








**AFFIDAVIT AS TO THE CORRECTNESS, AUTHENTICITY AND ACCURACY OF THE  
APPLICATION, DOCUMENTS AND INFORMATION SUBMITTED UNDER  
REGULATION 4(7) OF THE NATIONAL ELECTRIC POWER REGULATORY  
AUTHORITY LICENSING (APPLICATION, MODIFICATION, EXTENSION AND  
CANCELLATION) PROCEDURE REGULATIONS, 2021**







14 JUL 2023

4 No. 3800 Date \_\_\_\_\_  
 Issued to With Address \_\_\_\_\_  
 Through With Address A. T. MOOSA MEMON  
 Purpose Advocate High Court  
 Value Rs. \_\_\_\_\_  
 Vendor's Signature Reg. No. 617 H.G. Karachi.

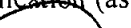


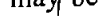
**Affidavit** of Mr. Danish Iqbal, Chairman/Chief Executive Officer and authorized representative of Gul Ahmed Energy Limited with its registered office located at Plot No. 08, Sector Model Village, Humak, Islamabad, Pakistan, (the “**Company**”).

I, the above-named Deponent, do hereby solemnly affirm and declare that:

1. I am the Chairman/Chief Executive Officer of the Company.
2. The contents of the accompanying Electric Power Supply License Application, including all supporting 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.
3. I also affirm that all further documentation and information to be provided by the Company in connection with the aforesaid Electric Power Supply License Application (as may be required) shall be true and correct to the best of my knowledge and belief.

Application (as may be required)

  
Deponent



It is hereby verified on solemn affirmation at Karachi on 13 day of October 2023, that the contents of the above Affidavit are true and correct to the best of my knowledge and belief, and that nothing material or relevant thereto has been concealed or withheld therefrom.

and belief, and that nothing material of



**COPY OF BANK DRAFT/PAY ORDER**





Account Payee Only



**HBL** HABIB BANK  
KARACHI-NURSERY  
BLOCK-6 PECHS SHAHRAH-E-FAISAL KHI

B.C. No. 27019503

Stationary No: 27019503

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Pay to NATIONAL ELECTRIC POWER REGULATORY AUTHORITY A/C GUL AHMED  
ENERGY LTD

or Order

Rupees Two Million Two Hundred Seventy Nine Thousand Two Hundred

Seventy Nine Only.

Payable at any HBL Branch in Pakistan  
Centralised Cheque Payable Account  
30019903902586

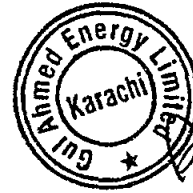
PKR \*\*\*\*\*2.279.279.00

Signature  
PA No.

Signature  
PA No. 2539

Please do not write below this line.

⑈ 27019503⑈054300⑈00300⑈9903902586⑈010⑈



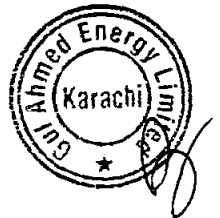
ORIGINAL ENCLOSED IN SEALED  
ENVELOPE



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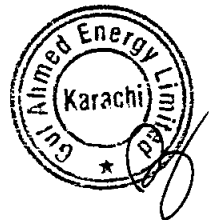




## LIST OF ANNEXURES

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A	Certificate of Incorporation
B	Memorandum and Articles of Association
C	Annual Reports of the Company including last annual return of the Company
D	Applicant's Profile
E	Copy of Generation License
F	Copy of RULA Study Report
G	Copy of Financial and Technical Proposals
H	Consumer Information

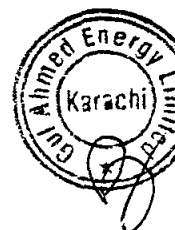




## **1. INTRODUCTION TO THE COMPANY & THE PROJECT**

### **1.1 THE COMPANY & PROJECT DEVELOPMENT BACKGROUND**

- 1.1.1 **GUL AHMED ENERGY LIMITED** (a company set up and duly established as a public unlisted company on July 20, 1994 and existing under the laws of Pakistan, having its registered place of business at Plot No. 08, Sector Model Village, Hamuk, Islamabad, Pakistan) (the "**Company**" or "**Applicant**"), being the applicant under this application for Electric Power Supply License (the "**Electric Power Supply License**") (this "**Electric Power Supply License Application**"), was set up and established for the purposes of undertaking the project (the "**Project**") relating to development, setting up, implementation, construction and operation of a 136.17 MW (Gross) thermal power generation facility (the "**Facility**") located at Korangi, Industrial Township, Karachi, Sindh, Pakistan (the "**Site**").
- 1.1.2 The following supporting documents relating to the Company are attached herewith as follows:
- (a) **ANNEXURE A** (*Certificate of Incorporation*);
  - (b) **ANNEXURE B** (*Memorandum and Articles of Association*);
  - (c) **ANNEXURE C** (*Annual Reports of the Company including the last annual return of the Company*); and
  - (d) **ANNEXURE D** (*Applicant's Profile*).
- 1.1.3 It is highlighted that the Project was established and implemented pursuant to Government of Pakistan's (the "**GoP**") "*Policy Framework and Package of Incentives for Private Sector Power Generation Projects In Pakistan*" dated March 1994 (the "**1994 Power Policy**"). The project achieved financial closing in September 1995 and Commercial Operations Date on November 3, 1997.
- 1.1.4 For the purposes of the Project, the Company entered into various contractual arrangements, which included the following an original Power Purchase Agreement, Implementation Agreement, Fuel Supply Agreement and GOP Guarantee. For the construction and operation of the Project the Company entered into:
- (a) engineering, procurement and construction ("**EPC**") arrangements for the Facility with world-class EPC contractors being a consortium of two companies, Tomen Corporation (Tomen Power Singapore PTE Limited) and Wartsila Diesel OY with the main OEM being Wartsila and ABB; and
  - (b) long term operations and maintenance contractual arrangements with Wartsila Pakistan (Private) Limited.
- 1.1.5 The Company, through its experienced and highly skilled in-house resources, has been operating and maintaining the Project and the Facility (including its efficiency and reliability) since 1997. The successful operations of the Project and the Facility are a testament to the Company's in-house team's excellence.





- 1.1.6 The power purchase agreement dated June 7, 1995, executed between the Company and K-Electric Limited (formerly Karachi Electric Supply Corporation Limited, a public limited company duly established and existing under the laws of Pakistan) ("KE") in relation to the Project expired on November 2, 2019, along with the expiry of the aforementioned Implementation Agreement.
- 1.1.7 Thereafter, considering the shortfall of power in KE's systems and based on the mutual agreement between the Company and KE, KE issued a letter of interest to the Company to procure power from the Company for a further period of five (5) years through extending the term of their power purchase arrangement.
- 1.1.8 Upon receipt of the letter of interest from KE:
- (a) the Company commissioned the 'remaining useful life assessment' to the renowned engineering consultant, M/s Continental Marine Energy Sdn Bhd (CME), Malaysia, who authored the '*Remaining Useful Life Assessment (RULA) Study Report*' dated February 4, 2019 ("**RULA Study Report**");
  - (b) the Company filed the 'Licensee Proposed Modification of Generation License' before the Authority *vide* its application dated February 06, 2019, seeking an extension of 10 years in the term of the Generation License; and
  - (c) the Company applied for a cost-plus tariff for an extended term *vide* its tariff petitions No. F/NEPRA/L19/00489 dated February 03, 2019 and No. F-NEPRA-L22-00095 dated September 12, 2022, before the Authority, following which the Authority approved two successive terms of three (3) years and two (2) years.
- 1.1.9 Considering the remaining useful life of the plant and satisfactory performance of the Company, the Authority extended the term of the Generation License for ten (10) years, that is up to August 25, 2029, *vide* approval No. NEPRA/R/LAG-10/9084-89.

## 1.2 THE GENERATION LICENSE

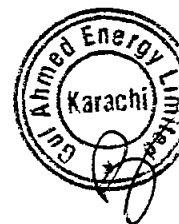
- 1.2.1 The Company procured a generation license in 2003 *vide* License No. IPGL/09/2003 dated August 26, 2003 (the "**Generation License**") from the Authority under the 'Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997' (the "**NEPRA Act**") and the rules and regulations made thereunder. The term thereof was further extended by the Authority for a period of 10 years, i.e. up to August 25, 2029<sup>1</sup>.

*A copy of the Generation License is attached herewith at ANNEXURE E (Copy of Generation License).*

## 1.3 THE FACILITY - TECHNICAL SUMMARY

- 1.3.1 The Facility owned, operated, and maintained by the Company has, over two (2) decades, been a source of supply of reliable power generation for its power purchaser and exemplary in the country's power sector. Briefly, the salient technical features of the Facility, as certified and

<sup>1</sup> Approval No. NEPRA/R/LAG-10/9084-89 dated March 19, 2020.





confirmed in the detailed and exhaustive remaining useful life assessment ("RULA") study contained in the RULA Study Report, are provided below for the Authority's reference:

<b>FACILITY GROSS CAPACITY</b>	136.17 MW
<b>FUEL &amp; TECHNOLOGY</b>	Residual Furnace Oil (RFO)
<b>FACILITY CONFIGURATION</b>	9*15.128 MW DG sets, 3*Power Transformers, 1*Grid station, and 4*Transmission lines

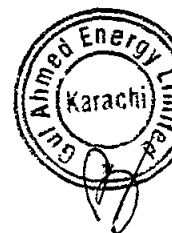
*A copy of the Remaining Useful Life Study Report is attached herewith as ANNEXURE F (Copy of the RULA Study Report").*

- 1.3.2 The Company's technical and financial data / proposals for the operation, maintenance, planning and development of the facility or system in respect of which this Electric Power Supply License is being sought, are also attached herewith as ANNEXURE G (*Copy of Financial and Technical Data / Proposals*).

## **2. ELECTRIC POWER SUPPLY LICENSE APPLICATION**

### **2.1 INTRODUCTION**

- 2.1.1 The Company has been in the business of generating and selling electricity since 1997. The Company, with its extensive experience of over 25 years, has not only satisfied its obligation but has also established itself as an experienced and reliable power producer in Pakistan's generation industry. The Company is established amongst the IPPs over the years, the Company's excellence in power generation is widely recognized - with its business practices being considered as a gold standard in the industry.
- 2.1.2 It is stressed for the Authority's cognizance that the Company's continuous supply of affordable and reliable electricity, in comparison to other sources, is indispensable for the megacity's power supply needs. Unlike the complexities and long gestation periods involved in the development of a new power generation facility, the Project, being operational now for over two decades, has all arrangements and infrastructure requirements in place to continue uninterrupted power generation and supply for servicing the consumers of Pakistan's largest city and has been supplying electricity to KE and its consumers.
- 2.1.3 Pursuant to Section 14D (3) of the NEPRA Act, a generation company may supply electricity to any transmission, distribution, supply or market trader licensee in accordance with the NEPRA Act and the rules and regulations made thereunder, subject to Section 23(E) thereof. Accordingly, the Company in order to ensure continuity of electric power services to its consumers seeks grant of Electric Power Supply License, once the Competitive Trading Bilateral Contract Market ("CTBCM") Market is fully operational.
- 2.1.4 Pursuant to the applicable laws of Pakistan, including the NEPRA Act and the rules and regulations made thereunder (including Regulation 3 of the NEPRA AMEC Regulations and the National Electric Power Regulatory Authority Licensing (Electric Power Supply)





Regulations, 2022), the Company hereby submits, for the Authority's kind and gracious consideration, this Electric Power Supply License Application for approval of the Electric Power Supply License.

- 2.1.5 This Electric Power Supply License Application is submitted in triplicate.
- 2.1.6 This Electric Power Supply License Application is being submitted with the required electric power supply license application fee (as communicated by the Authority) through cheque in the amount of PKR 2,279,279 (Pakistani Rupees Two Million Two Hundred Seventy-Nine Thousand Two Hundred and Seventy-Nine Only), bearing # 27019503 dated 11.10.2023, drawn in favor of the Authority.

## **2.2 KEY CONSIDERATIONS**

- 2.2.1 The key considerations in respect of the Electric Power Supply License Application for the Company are summarized below for the Authority's ease of reference:
- a. **BLACK START UNIT:** GAEL plant serves as a black start unit for KE grid during power and system outages.
  - b. **USAGE OF LOCAL FUEL:** GAEL uses HFO produced by local refineries, which is a by-product of crude oil. Major products of crude oil includes Diesel, Petrol, Kerosene, Jet fuel etc. Thus, providing savings in terms of FOREX to the country and creating demand for local refineries which helps them in continuing their operations.
  - c. **EXPERIENCED & HIGHLY SKILLED HUMAN RESOURCE:** GAEL is a proud human resource developer and employer of 200+ experienced employees in Karachi's power sector since the last 25 years. Continued operation of the Facility will ensure optimization of the existing resources developed by the Company. Such resources include continued use of over 200 highly skilled, experienced, and exceptional employees.
  - d. **GRIDS:** GAEL is located inside the industrial hub of Karachi in Korangi Industrial Area and is a source of supplying uninterrupted, reliable power to three of the biggest areas of city, Korangi, Landhi, and Jinnah International Airport which is one of the busiest airports of the country.
  - e. **CSR ACTIVITIES:** The Company is consistently involved in the Corporate Social Responsibility (CSR) activities for the improvement of their stakeholders and has also contributed significant amounts to Akhuwat Foundation, Indus Hospital and Saylani Welfare Trust.
  - f. **FACILITY OPERATIONAL FOR 2 DECADES:** Gul Ahmed Energy Limited has successfully operated its Facility and catered to the consumer requirements of K-Electric by generating average around 703.69 GWH per annum up to June 2022 for the consumers of Karachi, successfully generating power for over two decades.



**3. REASONS IN SUPPORT FOR GRANT OF ELECTRIC POWER SUPPLY LICENSE**

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*Relevant supporting consumer and consumption information has been attached herewith as ANNEXURE H (Consumer Information)*

**4. CONCLUSION**

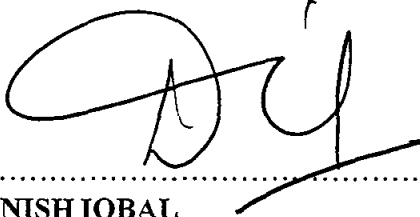
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**4.1 CONCLUSION & PRAYER**

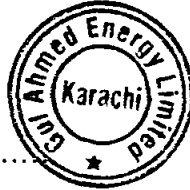
- 4.1.1 In light of the submissions, the relevant information contained in this Electric Power Supply License Application, along with the Annexures attached hereto, this Electric Power Supply License Application is submitted (pursuant to the applicable laws of Pakistan, including the NEPRA Act and the Applicable NEPRA Laws) for the Authority's kind consideration and for its approval, for the grant of the Electric Power Supply License for a Term of ten years from the grant thereof by the august Authority.

Respectfully submitted,

FOR AND ON BEHALF OF:  
**GUL AHMED ENERGY LIMITED**



**DANISH IQBAL**  
CHAIRMAN

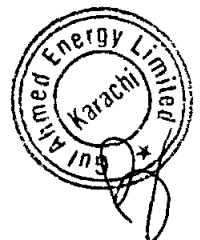




# **ANNEXURE-A**

# **CERTIFICATE OF INCORPORATION**





GOVERNMENT OF PAKISTAN



CERTIFICATE OF INCORPORATION

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

Company Registration No. K-05482 OF 1994-95

I hereby certify that GUL AHMED ENERGY LIMITED

is (this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and that  
the company is limited by SHARES AS A PUBLIC COMPANY

Given under my hand at KARACHI

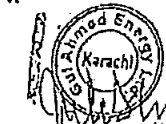
this 20TH day of JULY

one thousand nine hundred and NINETY FOUR

Fec Rs. 19,370/-



(NISAR AHMED KAKEPOTA)  
JOINT REGISTRAR  
OF COMPANIES

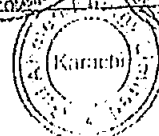
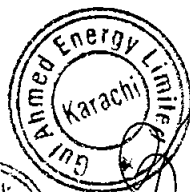


TRUE COPY

Company Secretary

No. ADI 9685

Dated 1/4/16

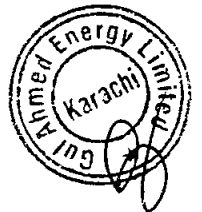




# **ANNEXURE-B**

# **MEMORANDUM AND ARTICLES OF ASSOCIATION**

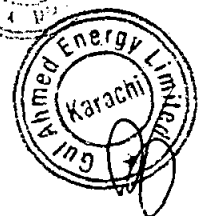
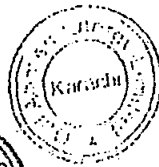




The Companies Ordinance, 1984  
(Company Limited By Shares)

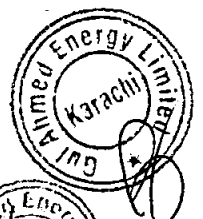
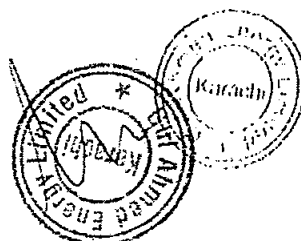
MEMORANDUM OF ASSOCIATION  
OF  
**GUL AHMED ENERGY LIMITED**

- I. The name of the Company is GUL AHMED ENERGY LIMITED.
- II. The Registered Office of the Company will be situated in the Federal Capital Territory of Islamabad.
- III. (A) The objects for which the Company is established is to set up and operate, whether directly or indirectly, itself or through a subsidiary or associated undertaking or any other company, electric power generating projects for generating and supplying of electric power and to carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate accumulate distribute and supply electricity and to light industries and places, both public and private, cities, towns, streets, docks, markets, theatre, building and for all other purposes for which electric energy can be employed.
- (B) The Company shall be authorized:
  1. To own, purchase/acquire, hire, take on lease, build, erect, install, establish, operate, use, repair, maintain and dispose of factories, machineries, plants, laboratories, equipments, apparatus and other facilities.





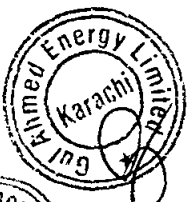
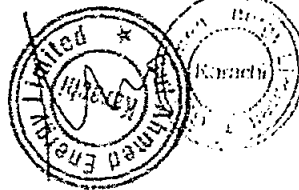
2. To purchase, take on lease, or in exchange, or otherwise acquire, any land to sell, mortgage; to construct, alter, repair, pull down, decorate, maintain, furnish, fit-up and improve buildings, and enter into contracts and arrangements of all kinds with building property owners, and any other party.
3. To purchase, acquire, take on lease or tenancy, sell, dispose of, mortgage and acquire options over any property, immovable/ movable, or rights of any kind, and develop, improve, turn to account, deal with, mortgage, sell or otherwise dispose of the same in such manner, as may be thought expedient.
4. To apply for, purchase, or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, copyrights, trademarks, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention, process, matter or things which may seem capable of being used for the purpose of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop to grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
5. To enter into an agreement or any arrangement for sharing profits, union of interest, co-operation, joint-ventures, reciprocal concessions, or otherwise





any company, association, firm or person for any purpose which the Company thinks expedient.

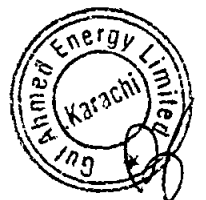
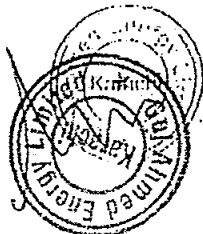
6. To open any current, overdraft, cash credit account or fixed account in any bank and to pay money into and draw money from any such account.
7. To borrow and secure payment of money borrowed by the Company or any of its subsidiaries or associated undertakings or any other company by (i) issue of perpetual or redeemable and convertible or non-convertible PTCs, TFCs, debentures and their stocks, bonds, promissory notes, bills of exchange, usance bills and such other securities; (ii) furnishing guarantees and undertakings, depositing securities, shares and documents of title; (iii) hypothecating, charging and mortgaging properties and assets (both present and future) of the Company and creating pledge on such properties and (iv) appointing attorneys, giving them powers of executing documents, having them registered, selling and managing the properties, undertaking any business of the Company and furnishing and creating such other securities as may be considered expedient or otherwise execute, complete and deliver agreements and such other documents as may be required.
8. To guarantee the payment of money and the performance of contracts or engagements of the Company or any of its subsidiaries or associated undertakings or any other company and to secure the payment of money and the performance of any contracts or engagements entered into by this Company or any of its subsidiaries or associated undertakings or any other company and to discharge





any debt or any obligations of or binding upon this Company or any of its subsidiaries or associated undertakings or any other company by a mortgage, pledge or charge upon all or any part of the undertaking, property and rights of the Company (either present or future or both), or by the creation or issue of bonds, debenture stock, or any other securities or by any other means.

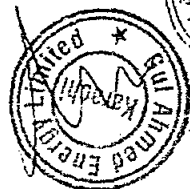
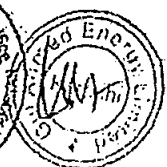
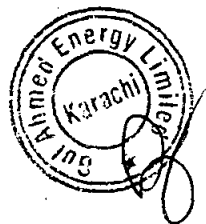
9. To guarantee the payment of money unsecured or secured by or debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of the Company and generally to guarantee to become sureties for the performance of any contracts or obligations concerning the business of this Company or any of its subsidiaries or associated undertakings or any other company.
10. To draw, make, accept, endorse, seal, execute, negotiate, purchase, hold and dispose of cheques, promissory notes, bills of exchange, drafts, charter parties, bills of lading, warrants and other negotiable documents and contracts, deeds and other instruments and to cancel and carry such instruments, relating to the business of the Company.
11. To apply for, purchase or otherwise acquire any patents, brevetted invention, licenses, concessions, and the like conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to any invention which may seem capable of, being used for the purposes of the Company or the acquisition of which may seem calculated, directly or develop or grant concessions in





respect of or otherwise turn to account the property, rights or information so acquired:

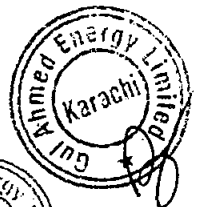
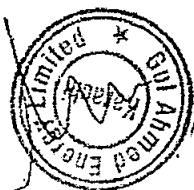
12. To remunerate Directors, officials, agents, employees and servants of the Company and officers and to benefit employees or ex-employees of the Company, and to grant pensions, gratuities and allowances and to provide bonuses, amenities and conveniences of all kinds and for the purpose of this paragraph the words "employees" and "ex-employees" shall include respectively, present and former directors and other officers, agents, employees, trainees, and servants,
13. To improve, develop, sell, exchange, taken on lease, mortgage, pledge, hypothecate, assign, transfer, or deal with all or any part of the property and assets, immovable/ movable, corporeal or incorporeal, tangible or intangible, and any right, title and interest therein of the Company, including rights, licenses, privileges, concessions and franchises as may seem expedient.
14. To payout of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation, promotion and registration of the Company or the issue of its capital; including brokerage and commissions for obtaining applications for or taking placing or underwriting or procuring the underwriting of shares, debentures, other securities of the Company.
15. To pay for rights or property acquired by the Company and to remunerate any persons or company whether by cash payment or by the allotment of





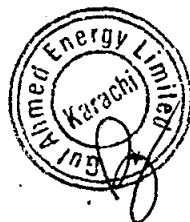
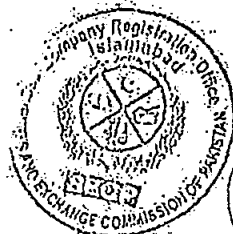
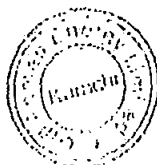
shares, debentures or other securities of the Company as fully paid up.

16. To adopt such means of making known the services and products of the company as may seem expedient and in particular by undertaking educational training and demonstration programmes and by advertising in the press, by circulars and exhibitions of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
17. To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labor problems or troubles or the promotions of industry or trade,
18. To sell, improve, develop, exchange, take on lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company,
19. To distribute among the Members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
20. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit.





21. To borrow or raise moneys, either against security or without security, in such manner as the Company or its directors may think fit and in particular by sale, negotiations, transfer, issue or against the security of bills of exchange, promissory notes and other negotiable, transferable or other instruments, debentures or issue of debentures, debenture-stocks, bonds, obligations, mortgages and securities of all kinds, either perpetual or otherwise, secured or unsecured and to secure the repayment of any moneys borrowed, raised or owing by the Company on any of the specific property, assets and rights (present and future) including the uncalled capital of the Company, and to secure similarly any other debt or obligation of the Company or its subsidiaries or associated undertakings and to guarantee the performance by the Company or any other body corporate or other person whatsoever of any obligation undertaken by the Company or by such body corporate or person.
22. To form, constitute, float, lend money to assist and control companies, associations or undertakings engaging in any industrial, commercial or business activities.
23. To invest in, subscribe to or acquire any shares, stocks, debentures, debenture stocks, bonds, mortgage, obligations and other securities by subscription, tender, purchase, exchange or otherwise out of the funds of the Company, either conditionally or unconditionally and to guarantee the subscription thereof.
24. To undertake any takeover bids, mergers, amalgamations, acquisitions, rehabilitation or



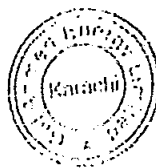


restructuring with or in respect of any business, company, body corporate or other person, whether incorporated or not by acquisition of its assets and liabilities, and whether as a going concern or as part of the concern, and to promote or procure incorporation, formation or setting up of concerns and undertakings for engaging in any industrial, commercial or business activities.

25. To negotiate, enter into and perform agreements and contracts of every kind and description with any company, firm or person whatsoever for any lawful purpose, without any limit as to amount, and to obtain from such company, firm or person any rights, privileges, contracts, concessions and dispose of them or turn to account the same.
26. To do all or any of the above things, either as principals, agents, contractors, or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise, and either alone or in conjunction with others, and to do all such things as are incidental or conducive to the attainment of the objects as specified above.

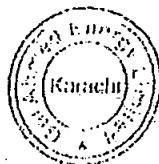
It is hereby undertaken that the company shall not engage in banking business or business of any investment company or insurance or leasing or in any unlawful business and that nothing contained in the object clause shall be so construed to entitle it to engage in such business.

IV. The liability of the members is limited.





V. The Authorised Capital of the Company is Rs. 1,850,000,000 (Rupees One Billion Eight Hundred Fifty Million only) divided into 185,000,000 Ordinary shares of Rs. 10/- (Rupees Ten) each with power to increase or reduce the said Capital and divide the Ordinary Shares into various classes in accordance with provisions of the Companies Ordinance, 1984.





We, the several person whose names and addresses are subscribed are desirous of being joined into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the Number of shares in the capital of the Company set opposite our respective names.

Name and Surname. (Present and former) In full (Block Letter)	Father's / Husband's Name in full	Nationality with any former Nationality	Occupations	Residential Address (In full)	Number of shares taken by each subscriber	Signature
MR. IQBAL ALIMOHAMMED	Haji ALIMOHAMMED	Pakistani	Industrialist	118, Garden East, Karachi	One	
MR. DASHIR H. ALIMOHAMMED	Haji ALIMOHAMMED	Pakistani	Industrialist	11-37, R.D.A. Scheme No. 1, Kardaz Road, Karachi.	One	
MR. ABDUL RAZZAK	Haji SATTAR	Pakistani	Industrialist	113, Garden East, Karachi.	One	
MR. MOHAMMED ASIF	A. QHAFFAR	Pakistani	Industrialist	128, Garden East, Karachi.	One	
MR. SIRAJ	Haji KASSAM TILI	Pakistani	Industrialist	117/1, Garden East, Karachi	One	
MR. YASIN	Haji KASSAM TILI	Pakistani	Industrialist	117/1, Garden East, Karachi	One	
MR. JUNAID	Haji LATIF	Pakistani	Industrialist	239/2, Garden East, Karachi.	One	
MR. UDAID	AMANULLAH	Pakistani	Industrialist	239/1, Garden East, Karachi	One	

Dated: 11th day of July, 1994

Witnesses to the above Signatures:

NAME: FATHER NAME: OCCUPATION: NATIONALITY: FULL ADDRESS:

Zahoor Ahmed: Mohammad Naza: Chartered Accountant: Pakistani

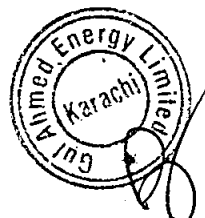
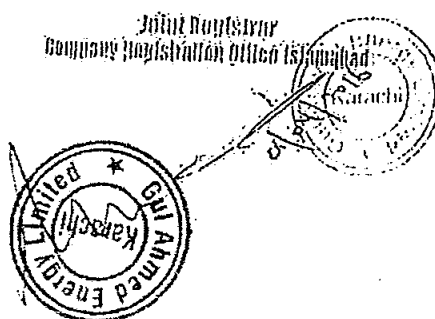
Sattar Chambers,  
29-West Wharf Road Karachi

CERTIFIED TO BE TRUE COPY



No. ADJ 9685

Dated 1/4/96

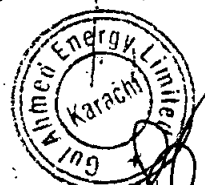




The Companies Ordinance, 1984  
(Company Limited By Shares)

ARTICLES OF ASSOCIATION  
OF  
GUL AHMED ENERGY LIMITED  
PRELIMINARY

1. The regulations contained in Table A in the First Schedule to the Companies Ordinance, 1984, shall not apply to the Company except in so far as the same may be expressly incorporated or deemed to be incorporated in these Articles or made expressly applicable by the said Ordinance or any statutory modification thereof.
2. In these Articles, unless the context or subject matter otherwise requires:
  - I. "Board" means Board of Directors for the time being.
  - II. "Chief Executive" means the Chief Executive for the time being of the Company as defined in Section 2 (1) (6) of the Ordinance.
  - III. "Company" means the GUL AHMED ENERGY LIMITED.
  - IV. "Debenture" and "Debenture Holders" includes debenture/stock and debenture stock holder respectively.
  - V. "Director" means a director for the time being of the Company.
  - VI. "Dividend" includes bonus.
  - VII. "Executors" include administrators.
  - VIII. "In Writing" and "Written" includes printing, lithography, typewriting and other modes of representing or reproducing words in a visible form.
  - IX. "Modaraba", "Modaraba company" and "Modaraba Certificate" have the meaning respectively assigned to them in the Modaraba Companies and





- x. Modaraba Floatation and Control Ordinance, 1980.
- xi. "Month" means calendar month according to the English Calendar.
- xii. The Office means Registered Office for the time being of the Company.
- xiii. The Ordinance means the Companies Ordinance, 1984.
- xiv. "PTC" and "TFC" means Participation Term Certificate and Term Finance Certificate respectively.
- xv. "Proxy" includes Attorney, duly constituted under a Power of Attorney.
- xvi. "The Register" means the register of members to be kept pursuant to Section 147 of the Companies Ordinance, 1984.
- xvii. "Seal" means the Common seal of the Company.
- xviii. "Special Resolution" has the meaning assigned thereto by Section 2 (1) (36) of the Companies Ordinance, 1984.
- xix. "Security Sharing Agreement" means the agreement dated 29 July, 1996, so entitled and entered into between the Company, International Finance Corporation (IFC), ING Bank NV (ING), Citibank N.A., Citicorp Trustee Company Limited as the Security Trustees for IFC and ING (herein referred to as the Security Trustees which expression shall include its successors in interest, transferees and assignees).
- xx. Securities include Shares, Modaraba Certificate, PTCs, TFCs and Debenture Certificate.

Words importing the singular number also include the plural number and vice versa.

Words importing the masculine gender include all other genders.

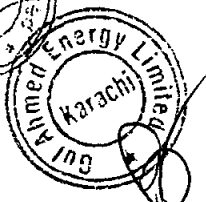
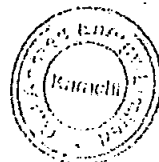
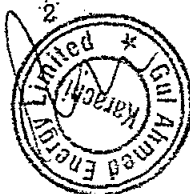
Words importing persons include firms, associations, corporations, etc.

Words and phrases defined in the Ordinance shall have the same meaning when used herein.

- 3. None of the funds of the Company shall be employed directly or indirectly in the purchase or sale of or in the security of shares of the Company, and the Company shall not except as authorised by Section 29 of the Ordinance, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company.

## SHARES

- 4. The authorised capital of the Company is Rs. 1,850,000,000 (Rupees One Billion





Eight Hundred Fifty Million only) divided into 185,000,000 ordinary shares of Rs. 10/- (Rupees Ten) each. Minimum subscription at which the Directors shall proceed to allotment shall be Rs. 500,000.

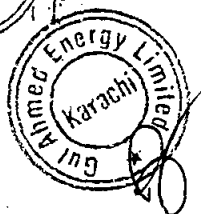
5. The shares shall be under the control of the Directors, who may allot or otherwise dispose off the same to such persons on such terms and conditions as the Directors think fit.
6. If two or more persons are registered as joint holders of any share, any of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share.
7. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share and shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognize any equitable or other claim or interest in such share on the part of any other person.

### SHARE CERTIFICATES

8. Every person whose name is entered as a member in the register of members shall without payment be entitled to a certificate under the Seal specifying the share or shares held by him and the amount paid thereon including in particular and without limitation such legends as the Company shall be obligated to affix to certain of the certificates by law or as the Company shall have agreed to affix pursuant to any contractual arrangements in this respect. 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.
9. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee as may be prescribed if any and on such terms, if any as to evidence and indemnity as the Directors think fit.
10. As regards allotment from time to time, the Directors shall duly comply with the provisions of Section 67 to 73 of the Ordinance.
11. Each share in the Company shall have a distinctive number.

### TRANSFER OF SHARES

12. The transfer of shares shall be effected by an instrument in Writing in the usual common form, modified so as to suit the circumstances of the parties.
13. The instrument of transfer of a share shall be duly stamped and shall be executed both by the transferor and the transferee whose execution shall be attested by at least one witness who shall add his address and occupation, and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members.
14. Wherever shares of different classes shall be transferred by a separate instrument of transfer shall be required for each class of shares unless the Directors resolve



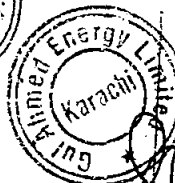
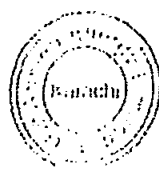


otherwise.

15. The Directors may decline to recognize any instrument of transfer, unless the instrument of transfer is deposited at the office or such other place as the Directors may appoint, accompanied by the certificate or certificates of shares to which it relates, and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer, and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do.
16. If the Directors refuse to register a transfer they shall within 30 days after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal as required by the Ordinance.
17. The Directors may on giving seven days previous notice by advertisement in some newspaper circulating in the Province in which the office is situated and in the provinces in which the Stock Exchange on which the Company is listed is situate, close the transfer book and register of members during such time as the Directors think fit, not exceeding as a whole forty-five days in each year, and not exceeding thirty days at a time.
18. Neither the Company nor its Directors shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may as between the transferor and transferee be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of transferee, or the particulars of the shares transferred, or otherwise in defective manner, and in every such case the person registered as transferee, his executors, administrators, and assignees alone shall be entitled to be recognized as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
19. The instrument of transfer of any share shall be in the usual common form or in the following form, or as near thereto as the circumstances will admit:

GUL AHMED ENERGY LIMITED

I, \_\_\_\_\_ of \_\_\_\_\_ in consideration of the sum of Rs. \_\_\_\_\_ paid to me by of here in full for the said transferee, do hereby transfer to the said transferee share (or shares) numbered \_\_\_\_\_ to \_\_\_\_\_ (both inclusive) in the undertaking called GUL AHMED ENERGY LIMITED to hold unto the said transferee, his executors, administrators, and assigns, subject to the several conditions on which I held the same immediately before the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.





In witness whereof we have put our hands this \_\_\_\_\_ days \_\_\_\_\_ 19 \_\_\_\_\_

Witnesses:

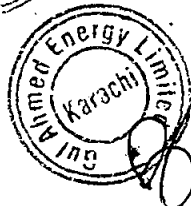
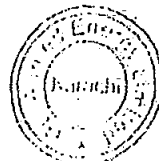
1. \_\_\_\_\_ Transferor

2. \_\_\_\_\_ Transferee

20. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same. Any instrument of transfer retained may be destroyed after three years from the date of registration.

### TRANSMISSION OF SHARES

21. In the case of death of a shareholder, the survivor where the deceased was joint holder, and the executors or administrators or nominees under Section 80 of the Ordinance of the deceased where he was a sole or only surviving holder, shall be the only persons recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
22. Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of a member may, subject as hereinafter provided, either be registered himself as holder of the share upon giving to the company notice in writing of such desire, or transfer such share to some other person. All the limitations, restrictions, and the provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer was a transfer executed by such member.
23. The Company shall not be bound to recognize an executor or administrator unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnify or otherwise as the Directors may decide.
24. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or insolvency of a member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, and shall be entitled to attend and to vote at any general meeting as if he were the registered holder of such share, provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting at which he proposes to vote he shall satisfy the Directors as to his right, or the Directors shall have previously admitted his right, to vote at every meeting in respect thereof.
25. There shall be paid to the Company in full before the registration of any probate,



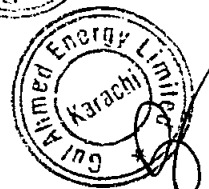
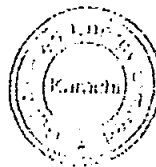
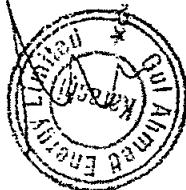


letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, or for making any entry in the register affecting the title of any share, such fee, as the Directors may from time to time, require or prescribe.

26. Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer shares in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares, or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as "The Transmission Clause".
27. All instruments of transmission which shall be registered shall remain in the custody of the Company for such period as the Directors may determine but any instrument of transmission which the Directors may decline to register or act upon shall be returned to the person depositing the same.
28. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

### ALTERATION OF CAPITAL

29. The Company in general meeting may from time to time by ordinary resolution increase its authorised capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
30. Unless otherwise determined by the Company in general meeting any original shares for the time being unissued and any new shares from time to time be created shall be offered to the members in proportion as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of shares to which the member is entitled, and allowing a time within which the offer, if not accepted, will be deemed to be irrevocable and after the expiration of such time, or on the receipt of an intimation from the member to whom the offer is made that he declines to accept the shares, the Directors shall dispose of such shares in accordance with the provisions of section 86 of the Ordinance. The Directors may dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided.
31. All new shares shall be subject to the provisions of these Articles with reference to transfer, transmission or otherwise.
32. The Company may, by ordinary resolution,

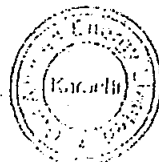
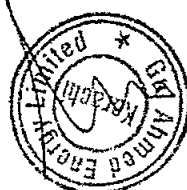




- (a) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares (subject, nevertheless to the provisions to Section 92 of the Ordinance).
  - (b) cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so canceled; or
  - (c) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions to Section 92 of the Ordinance).
33. The resolution whereby any shares are sub-divided may determine that as between the holders resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or others, subject nevertheless to the provision of Section 92 of the Ordinance.
34. Subject to confirmation by the Court, the Company may by Special Resolution reduce its share capital in any manner authorised by the Ordinance.
35. Subject to the provision of the Ordinance whenever the capital is divided into different classes of shares all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of the class) may be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class, provided such agreements are (i) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or (ii) confirmed by a special resolution passed at a separate general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal value of the issued shares of the class and that holders of shares of that class present in person or by proxy may demand a poll. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.

### GENERAL MEETING

36. The Company shall hold its annual general meeting within eighteen months from the date of its incorporation and thereafter once at least in every calendar year within a period of six months following the close of the financial year and not more than fifteen months after the holding of its last preceding annual general meeting. The Company shall hold a statutory meeting in accordance with Section 157 of the Ordinance.
37. All general meetings of the Company, other than the annual general meeting, referred to in section 158 and the statutory meeting mentioned in section 157 of the Ordinance shall be called extraordinary general meetings.

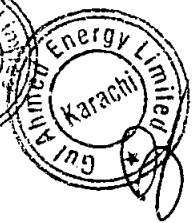
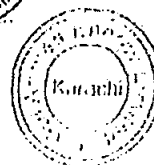




38. The Directors may at any time call an extraordinary general meeting of the Company to consider any matter, which requires the approval of the Company in a general meeting, and shall, on the requisition of the members representing not less than one tenth of the voting power on the date of the deposit of the requisition, forthwith proceed to call an extraordinary meeting.

### PROCEEDINGS OF GENERAL MEETINGS

39. Twenty-one day's clear notice at the least 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 manner provided by the Ordinance for the general meeting, to such persons as are, under the Ordinance or the regulation of the Company, entitled to receive such notice from the Company, but the accidental omission to give notice by any member shall not invalidate the proceedings at any general meeting.
40. All business shall be deemed special that is transacted at an extraordinary general meeting, and 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 report of the Directors and auditors, the election of Directors, the appointment of, and the fixing of the remuneration of, the auditors.
41. No business shall be transacted at any general meeting unless quorum of members as specified in Section 160(2)(a) of the Ordinance i.e. not less than three members present personally who represent not less than twenty five percent of the total voting power either of their own account or as proxies.
42. 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 member or members present shall be a quorum and may transact the business for which the meeting was called.
43. 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 or is unwilling to act as Chairman, and if none of the Directors is present or unwilling to act as Chairman, the member or members present shall choose one of their number to be Chairman.
44. The Chairman may, with the consent in any meeting of 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 from which the adjournment took place.
45. At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. A declaration by the Chairman that a resolution



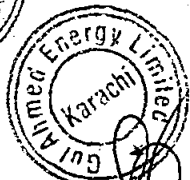
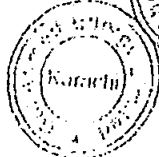
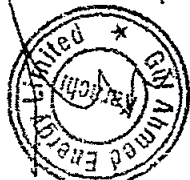


has, on the show of hands been carried or carried unanimously, or by a particular majority, or lost and in entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

46. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of a meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by the persons or person specified in Section 167 of the Ordinance.
47. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith and a poll demanded on any other question shall be taken at such time, not more than fourteen days from the day on which it is demanded, as the Chairman of the meeting may direct.
48. When a poll is taken, the Chairman or his nominee and a representative of the members demanding the poll shall scrutinize the votes given on the poll and the result shall be announced by the Chairman.
49. Subject to the provision of the Ordinance, the Chairman shall have power to regulate the manner in which a poll shall be taken.
50. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which a poll was taken. The demand of a poll may be withdrawn. In case of any dispute as to the acceptance or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

### VOTE OF MEMBERS

51. On a show of hands every member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.
52. In the case of joint holders of a share 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 of members.
53. 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 a show of hands or on a poll, by his committee, curator bonis or other person appointed by such court, and such committee, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to have the right to vote shall have been deposited at the office or at such other place as the Directors may appoint not less than forty eight hours before the time for holding the meeting.





54. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any objections made under the provisions of this Article shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
55. On a poll votes may be given either personally or by a proxy who need not be a member of the Company. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
56. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation either under the common seal or under the hand of an officer or an attorney so authorised. Members not resident in Pakistan may appoint and revoke proxies by telegram.
57. Any person duly appointed for that purpose shall be entitled to act at that meeting as the representative of a corporation under Section 162 of the Ordinance.
58. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notari ally certified copy of such power or authority, shall be deposited at the office or such other place as the Directors may appoint not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default thereof the instrument of proxy may at the discretion of Directors be treated as invalid. The authority of the proxy shall be deemed to include the right to demand or join in demanding a poll, and generally to speak, vote and to act at the meeting in the same manner and extent as the member giving the proxy.
59. An instrument of proxy may be in the following form or in any other form which the Directors shall approve:

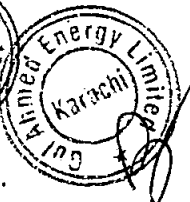
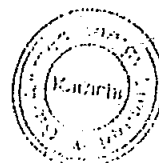
### GUL AHMED ENERGY LIMITED

I, the undersigned, being a member of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ Whom falling \_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote and act for me, and on my behalf, at the ordinary or extraordinary as the case may be general meeting of the Company, to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_  
not be witnessed:

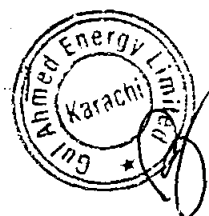
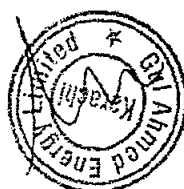
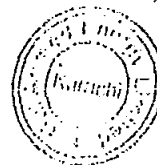
### BORROWING POWERS

60. The Directors may borrow from members, Banks or financial institutions or other persons and may themselves lend any sum of money for purposes of the Company.





61. The Directors may secure payment of money in a manner and on terms and conditions as they think fit and in particular by (i) entering into Mudaraba contracts, (ii) issue of perpetual or redeemable and convertible or non convertible PTCs, PTCs debentures and their stocks, bonds, promissory notes, bills of exchange, usance bills and such other securities, (iii) furnishing guarantees and undertakings, depositing securities, shares and documents of title, (iv) hypothecating, charging and mortgaging properties and assets (both present and future) of the Company and creating liens on and pledging such properties; and (v) appointing attorneys, giving them powers of executing documents, having them registered, selling and managing the properties, undertaking any business of the Company and furnishing and creating such other securities as may be considered expedient; and for all the aforesaid purposes or otherwise execute, complete and deliver agreements and such other documents as may be required.
62. The Company may raise and secure payment of any sum by issue of PTCs or PTCs. The PTCs/PTCs may be issued at a discount, premium or otherwise with special privileges as to redemption, conversion into shares with voting rights and their subsequent reconversion into PTCs.
63. PTCs, TFCs, debentures, stocks thereof, bonds and other securities may be made assignable free from any equities between the Company and person to whom the same may be issued.
64. The Directors, shall cause a proper register to be kept in accordance with Section 125 of the Ordinance, of all mortgages and charges specially affecting property of the Company and shall comply with requirements of Section 121 and 122 of the Ordinance, in regard to registration of mortgages and charges therein specified and requirements of section 130 of the Ordinance, as to keeping a copy of every instrument creating mortgages or charges at the office, and requirements of Section 132 as to giving intimation of payment of satisfaction of charges or mortgages created by the Company.
65. Registers of holders of PTCs and debentures may be closed for any period not exceeding, in whole, thirty days in any year. Subject as aforesaid every such register shall be open to inspection of registered holders of PTCs, TFCs and debentures and of any member; but the Company may impose any reasonable restriction so that at least two hours in each day, when such register is open are appointed for inspection.
66. Subject to the provisions of Section 76 of the Ordinance, no transfer of PTCs, TFCs or debentures shall be registered unless a proper instrument of transfer duly stamped and executed by transferor and transferee has been delivered to the Company together with certificate of concerned securities.
67. If the Directors refuse to register transfers of PTCs, TFCs or debentures they shall within thirty days from the date on which instrument of transfer was lodged with the Company, send to the transferee and transferor a notice showing the reason of refusal as required under Section 78 of the Ordinance.
68. The Company shall comply with provisions of Sections 136 of the Ordinance for





allowing inspection of copies kept at the office in pursuance of Section 130 of the Ordinance and allowing inspection of Registrar of PTC, TFC or debenture holders, in pursuance of Section 136 of the Ordinance:

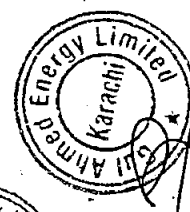
69. The Company shall comply with provisions of Section 136 of the Ordinance for supplying copies of Registrar of PTC, TFC and debenture holders or trust deed for securing issue of PTC, TFC or debenture.
70. Trustees for the PTC, TFC and Debenture Holders shall have the same right to receive and inspect balance sheet and profit and loss accounts of the Company and reports of Auditors and other reports as are possessed by holders of Ordinary Shares in the Company.
71. Subject to the provisions of the Ordinance, no loan or guarantee or security for loan shall be made directly or indirectly by the Company for or on behalf of any member of the Company unless the same shall have been approved by a three fourths majority of the Directors.

## DIRECTORS

72. The number of Directors of the Company shall not be less than seven and more than twelve save as otherwise provided in the Ordinance, a Director shall be a member of the Company. The subscribers to the Memorandum of Association shall be the first Directors of the Company.
73. Any casual vacancy arising from the death, resignation or removal of a Director shall be filled by the remaining Directors provided that no such vacancy shall be deemed to have occurred so as to require that it be filled where the provisions of Article 87(g) result in the vacation of office by a Director if and so long as the Security Trustee appoints pursuant to the provisions of Article 89 and the powers conferred by Clause 5.2(b)(ii) of the Security Sharing Agreement at least the same number of Directors as it names in the notice under Clause 5.02(b)(i) of the Security Sharing Agreement.
  - (a) Directors shall be entitled to be paid their reasonable travelling hotel and other expenses incurred in consequence of their attendance at Board meetings, and otherwise in the execution of their duties as Directors.
  - (b) If any Director, being willing, shall be called upon to perform extra services, as Managing Director or otherwise for any of the purposes of the Company, the fixed sum or by a percentage of shares or profit of the Company shall be addition to his shares in the Company.

## POWERS AND DUTIES OF DIRECTORS

74. 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, and may exercise all such powers of the Company as are not by the Ordinance or any statutory modification thereof for the time





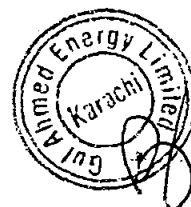
being in force, or by these regulations required to be exercised by the Company in the general meeting, subject nevertheless to the provisions of the Ordinance or to any of those regulations being not inconsistent with the aforesaid provision, as may be prescribed by the Company in general meeting but 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.

## PROCEEDING OF DIRECTORS

76. The Directors may meet together for the dispatch of business, adjourn or otherwise regulate their meetings, and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business. The quorum for Directors meeting shall be one third of total number of Directors or four whichever is greater.
77. Questions arising at any meeting shall be decided by a majority of votes.
78. A Director may, at any time summon a meeting of Directors. It shall be necessary to give notice of a meeting of Directors to any Director for the time being absent from Pakistan, at such facsimile number or other contact number or address as he shall from time to time provide to the Company.
79. The Chairman shall be elected amongst the Directors who shall preside at all meetings of Directors as Chairman but if no such Chairman is elected or in any meeting the Chairman is not present or is unwilling to act as Chairman, the Directors present may choose one of their members to be Chairman of the Meeting.
80. A meeting of the Directors at which a quorum is present, shall be competent to exercise all or any of the authorities, powers, and directions by or under the Articles of the Company for the time being vested in or exercisable by the Directors, generally.
81. The Directors may delegate all or any of their powers to the Chief Executive (by whatever name called) as they think fit and may from time to time, revoke such delegation subject to the agreement with the Chief Executive or Managing Director (by whatever name called).
82. Except for the matters specified in Section 196 of the Ordinance, a resolution in writing signed by all the Directors for the time being in office shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. For this purpose, it shall be permissible to circulate the text of the proposed resolution duly signed by the Chief Executive and obtain the signatures of all the other Directors thereon separately by fax (the signed original whereof shall be sent in due course by mail or courier to the Company for its record) and such resolution shall be as effective as soon as the text of the resolution signed by each of the other Directors shall have been faxed to and received by the Company.

## RETIREMENT & ELECTION OF DIRECTORS

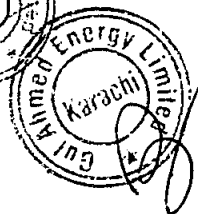
83. At the first annual general meeting of the Company, all the first Directors shall





stand retired from office, and Directors shall be elected in their place in accordance with Section 178 of the Ordinance, for a term of three years. Notwithstanding that the number of persons offering themselves for election as Directors is not more than the number of Directors fixed under Article 72, the number of votes cast in favour of each candidate and the name of the member casting such votes shall be recorded in the minutes of the meeting.

84. A retiring director shall be eligible for re-election.
85. The Directors of the Company shall, subject to section 174 of the Ordinance, fix the number of elected directors of the Company not later than thirty-five days before the convening of the general meeting at which Directors are to be elected, and the number so fixed shall not be changed except with the prior approval by ordinary resolution of a general meeting of the Company.
86. No person shall be appointed as a Director of the Company if he:
- (a) is minor;
  - (b) is found to be of unsound mind;
  - (c) is adjudged insolvent by a court of competent jurisdiction;
  - (d) has been convicted by a court of law for an offense involving moral turpitude;
  - (e) has been debarred from holding such office under any provisions of the Ordinance;
  - (f) has betrayed lack of judicially behavior and a declaration of this fact has been made by the Court under section 217 of the Ordinance at any time during the preceding five years;
  - (g) is not a member of the Company, provided that clause (g) shall not apply in the case of:
    - (i) a whole-time Director who is an employee of the Company;
    - (ii) a Chief Executive;
    - (iii) a person representing one or more creditors as a Director of the Company.
87. A Director shall ipso facto cease to hold office if:
- (a) he becomes ineligible to be appointed a director on any one or more of the grounds enumerated in Articles 86; or
  - (b) he absents himself from three consecutive meetings of the Directors or from all the meetings of the Directors for a continuous period of three





months whichever is the longer, without leave of absence from the Directors; or

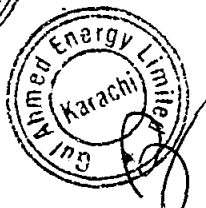
- (c) The Directors by notice in writing to the Company resigns of his office; or
- (d) he is removed from office by resolution in general meeting, under Section 181 of the Ordinance; or
- (e) he or any firm of which he is partner or any private company of which he is a director:
  - i) Without the sanction of the Company in general meeting accepts or holds any office of profit under the Company other than of Chief Executive (by whatever name called) or a legal or technical advisor or a banker; or
  - ii) accepts a loan or guarantee from the Company in contravention of Section 195 of the Ordinance.
- f) any other event mentioned in Section 188 of the Ordinance occurs; or
- g) he is named in any notice received by the Company from the Security Trustee pursuant to and under the terms of Clause 5.2(b)(ii) of the Security Sharing Agreement.

88. The Company shall keep at its registered office a register of its Directors and officers including the Chief Executive (by whatever the name called), secretary, Chief accountant, auditors and legal adviser, containing with respect to each of them the following particulars, that is to say:-

- a) In the case of an individual, his present name in full, any former name or surname, in full his father's name, in the case of a married woman or a widow, the name of her husband or deceased husband, his usual residential address, nationality and if that nationality is not the nationality of origin, his nationality of origin, and his business occupation, if any, and if he holds any other directorship or other office the particulars of such directorship or office;
- b) In the case of a corporation, its corporate name and registered or principal office, and full name, address and nationality of each of its directors; and
- c) In the case of a firm, the full name, address, and nationality of each partner, and the date on which each became a partner.

The Company shall otherwise comply with the provisions of Section 205 of the Ordinance, as regards returns to the Registrar and giving inspection of the register.

In addition to the Directors elected or deemed to have been elected by shareholders, the Company may have Directors nominated by or on behalf of the "Company"s





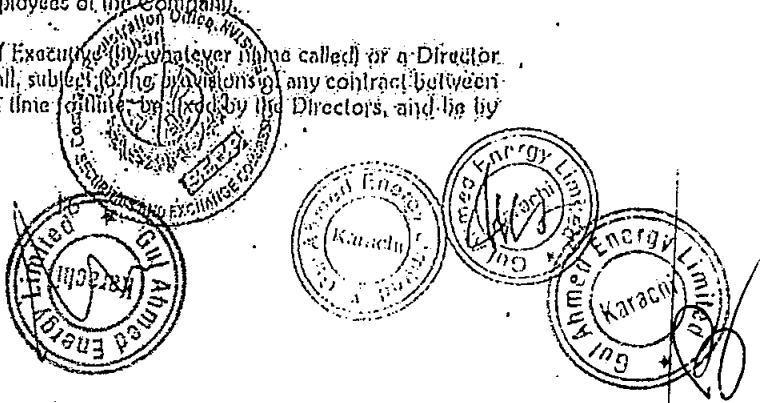
creditors or other special arrangements by virtue of any contractual arrangements, and any such contractual arrangements with respect to the appointment of Directors by creditors or other special interests approved by the Board shall be binding on the Company and every person then or at any time thereafter holding the office of Director.

### ALTERNATE DIRECTORS

89. A Director may, with the approval of the Board, appoint any person (including another Director) to be his alternate Director and such an alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly and generally to exercise all the rights of such absent Director subject to any limitations in the instrument appointing him. For the purpose of the proceedings at such meetings, the provisions of these Articles shall apply as if any alternate Director (instead of his appointer) were a Director. An alternate Director shall not require any share qualification and he shall ipso facto vacate office as and when his appointer (a) vacates office as a Director (b) removes the appointee from office, or (c) returns to Pakistan. Provided upon each occasion upon which the appointer thereafter leaves Pakistan again, and unless the appointer shall have informed the Company to the contrary, he shall be deemed to have reappointed the appointee as his alternate Director and no further approval of the Board shall be required unless the appointer desires to approve another person not previously approved by the Board as his alternate. If an alternate Director shall be himself a Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of quorum. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

### CHIEF EXECUTIVE OR MANAGING DIRECTOR

90. The Directors shall appoint a Chief Executive (by whatever name called in accordance with the provisions of Sections 198 & 199 of the Ordinance).
91. A Chief Executive shall while he continues hold that office subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignations and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately cease to be Chief Executive.
92. With a view to enable the smooth and efficient functioning of the Company it is clarified that the Chief Executive (by whatever name called) shall be responsible subject to the supervision and control of the Board for the general day-to-day management of the Company and of its business transactions and in the best interests of the Company and do all such actions as may be required, and shall have control over all the employees of the Company.
93. The remuneration of a Chief Executive (by whatever name called) or a Director holding an office of profit shall, subject to the provisions of any contract between him and the Company, from time to time be fixed by the Directors, and he by





way of fixed salary, or percentage of profit, or by both, as provided in such contract.

## MINUTES

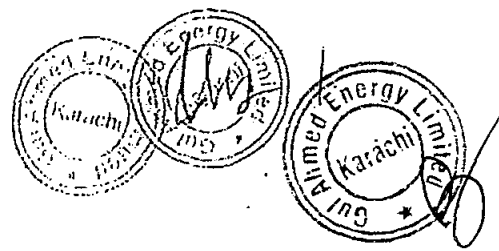
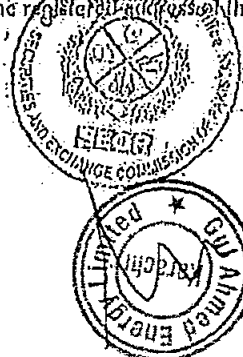
94. The Directors shall cause minutes to be duly entered in books provided for the purpose:
- of all names of the Directors present at each meeting of the Directors and committee of Directors, if any;
  - of all orders made by the Directors and committee of Directors;
  - of all resolutions and proceedings of general meetings and of meetings of the Directors and Committee. Any such minutes of any meeting of the Directors, or any committee, or of the Company, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.
95. Until the contrary is proved, every general meeting of the Company or meeting of Directors or committee of Directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings and thereon to have been duly held, and all appointments of Directors or any liquidators made thereon shall be deemed to be valid.
96. The books containing the minutes of proceedings of the general meetings of the Company and those of the meetings of the Directors and committee of Directors shall be kept at the registered office of the Company and shall be open to inspection by members between such hours of working as the Directors may prescribe.

## SEAL

97. The Directors shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Directors, previously given, and in the presence of the Chief Executive (by whatever name called) or anyone of the Directors duly authorised by the Board who shall sign every instrument to which the Seal is affixed.

## DIVIDEND AND RESERVES

98. Clause 63 to 70 of Table A shall apply.
99. Notice of the declaration of any dividend, whether interim or otherwise shall be given to the holders of registered shares in the manner hereinafter provided. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or other person entitled pursuant to any directions or order previously received by the Company, or in the case of joint holders, to the registered address of that whose name stands first.





In the register in respect of joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

### ACCOUNTS

100. Clauses 71 to 77 of Table A shall apply.

### AUDITORS

101. Auditors shall be appointed and their duties regulated in accordance with Section 252 & 255 of the Ordinance. The Company shall at each annual general meeting appoint an auditor to hold office till the conclusion of the next annual general meeting.

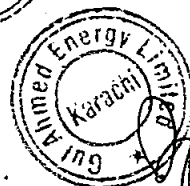
### NOTICE

102. Clauses 79 to 83 of Table A shall apply, save that any Director or member resident out of Pakistan shall be entitled to receive notices and such notices shall be delivered by facsimile or courier at the facsimile number or address provided to the Company from time to time by such Director or member.

### WINDING UP

103. Clause 84 of Table A shall apply.

104. Clause 85 of Table A shall apply.





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

Name and Address (Name and Address in full block letters)	FATHER'S NAME (Name in full)	NATIONALITY (Nationality in full block letters)	Occupation	Full Address (Full Address in full block letters)	Number of Shares taken by each Subscriber	Signature
MR. IQBAL ALIMOHAMMED	Haji ALIMOHAMMED	Pakistani	Industrialist	118, Garden East, Karachi.	One	
MR. BASHIR H. ALIMOHAMMED	Haji ALIMOHAMMED	Pakistani	Industrialist	D-37, K.O.A. Scheme No. 1, Marine Road, Karachi.	One	
MR. ABDUL RAZZAK	Haji SATTAR	Pakistani	Industrialist	118, Garden East, Karachi.	One	
MR. MOHAMMED ASIF	A. GHAFAR	Pakistani	Industrialist	238, Garden East, Karachi.	One	
MR. SIRAJ	Haji KASSAM TELI	Pakistani	Industrialist	117/1, Garden East, Karachi.	One	
MR. YASIN	Haji KASSAM TELI	Pakistani	Industrialist	117/1, Garden East, Karachi.	One	
MR. JUNAID	Haji LATIF	Pakistani	Industrialist	239/2, Garden East, Karachi.	One	
MR. UDAID	AHANULLAH	Pakistani	Industrialist	239/1, Garden East, Karachi.	One	

Dated: 11th day of July, 1994.

Witnesses to the above Signature:

<u>NAME:</u>	<u>FATHER NAME:</u>	<u>OCCUPATION:</u>	<u>NATIONALITY:</u>	<u>FULL ADDRESS:</u>
Zaher Ahmed	Mohammad Hussain	Chartered Accountant	Pakistani	Saltor Chambers, 29-West Vihari Road, Karachi.

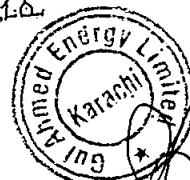
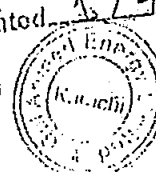
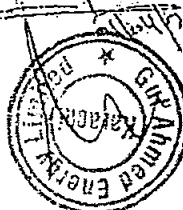


CERTIFIED TO BE TRUE COPY

John Roudsford  
Company Registration Officer, Islamabad

No. ADI 9685

Dated 1/4/1994

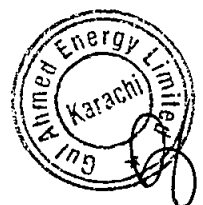




# **ANNEXURE-C**

## **ANNUAL REPORTS OF THE COMPANY INCLUDING LAST ANNUAL RETURN OF THE COMPANY**





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**

(Please complete in typescript or in bold block capitals)

1.1 CUIT Registration Number: 0033005

1.2 Name of the Company: GUL AHMED ENERGY LIMITED

1.3 Fee payment details: 1.3.1 Chalan No: E-2022-1317320 1.3.2. Amount: 660.0

1.4 Form A made upto: dd mm yyyy 25/12/2022

1.5 Date of AGM: 23/12/2022

**PART - II**

**Section A**

2.1 Registered Office Address: PLOT 13, MODEL TOWN, VILLAGE HUMAK, ISLAMABAD

2.2 Email Address: info@gaenergy.com

2.3 Office Tel. No: 34540270

2.4 Office Fax No: 34540274

2.5 Principle line of business: POWER GENERATION - ALLIES (OTHER)

2.6 Mobile No. of Authorized officer (Chief Executive/ Director/ Company Secretary/ Chief Financial Officer): 03008252240

**2.7 Authorized Share Capital**

Classes and kinds of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		1,850,000,000.00	

**2.8 Paid up Share Capital**

Classes and kinds of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		1,883,284,260.00	

**2.9 Particulars of the holding /subsidiary company, if any**

Name of Company	Holding/Subsidiary	% Shares Held
As per attached list		

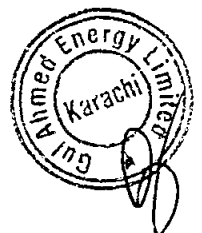
**2.10 Chief Executive**

Name: DANISH IQBAL

Address: B-70, KDA 1, KARACHI EAST PAKISTAN

NIC No: 4220145846131

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## 2.11 Chief Financial Officer

Name

Address

NIC No



## 2.12 Secretary

Name

M. AMIN BHIMANI

Address

E-31, USMAN PLAZA, BLOCK 3, GULSHAN-E-IOBAL, KARACHI

NIC No

4220105450323

## 2.13 Legal Advisor

Name

ABDUL RAUF SIDDIQUE

Address

D-13, FAKIR SAQUARE, F. B. AREA, WATER PUMP, KARACHI

NIC No

## 2.14 Particulars of Auditors

Name

A. F. FERGUSON AND CO. CA

Address

STATE LIFE BUILDING NO. 1 C, I.I. CHUNDRIGAR ROAD, P.O. BOX 4716, KARACHI.

## 2.15 Particulars of Shares Registrar (if applicable)

Name

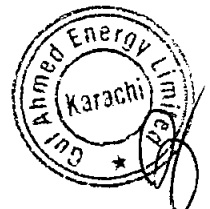
Address

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	GHULAM MOHAMMED	A-7, AMIR KHUSRO ROAD. K.D.A. SCHEME NO. 1, KARACHI	Pakistan	4220198508215	26/12/2022	
2	ABDUL RAZAK TELI	94, 10TH STREET, KHAYABAN-E-RAHAT, PHASE VI, D.H.A KARACHI	Pakistan	4230116671337	26/12/2022	
3	MOHOMED BASHIR	B-37. KDA SCHEME NO.1, KARSAZ ROAD, KARACHI.	Pakistan	4220135545001	26/12/2022	
4	MUHAMMAD JUNAID	114, 16TH STREET, KHAYABAN-E-MUHAFIZ, PHASE-V, D.H.A., KARACHI.	Pakistan	4220198630927	26/12/2022	
5	NUSAIR SIRAJ TELI	45, KHAYABAN-E-TARIQ, PHASE-VI, DHA, KARACHI.	Pakistan	4220192554215	26/12/2022	
6	DANISH IQBAL	B-70, KDA 1, KARACHI EAST PAKISTAN	Pakistan	4220145846131	26/12/2022	
7	SAAD IQBAL	HOUSE NO. B-84/1-A, KDA SCHEME NO.1, KARACHI	Pakistan	4220199112265	26/12/2022	
8	UBAID AMANULLAH	HOUSE NO.121, STREET NO.14, DEFENCE PHASE-VI, KARACHI.	Pakistan	4230162085697	26/12/2022	

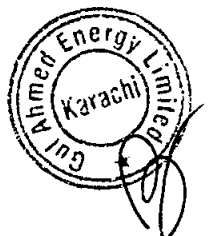




## 2.17 List of members &amp; debenture holders on the date upto which this Form is made

S#	Folio#	Name *	Address	Nationality	No of shares	Percentage	(Passport if foreigner)
<b>Members</b>							
		As per attached List	-	Pakistan	168328426		
<b>Debenture Holders</b>							

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

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## 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
<b>Members</b>				
1	As per attached List	As per attached List	7297256	15/11/2021
2	As per attached List	As per attached List	31350105	18/02/2022
3	As per attached List	As per attached List	21495733	19/02/2022
4	As per attached List	As per attached List	1554813	24/05/2022
5	As per attached List	As per attached List	2437846	25/09/2022
<b>Debenture Holders</b>				

**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

M. AMIN BHIMANI

Secretary

## 3.3 Signatures

Electronically signed by M. AMIN BHIMANI

## 3.4 Registration No of Authorized Intermediary, if applicable

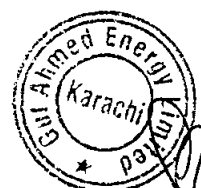
Day Month Year

## 3.5 Date

18/01/2023

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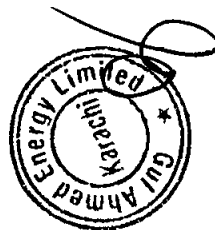






**..Digital Certified True Copy..**  
This Certified True Copy is not valid for purpose of bank account opening.  
The banks may verify company's record through bank portal launched by the SECP.

THIS IS DIGITAL CERTIFIED COPY AND NEEDS NO STAMP/SIGNATURE. CTC ISSUED DATE : 25-01-2023 (VALIDITY 01 MONTH)



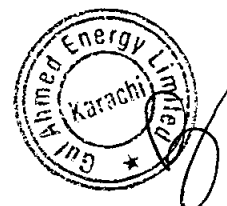


**GUL AHMED ENERGY LIMITED**

**PATTERN OF SHAREHOLDINGS AS ON 30 JUNE 2022**

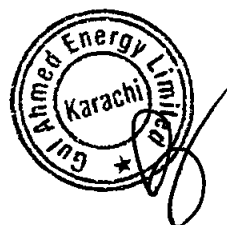
Category No.	Category of Shareholders	No. of Shareholders	Total Shares held	Percentage
1	Directors, Chief Executive Officer and their spouse and minor children	54	168,328,426	100.00%
		<b>54</b>	<b>168,328,426</b>	<b>100.00%</b>

No. of Shareholders	Shareholdings		Total Shares held
	From	To	
0	1	100,000	-
44	100,001	5,000,000	101,937,918
10	5,000,001	10,000,000	66,390,508
0	10,000,001	25,000,000	-
0	25,000,001	35,000,000	-
<b>54</b>			<b>168,328,426</b>





**GUL AHMED ENERGY LIMITED**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2022**





## INDEPENDENT AUDITOR'S REPORT

To the members of Gul Ahmed Energy Limited

Report on the Audit of the Unconsolidated Financial Statements

## Opinion

We have audited the annexed unconsolidated financial statements of Gul Ahmed Energy Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2022, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

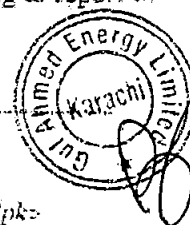
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent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

## Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report but does not include the unconsolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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.

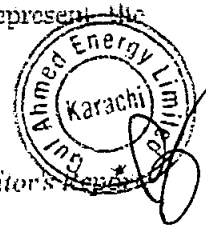
Board of directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

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






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

#### Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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).

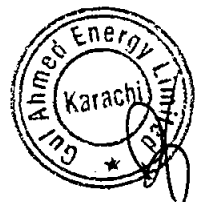
The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



A. F. Ferguson & Co  
Chartered Accountants  
Karachi

Date: December 5, 2022

UDIN: AR202210073bWpHgU3n



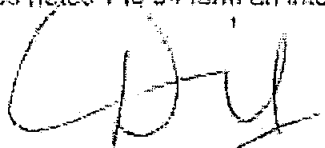


**GUL AHMED ENERGY LIMITED**

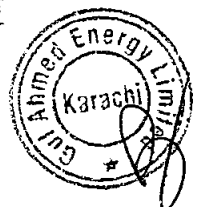
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022**

	Note	2022	2021
		(Rupees '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	354,757	433,923
Long term investment - subsidiaries	4	3,826,671	3,816,671
Long term loan - subsidiaries	5	758,308	149,228
Long term loans to employees - considered good	6	1,395	595
		<u>4,941,131</u>	<u>4,400,417</u>
<b>CURRENT ASSETS</b>			
Inventories	7	662,735	1,262,127
Trade receivable	8	4,998,856	1,505,433
Loans and advances	9	225,691	625,281
Trade deposits and short-term prepayments	10	49,201	46,820
Other receivables	11	1,039,580	335,123
Financial assets at fair value through profit or loss	12	1,088,278	3,084,855
Tax refunds due from government - sales tax		229,514	388,554
Taxation		85,981	86,131
Cash and bank balances	13	52,600	4,503
		<u>8,432,436</u>	<u>7,338,837</u>
<b>TOTAL ASSETS</b>		<u><b>13,373,567</b></u>	<u><b>11,739,254</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	14	1,683,284	1,683,284
Capital reserve	15	96,846	96,846
Unappropriated profit		10,826,132	9,287,529
		<u>12,606,262</u>	<u>11,067,659</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liability - staff gratuity	16	29,707	34,876
Long term lease liability	17	35,920	-
		<u>65,627</u>	<u>34,876</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	680,298	624,960
Current portion of long-term lease liability	17	21,380	11,759
		<u>701,678</u>	<u>636,719</u>
<b>TOTAL LIABILITIES</b>		<u><b>767,305</b></u>	<u><b>671,595</b></u>
<b>COMMITMENTS</b>			
	19		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>13,373,567</b></u>	<u><b>11,739,254</b></u>

The annexed notes T to 34 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director



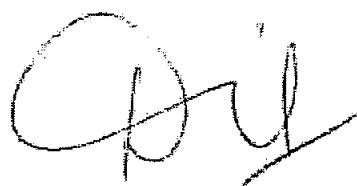


GUL AHMED ENERGY LIMITED

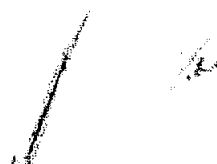
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees '000)	2021
Revenue from contract with customer	20	19,979,644	11,044,359
Cost of sales	21	<u>(18,406,900)</u>	<u>(9,951,702)</u>
Gross profit		1,572,744	1,092,657
Administrative expenses	22	<u>(208,955)</u>	<u>(179,919)</u>
		1,363,789	912,738
Finance income / (cost)	23	18,763	(19,694)
Gain on disposal of operating fixed assets		74	56,057
Gain on investments	24	360,281	285,934
Dividend income	25	390,084	531,933
Profit before taxation		<u>2,132,991</u>	<u>1,766,968</u>
Taxation		<u>(90,492)</u>	<u>(83,143)</u>
Profit after taxation		<u>2,042,499</u>	<u>1,683,825</u>
Other comprehensive income / (loss)			
Remeasurements of post employment benefit obligations		1,089	(1,757)
Total comprehensive income		<u>2,043,588</u>	<u>1,682,068</u>

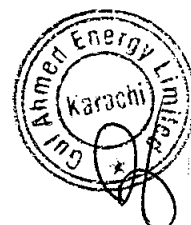
The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.



Chief Executive



Director





GUL AHMED ENERGY LIMITED

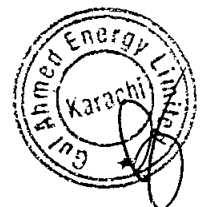
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022

	SHARE CAPITAL	RESERVES			TOTAL
		CAPITAL	REVENUE	SUB TOTAL	
			Unappropriated profit		
			(Rupees '000)		
Balance as at July 1, 2020	1,683,284	96,846	7,605,461	7,702,307	9,385,591
- Profit for the year ended June 30, 2021	-	-	1,683,825	1,683,825	1,683,825
- Other comprehensive income for the year ended June 30, 2021	-	-	(1,757)	(1,757)	(1,757)
Total comprehensive income for the year ended June 30, 2021	-	-	1,682,068	1,682,068	1,682,068
Balance as at June 30, 2021	1,683,284	96,846	9,287,529	9,384,375	11,067,659
- Profit for the year ended June 30, 2022	-	-	2,042,499	2,042,499	2,042,499
- Other comprehensive income for the year ended June 30, 2022	-	-	1,089	1,089	1,089
Total comprehensive income for the year ended June 30, 2022	-	-	2,043,588	2,043,588	2,043,588
Interim cash dividend for the year ended June 30, 2022 @ Rs. 3 per ordinary share			(504,985)	(504,985)	(504,985)
Balance as at June 30, 2022	1,683,284	96,846	10,826,132	10,922,978	12,606,262

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director





**GUL AHMED ENERGY LIMITED**

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022	2021
		(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,132,991	1,683,825
Adjustment for non cash charges and other items:			
Depreciation / amortisation		142,331	141,928
Provision for retirement benefits		(2,110)	2,508
Gain on disposal of open ended mutual funds		(358,460)	(283,778)
Gain on re-measurement of fair value of open ended mutual funds		(1,831)	(2,150)
Gain on disposal of property, plant and equipment		(74)	(56,057)
Finance cost		20,157	23,224
Dividend income		(390,084)	(531,933)
Interest income		(39,127)	(3,530)
		<u>1,504,103</u>	<u>974,431</u>
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Inventories		589,392	(1,100,260)
Trade receivable		(3,493,423)	(559,699)
Loans and advances		399,590	(287,081)
Trade deposits and short-term prepayments		(2,381)	6,058
Other receivables		(704,457)	(146,038)
Refunds due from the government - sales tax		158,040	(107,610)
		<u>(3,042,239)</u>	<u>(2,194,630)</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		55,338	212,236
		<u>(2,986,901)</u>	<u>(1,982,394)</u>
Cash (used in) / generated from operations		<u>(1,482,798)</u>	<u>(1,007,963)</u>
Retirement benefits paid		(1,870)	(5,504)
Taxes paid		(90,342)	(5,548)
Finance cost paid		(14,577)	(19,201)
Loans to employees		(800)	430
		<u>(107,689)</u>	<u>(27,823)</u>
Net cash used in operating activities		<u>(1,590,487)</u>	<u>(1,035,886)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(2,270)	(51,831)
Proceeds from sale of property, plant and equipment		95	70,765
Investments made in mutual funds units		(14,303,801)	(11,152,829)
Proceeds from disposal of mutual funds units		16,750,670	12,902,922
Investment in Gul Ahmed Electric Limited		-	(1,093,561)
Investment in GAE Power Solutions Limited		(10,000)	-
Interest received		750	6
Dividend received		380,084	531,933
Loan provided to Gul Ahmed Electric Limited		(76,700)	(145,704)
Loan provided to GAE Power Solutions Limited		(494,000)	-
Net cash generated from investing activities		<u>2,154,817</u>	<u>1,081,701</u>
<b>CASH USED IN FINANCING ACTIVITIES</b>			
Lease rentals paid		(21,247)	(37,341)
Dividend paid		(504,985)	-
Net (decrease) / increase in cash and cash equivalents		<u>48,097</u>	<u>(11,526)</u>
Cash and cash equivalents at beginning of the year		4,503	16,029
Cash and cash equivalents at end of the year		<u>52,600</u>	<u>4,503</u>

This annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director





## GUL AHMED ENERGY LIMITED

### NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

#### 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Gul Ahmed Energy Limited (the Company) was incorporated on July 20, 1994 under the repealed Companies Ordinance, 1984 as a public limited company. The principal activity of the Company is power generation and its supply to K - Electric Limited herein after referred to as K - Electric.

The Company owns following subsidiaries:

	%age of holding	
	2022	2021
- Gul Ahmed Wind Power Limited	55.10%	55.10%
- Gul Ahmed Electric Limited	100%	100%
- Gul Ahmed Solar Power Limited	100%	100%
- GAE Power Solutions Limited	100%	-

The principal activity of above subsidiaries is power generation and related activities.

Gul Ahmed Wind Power Limited (GAWPL) has initiated its commercial production on October 18, 2016.

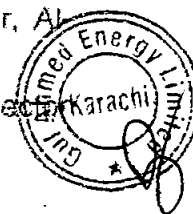
Gul Ahmed Electric Limited (GEL) was incorporated in the year ended June 30, 2016. The generation tariff of GEL was determined by the National Electric Power Regulatory Authority ('NEPRA') in 2019. GEL has initiated its commercial production on date April 07, 2022.

Gul Ahmed Solar Power Limited (GASPL) was incorporated in the year ended June 30, 2016. GASPL is in the process of obtaining requisite approval from relevant authorities.

During the year the Company has incorporated a subsidiary GAE Power Solutions Limited (GAEPSL) dated December 15, 2021. The principal line of business of the GAEPSL shall be to carry on businesses of sale/services associated with all type of power generating plants but not limited to renewable energy power plants, thermal power plants and hydro power plants and to perform all other acts which are necessary or identical to the business of electricity generation, transmission, distribution and supply.

- 1.2 The geographical locations and addresses of the Company's business units are as under:

- The registered office of the Company is situated at Plot No. 8, Model Town, Village Humak, Islamabad.
- The principal place of business of the Company is situated at 7th Floor, Al Tijarah Centre, 32 / 1-A, Block-6, P.E.C.H.S., Karachi.
- The power generation plant of the Company is situated at Plot No. 434, Sector 10, Korangi Industrial Area, Karachi.





1.3 The Power Purchase Agreement (PPA) between the Company and K - Electric was concluded on November 02, 2019. In 2019, K - Electric had provided its consent for the extension of PPA for an additional term of five years, subject to fulfillment of all regulatory obligations, consents and other requirements. The Company has received revised tariff issued by NEPRA for a term of three years and modified generation license for the next ten years. The key terms of the revised tariff dated June 03, 2020, effective November 03, 2019 are as follows:

- a) The tariff is revised on "Take and Pay" basis as compared to previous tariff which was on "Take or Pay" basis.
- b) The Company is not required to guarantee the percentage of availability and is allowed to sell power to Bulk Power Consumers (BPCs).

Accordingly, the PPA for the next three years commencing from November 03, 2019 has been signed between the Company and K - Electric on April 29, 2022. The PPA includes "Take and Pay" basis and the Company is allowed to sell power to BPCs subject to prior written approval from K - Electric.

The Company is in the process of filing for the revision of tariff for the next two years starting November 03, 2022.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

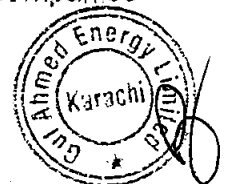
### 2.1 Basis of preparation

#### 2.1.1 Statement of compliance

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

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

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





## 2.1.2 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- i) Provision for staff retirement benefits
- ii) Useful lives of property, plant and equipment and intangible assets
- iii) Provisions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

## 2.1.3 Changes in accounting standards, interpretations and pronouncements

- a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However these do not have any significant impact on the Company's financial reporting.

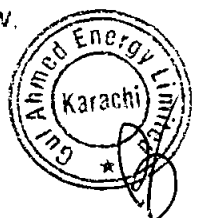
- b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However these are considered either not to be relevant or to have any significant impact on the Company's financial statement and operations and, therefore, have not been disclosed in these financial statements.

## 2.2 Overall valuation policy

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

15/11/21





## 2.3 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortisation, Capital work in progress, spare parts and stand-by equipments are stated at cost.

Leasehold land is amortised over the period of the lease. The Company depreciates / amortises its assets using the straight line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in 3.1 to the financial statements.

Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

The Company accounts for impairment, where indication exists, by reducing assets carrying value to the assessed recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals, improvements, spare parts and stand-by equipments are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in income currently.

## 2.4 Staff retirement benefits

### 2.4.1 Defined Benefit Plan

The Company operates an unfunded gratuity scheme for certain non management employees. Contributions to the scheme are based on actuarial valuation.

The latest actuarial valuation of the scheme has been carried out as at June 30, 2022 using the Project Unit Credit method. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in income.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the scheme.

Gratuity shall be paid as defined under:

Years of service:

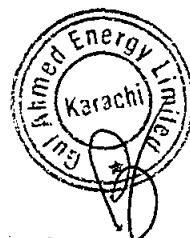
Less than 1 year

Greater than or equal to 1 year

Entitlement of gratuity:

Nil

One month's last drawn gross salary for each completed year of service





#### 2.4.2 Defined Contribution Plan

The Company operates a recognised provident fund for all its management employees and certain non management employees. Equal monthly contributions are made by the Company and the employees in the fund at the rate of 8.33% of basic salary of employees.

#### 2.5 Inventories

These are valued at the lower of cost and net realisable value. Cost is determined using first-in-first-out method.

Items of stores and spares in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

#### 2.6 Provisions

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

#### 2.7 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

#### 2.8 Taxation

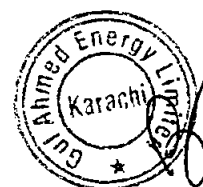
Profits and gains derived by the Company from electric power generation project set up in Pakistan are exempt under clause 132 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001. However, the Company's other income is subject to normal tax regime.

#### 2.9 Foreign currencies

These financial statements are presented in Pak Rupee which is the Company's functional and presentation currency.

Transactions in foreign currencies are recorded in Pak Rupee at exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are reported in Pak Rupee using the rates of exchange approximating those prevailing at the statement of financial position date.

Exchange gains and losses are reported on net basis.





## 2.10 Financial assets at fair value through profit or loss

The Company determines the appropriate classification of its investment at the time of making the investment.

Investments classified as "financial assets at fair value through profit or loss" are initially recognised at cost being the fair value of consideration given. At subsequent reporting dates these investments are measured at fair value with any resulting gains or losses recognised directly in the statement of profit or loss and other comprehensive income. The fair value of such investments is determined on the basis of prevailing market prices. In the case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company.

## 2.11 Long term investment

Investment in subsidiary company is stated at cost. Impairment loss is recognised when the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in statement of profit or loss and other comprehensive income.

## 2.12 Advances and deposits

Loans, advances, deposits and prepayments are non-derivate financial assets with fixed and determinable payments. These are included in current assets, except those with maturities greater than twelve months after the reporting date, which are classified as non-current assets.

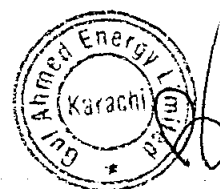
## 2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current, savings and foreign currency accounts.

## 2.14 Impairment losses

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If such indications exist, the assets' recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the statement of profit or loss and other comprehensive income.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.





## 2.15 Contingent Liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and 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
- there is present 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.

A contingent liability is disclosed unless the possibility of an outflow is remote.

## 2.16 Share capital

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

## 2.17 Revenue recognition

Revenue has been recorded based on the actual capacity delivered to K - Electric with no capacity payment if the supply of electricity exceeds 64.2% of the total plant capacity. Energy revenue and capacity revenue from sale of electricity is recorded based on the rates specified in the tariff approved by NEPRA on June 03, 2020 effective from November 03, 2019.

## 2.18 Other Income

Return on deposits is accounted for on accrual basis.

Interest income on subsidiaries is accounted for on accrual basis.

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

## 2.19 Financial Instruments - Initial recognition and subsequent measurement

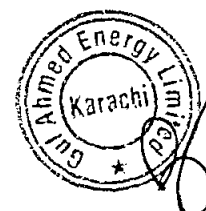
### Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

### Classification of financial assets

The Company classifies its financial instruments in the following categories:

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





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

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

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

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

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

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

#### Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

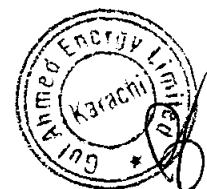
- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

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

#### Subsequent measurement

##### i) Financial assets and liabilities at amortised cost

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





## ii) Financial assets and liabilities at FVTPL

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

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

### Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

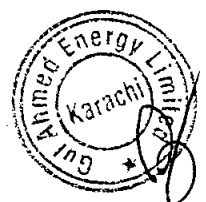
- bank balances for whom credit risk (the risk of default) occurring over the expected life of the financial instrument has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivable are always measured at an amount equal to life time ECLs.

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

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

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





## Derecognition

### i) Financial assets

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

### ii) Financial liabilities

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

## 2.20 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2.21 Dividend disbursement

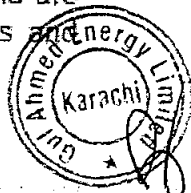
Dividend distribution to the Company's shareholders is recognised as liability at the time of their approval.

## 2.22 Dividend income

Dividend income is recognised when the right to receive payment is established.

## 2.23 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.





From July 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

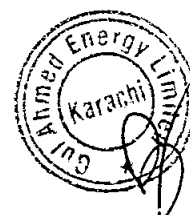
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

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

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.





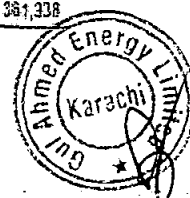
2022 2021  
(Rupees '000)

### 3. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 3.1	338,636	361,938
Spare parts and stand-by equipments	16,121	71,985
	<u>354,757</u>	<u>433,923</u>

#### 3.1 Operating assets

	Leasehold land	Buildings on leasehold land	Leasehold improvements	Plant and machinery	Air conditioners	Furniture and fittings	Office equipment	Computers	Vehicles	Right-of-use asset	Total
	Rupees '000										
Year ended 30 June 2022											
Opening net book value	70,091	-	18,520	278,416	-	4,746	2,196	914	4,195	23,860	361,938
Additions	-	-	-	56,865	117	-	1,652	1,102	-	60,907	119,650
Cost	-	-	-	-	-	-	83	266	43	-	394
Accumulated depreciation	-	-	-	-	-	-	(62)	(269)	(43)	-	(373)
Disposals	-	-	-	-	-	-	(21)	-	-	-	(21)
Depreciation / amortisation charge	(363)	-	(4,311)	(115,340)	(11)	(1,266)	(573)	(526)	(2,414)	(7,419)	(142,331)
Closing net book value	28,728	-	14,209	219,933	106	3,440	2,661	1,430	1,781	67,348	338,636
At 30 June 2022											
Cost	35,761	323,321	43,006	6,390,356	10,373	18,504	11,554	12,547	55,725	118,431	7,019,692
Accumulated depreciation (amortisation)	(7,633)	(323,321)	(28,889)	(6,171,425)	(10,267)	(16,064)	(8,893)	(11,117)	(53,944)	(51,103)	(6,661,655)
Closing net book value	28,728	-	14,209	219,933	106	3,440	2,661	1,430	1,781	67,348	338,636
Year ended 30 June 2021											
Opening net book value	29,452	-	22,029	407,465	-	5,732	2,957	759	7,765	40,702	517,292
Additions	-	-	-	-	-	207	208	668	59	-	1,292
Cost	-	-	-	26,757	-	-	87	-	1,776	-	30,620
Accumulated depreciation	-	-	-	(14,227)	-	-	(50)	-	(1,627)	-	(15,912)
Disposals	-	-	-	14,630	-	-	29	-	149	-	14,705
Depreciation / amortisation charge	(361)	-	(4,305)	(114,319)	-	(1,263)	(650)	(513)	(3,541)	(16,942)	(141,928)
Closing net book value	29,091	-	18,520	278,416	-	4,746	2,196	914	4,195	23,860	361,938
At 30 June 2021											
Cost	36,761	323,321	43,006	6,334,493	10,256	18,504	16,495	12,445	55,725	57,544	6,960,242
Accumulated depreciation / amortisation	(6,670)	(323,321)	(24,576)	(6,056,077)	(10,236)	(13,750)	(8,299)	(10,531)	(51,530)	(33,694)	(6,539,704)
Closing net book value	29,091	-	18,520	278,416	-	4,746	2,196	914	4,195	23,860	361,938
Rate of depreciation %	1.01	10	19	4.54 - 20	10	10	33.33 & 10	25	20	30	





	2022	2021
	(Rupees '000)	
3.2 Spare parts and stand-by equipments		
Opening	71,985	21,436
Purchases	-	50,550
Transferred to property, plant & equipment	(55,865)	-
Closing	<u>16,121</u>	<u>71,985</u>

#### 4. LONG TERM INVESTMENT - SUBSIDIARIES

Investment in subsidiaries - at cost

	2022		2021	
	Equity % held	Investment at cost	Equity % held	Investment at cost
		(Rupees '000)		(Rupees '000)
Gul Ahmed Wind Power Limited				
177,310,970 (2021: 177,310,970)				
Ordinary shares of Rs. 10 each	55.10%	1,773,110	55.10%	1,773,110
Gul Ahmed Electric Limited				
- 194,356,101 (2021: 194,356,101)				
Ordinary shares of Rs. 10 each	100%	1,943,561	100%	1,943,561
Gul Ahmed Solar Power Limited				
10,000,000 (2021: 10,000,000)				
Ordinary shares of Rs. 10 each	100%	100,000	100%	100,000
GAE Power Solutions Limited				
1,000,000 (2021: Nil)				
Ordinary shares of Rs. 10 each	100%	10,000	0%	-
		<u>3,826,671</u>		<u>3,816,671</u>

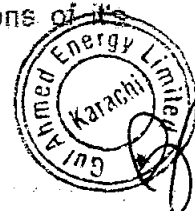
2022  
(Rupees '000)

2021

#### 5. LONG TERM LOAN - SUBSIDIARY

Gul Ahmed Electric Limited - note 5.1	243,912	149,228
GAE Power Solutions Limited - note 5.2	514,396	-
	<u>758,308</u>	<u>149,228</u>

- 5.1 The loan is provided to the Gul Ahmed Electric Limited for meeting cashflow requirements and carries an interest rate of 3 months KIBOR + 0.5% per annum. This loan is to be repaid by the subsidiary as per the terms and conditions of its Common Terms Agreement (CTA).





- 5.2 The loan is provided to the GAE Power Solutions Limited during the year for meeting cashflow requirements and carries an interest rate of 3 months KIBOR + 0.5% per annum. This loan is to be repaid by the subsidiary starting from July 2023 subject to the cash flow and/or liquidity position.

6. **LONG TERM LOANS TO EMPLOYEES - considered good**

The loans are granted to the employees of the Company in accordance with the Company's employment policy for personal loans. These loans are for maximum period of 4 years. These loans are secured against retirement benefit plans of employees. The loans do not carry any interest and are carried at cost.

	2022	2021
	(Rupees '000)	
7. <b>INVENTORIES</b>		
Stores and spares [including in transit] Rs. Nil (2021: Rs. 15.93 million)]	202,476	153,293
Furnace oil	423,568	1,088,674
Diesel	2,271	933
Lubricants	34,420	19,227
	<u>662,735</u>	<u>1,262,127</u>

8. **TRADE RECEIVABLE - considered good**

The amount is due from K - Electric and is un-secured. (2021: un-secured). K - Electric has provided post-dated cheques to the Company.

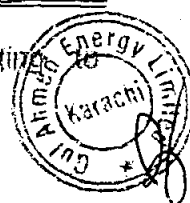
- 8.1 As at June 30, 2022, the age analysis of these trade receivables is as follows:

	2022	2021
	(Rupees '000)	
Not yet due	2,946,756	1,505,027
Past due		
- 0 to 30 days	2,052,100	406
	<u>4,998,856</u>	<u>1,505,433</u>

9. **LOANS AND ADVANCES**

Loans to employees – considered good	1,200	529
Advances to employees	470	275
Advances to suppliers - note 9.1	224,021	624,477
	<u>225,691</u>	<u>625,281</u>

- 9.1 This includes advance in respect of supply of furnace oil amounting to Rs. 203.72 million (2021: Rs. 622.13 million).





	2022	2021
	(Rupees '000)	
<b>10. TRADE DEPOSITS AND SHORT - TERM PREPAYMENTS</b>		
Security deposits	4,315	4,315
Prepayments		
- Insurance premium	44,872	42,197
- Others	214	308
	44,886	42,505
	<u>49,201</u>	<u>46,820</u>

**11. OTHER RECEIVABLES**

Receivable from K - Electric

- Workers' Profits Participation Fund - note 11.1
- Sales tax - note 11.2

67,167	44,652
960,497	231,778
<u>1,027,664</u>	<u>276,430</u>

Receivable from Workers' Profits Participation Fund - note 11.3

11,916 44,348

Others

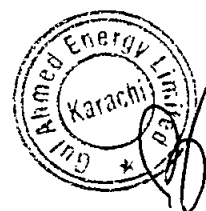
- 14,345

1,039,580 335,123

11.1 Payments made to Workers' Profits Participation Fund are receivable from K-Electric as Pass-Through Items, in accordance with the revised tariff NEPRA/R/SA/(Tariff)/TRF-464/GAEL-2019/14142-14144 approved by NEPRA dated June 03, 2020 effective from November 03, 2019.

11.2 Sales tax on the sale of electricity to K - Electric is a Pass-Through Item as defined in the revised tariff issued by NEPRA on June 03, 2020 effective from November 03, 2019.

	2022	2021
	(Rupees '000)	
<b>11.3 Workers' Profits Participation Fund</b>		
Balance at the beginning of the year	44,348	3,286
Allocation for the year	(67,167)	(44,652)
	<u>(22,819)</u>	<u>(41,366)</u>
Amount paid to the Trustees of the Fund	34,735	85,714
	<u>11,916</u>	<u>44,348</u>





## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments in open ended mutual funds at fair value are as follows:

2022 (Number of units)	2021		2022 (Rupees '000)	2021
5,649,027	8,015,812	MCB Cash Management Optimizer *	572,245	809,269
5,146,445	-	HBL Financial Sector Income Fund	514,879	-
10,300	-	AWT Income Fund	1,126	-
1,854	-	ABL Cash Fund	19	-
40	-	HBL Money Market Fund	4	-
18	2,232,290	Faysal Money Market Fund	2	227,552
19	-	Askari Sovereign Cash Fund	2	-
14	-	Askari Sovereign Yield Enhancer	1	-
-	5,020,522	Al Habib Cash Fund (formerly: First Habib Cash Fund)	-	505,263
-	2,047,451	Alfalah GHP Money Market Fund	-	201,139
-	2,248,915	HBL Cash Fund	-	227,594
-	1,496,341	Lakson Money Market Fund	-	150,837
-	7,397,791	Pakistan Income Fund	-	401,573
-	2,612,883	UBL Cash Fund	-	261,511
-	2,970,935	UBL Liquidity Plus Fund	-	300,127
			<u>1,088,278</u>	<u>3,084,865</u>

\* Out of 5,649,027 units, 5,614,804 units have been pledged against issue of bank guarantees as disclosed in note 19.

## 13. CASH AND BANK BALANCES

2022  
(Rupees '000)

With banks on:

- Foreign currency account - USD 1,941  
(2021: USD 1,939)

- Current accounts - local currency

- Savings accounts - local currency - note 13.1

Cash in hand

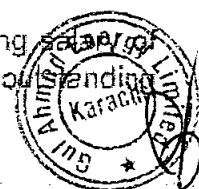


403	309
51,366	4,028
769	143
62	23
<u>52,600</u>	<u>4,503</u>

13.1 The rate of interest on local currency savings accounts is 5.50% to 12.25% (2021: 5.50% to 10.75%) per annum.



		2022	2021
		(Rupees '000)	
14.	<b>SHARE CAPITAL</b>		
14.1	Authorised share capital		
	Authorised capital 185,000,000 ordinary shares of Rs. 10 each	<u>1,850,000</u>	<u>1,850,000</u>
14.2	Issued, subscribed and paid up capital		
	147,656,514 ordinary shares of Rs. 10 each fully paid in cash	1,476,565	1,476,565
	20,671,912 ordinary shares of Rs. 10 each issued as bonus shares	206,719	206,719
		<u>1,683,284</u>	<u>1,683,284</u>
15.	<b>CAPITAL RESERVE</b>		
	Share premium note - 15.1	<u>96,846</u>	<u>96,846</u>
15.1	This can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017.		
16.	<b>DEFERRED LIABILITY - STAFF GRATUITY</b>		
16.1	As stated in note 2.4, the company operates unfunded gratuity scheme for eligible employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. The latest actuarial valuation was carried out as at June 30, 2022 using the Project Unit Credit method.		
		2022	2021
		(Rupees '000)	
16.2	Statement of financial position reconciliation		
	Present value of defined benefit obligation	<u>29,707</u>	<u>34,876</u>
16.3	Movement in the defined benefit obligation		
	Obligation as at July 01	34,876	33,715
	Service cost	2,544	2,613
	Interest expense	2,975	2,462
	Remeasurements on obligation	(1,089)	1,757
	Benefits paid	(1,970)	(3,504)
	Liability transferred to provident fund trust - note 16.4	(7,629)	(2,167)
	Obligation as at June 30	<u>29,707</u>	<u>34,876</u>
16.4	As per gratuity scheme, every non management employee upon reaching salary of Rs. 50,000 is transferred from gratuity fund to provident fund and the outstanding balance of his gratuity as of that date is also transferred to provident fund.		





		2022	2021
		(Rupees '000)	
16.5	Expense recognised in profit and loss account		
	Service cost	2,544	2,613
	Interest expense	2,975	2,462
		<u>5,519</u>	<u>5,075</u>
16.6	Remeasurement (income) / loss recognised in other comprehensive income		
	Remeasurement (income) / loss recognised due to experience adjustments	<u>(1,089)</u>	<u>1,757</u>
16.7	Net recognised liability		
	Balance as at July 01	34,876	33,715
	Expense for the year	5,519	5,075
	Benefits paid	(1,970)	(3,504)
	Liability transferred to provident fund trust	(7,629)	(2,167)
	Remeasurement (income) / loss recognised in other comprehensive income	<u>(1,089)</u>	<u>1,757</u>
	Balance as at June 30	<u>29,707</u>	<u>34,876</u>

		2022	2021
16.8	Actuarial assumptions		
	Discount rate used for year end obligation	13.25%	10.00%
	Expected rate of increase in salaries	12.25%	10.00%
	Retirement age (years)	60	60

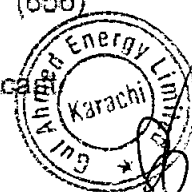
16.9 Mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.

16.10 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees '000	
Discount rate at June 30,	1%	(586)	615
Future salary increases	1%	615	(656)

16.11 If longevity increases by 1 year, the resultant increase in obligation is insignificant





16.12 The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the statement of financial position.

16.13 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 2.57 million in 2023.

16.14 The weighted average service duration of employees is 11.2 years.

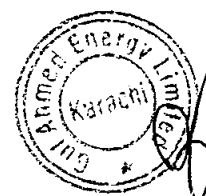
16.15 Expected maturity analysis of undiscounted retirement benefit plan.

At June 30, 2022	Less than a year	1 - 2 years	3 - 5 years	6 - 10 years	Over 10 years	Total
← Rupees in '000 →						
Gratuity Fund	-	19,279	8,284	13,622	-	41,185

## 17. LEASE LIABILITY

17.1 Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2022 (Rupees '000)	2021 (Rupees '000)
Opening Balance	11,759	45,077
Additions	60,908	-
Accretion of interest	5,880	4,023
Payments	(21,247)	(37,341)
As at 30 June	<u>57,300</u>	<u>11,759</u>
Current portion of long term lease liabilities	21,380	11,759
Long term lease liabilities	35,920	-
	<u>57,300</u>	<u>11,759</u>





## 17.2 Lease liabilities payable are as follows:

	2022			2021		
	Principal outstanding	Financial charge for future	Minimum lease payment	Principal outstanding	Financial charge for future	Minimum lease payment
	(Rupees in '000)					
Not later than one year	21,380	2,228	23,608	11,750	1,498	13,257
Later than one year but not later than five years	35,920	13,780	49,700	-	-	-
More than five years	-	-	-	-	-	-
	<u>57,300</u>	<u>16,008</u>	<u>73,308</u>	<u>11,750</u>	<u>1,498</u>	<u>13,257</u>

## 18. TRADE AND OTHER PAYABLES

	2022	2021
	(Rupees '000)	
Creditors - note 18.1	623,384	544,668
Accrued liabilities	56,483	79,897
Payable to provident fund - note 18.2	36	-
Others	395	395
	<u>680,298</u>	<u>624,960</u>

18.1 This includes amount of Rs. 577.24 million (2021: Rs. 493.46 million) in respect of purchase of furnace oil from fuel supplier.

18.2 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

## 19. COMMITMENTS

19.1 The facilities for opening letter of credit as at June 30, 2022 amounted to Rs. 100 million of which the amount remaining outstanding at the year end was Rs. 70.07 million. The facility has been extended till July 31, 2022.

19.2 Bank guarantee has been renewed by MCB Bank Limited in favour of Directorate of Alternative Energy, Energy Department, Government of Sindh (DAE GoS) of the value of USD 25,000 for solar project. This guarantee is secured against lien on 52,810 units of MCB Cash Management Optimizer of the Company. The bank guarantee will expire on June 30, 2023.

19.3 Bank guarantee has been issued by MCB Bank Limited in favour of Central Power Purchasing Agency (Guaranteed) Limited of the value of USD 1,750,000 for Gul Ahmed Electric Limited and is secured by the guarantee of sponsors.

This guarantee is secured against lien on 3,696,730 units of MCB Cash Management Optimizer of the Company. The bank guarantee will expire on June 30, 2022.





- 19.4 During the year, bank guarantee has been issued by MCB Bank Limited in favour of National Bank Limited of the value of USD 883,000 for Gul Ahmed Electric Limited and is secured by the guarantee of sponsors.

This guarantee is secured against lien on 1,865,264 units of MCB Cash Management Optimizer of the Company. The bank guarantee will expire on September 30, 2022.

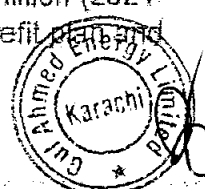
- 19.5 During the year, bank guarantee has been renewed by Habib Bank Limited in favour of National Bank Limited of the value of USD 8.691 million for Gul Ahmed Electric Limited and is secured by the guarantee of sponsors. The bank guarantee will expire on June 30, 2023.

	2022	2021
	(Rupees '000)	
<b>20. REVENUE FROM CONTRACT WITH CUSTOMER</b>		
Revenue	23,133,447	12,728,859
Less: Sales tax	(3,153,803)	(1,684,500)
	<u>19,979,644</u>	<u>11,044,359</u>

- 20.1 The amounts overdue against various invoices are subject to mark-up on delayed payments under Power Purchase Agreement (PPA) dated April 29, 2022 at the rate of KIBOR plus 2% per annum.

	2022	2021
	(Rupees '000)	
<b>21. COST OF SALES</b>		
Furnace oil, diesel and lubricants consumed net of scrap sales Rs. 11.24 million (2021: Rs. 7.56 million)	17,846,261	9,302,016
Salaries, allowances and benefits - note 21.1	160,232	154,749
Stores and spares consumed	63,395	175,535
Contracted services	31,696	27,181
Depreciation	135,254	134,350
Rates and taxes	978	735
Utilities	4,021	2,099
Insurance	135,796	128,391
Repairs and maintenance	1,032	2,462
Vehicle running expenses	19,903	17,017
Postage, telephone and fax	512	485
Security expense	2,429	2,031
Cleaning charges	5,391	4,651
	<u>18,406,900</u>	<u>9,951,702</u>

- 21.1 Salaries, allowances and benefits include Rs. 2.88 million and Rs. 4.63 million (2021: Rs. 4.45 million and Rs. 4.35 million) in respect of charge for defined benefit and defined contribution plan respectively





	2022	2021
	(Rupees '000)	
<b>22. ADMINISTRATIVE EXPENSES</b>		
Salaries, allowances and benefits - note 22.1	139,231	127,657
Rent	-	2,062
Utilities	6,771	5,394
CSR activities	3,500	-
Repairs and maintenance	3,197	2,827
Travelling and conveyance	1,603	371
Vehicle running expenses	4,111	1,911
Depreciation	7,077	7,578
Entertainment	464	148
Postage, telephone and fax	1,153	892
Printing and stationery	930	909
Legal and professional	4,288	7,247
Consultancy charges	116	489
Fees and subscription	6,949	4,687
Auditors' remuneration - note 22.2	1,497	1,400
Other receivable written off - note 22.3	24,430	14,080
Others	3,638	2,267
	<u>208,955</u>	<u>179,919</u>

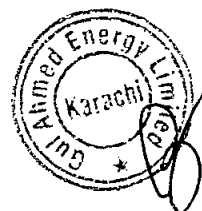
- 22.1** Salaries, allowances and benefits include Rs. 2.64 million and Rs. 4.70 million (2021: Rs. 2.37 million and Rs. 4.13 million) in respect of charge for defined benefit plan and defined contribution plan respectively.

2022 2021  
(Rupees '000)

**22.2 Auditors' remuneration**

Audit fee	1,325	1,250
Out of pocket expenses	172	150
	<u>1,497</u>	<u>1,400</u>

- 22.3** This represents Workers' Profit Participation Fund (WPPF) receivable relating to financial year 2019 - 2020 disallowed as per NEPRA's decision dated March 10, 2021 and letter from K - Electric dated April 22, 2022.





2022                      2021  
(Rupees '000)

23.      **FINANCE INCOME / (COST)**

Bank charges and commission	(14,577)	(19,180)
Accretion of interest	(5,880)	(4,023)
Return on PLS savings accounts	750	6
Interest income on loan to subsidiary	38,377	3,524
Exchange gain / (loss)	93	(21)
	<u>18,763</u>	<u>(19,694)</u>

24.      **GAIN ON INVESTMENTS**

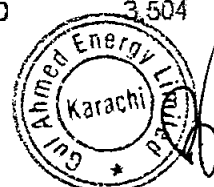
Gain on re-measurement of fair value of open ended mutual funds	1,831	2,156
Gain on disposal of open ended mutual funds	<u>358,450</u>	<u>283,778</u>
	<u>360,281</u>	<u>285,934</u>
Less : withholding tax deducted at source	(49,889)	(43,248)
	<u>310,392</u>	<u>242,686</u>

25.      **DIVIDEND INCOME**

This represents dividend income from Gul Ahmed Wind Power Limited at the rate of Rs. 2.2 per ordinary share. This includes tax of Rs. 29.26 million (2021: Rs. 39.89 million).

26.      **TRANSACTIONS WITH RELATED PARTIES**

Relationship	Nature of transactions	2022	2021
		(Rupees '000)	
i.    Subsidiary Company	Guarantee provided	2,337,894	1,940,441
	Investment in share capital	10,000	1,093,561
	Loan provided to subsidiary	570,703	145,704
	Interest on loan provided to subsidiary	38,377	3,524
	Dividend received	390,084	492,038
ii.   Employee provident fund	Contributions paid	9,364	8,859
iii.   Key management personnel	Salaries and other employee benefits	20,891	67,387
	Post employment benefits	1,019	2,652
iv.   Employee Gratuity fund	Benefits paid	1,970	3,504





- 26.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Company Name	Registered Address	Country of incorporation	Basis of association	Aggregate % of
Toyota Tshusho Corporation	2-3-13 Konan Minato-Ku, Tokyo, Japan	Japan	Associated Company	N/A
Tomen Power Singapore (Pte) Ltd	600 North Bridge Road, No. 04-09 Parkview Square, Singapore	Singapore	Associated Company	N/A

## 27. REMUNERATION TO DIRECTOR, CHIEF EXECUTIVE AND EXECUTIVES

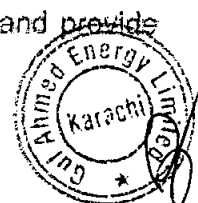
	Chief Executive		Director		Executives	
	2022	2021	2022	2021	2022	2021
	← (Rupees '000) →					
Managerial remuneration	12,229	8,000	3,600	3,600	53,792	55,723
Bonus	1,060	-	-	-	6,319	6,451
Allowances	6,114	-	-	-	27,602	28,417
Retirement benefits	1,019	-	-	-	4,481	4,641
Medical reimbursements	155	-	-	-	2,930	2,641
Others	1,333	-	-	-	4,913	5,207
	<u>21,910</u>	<u>8,000</u>	<u>3,600</u>	<u>3,600</u>	<u>100,045</u>	<u>103,080</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>19</u>	<u>17</u>

In addition, Company maintained cars are provided to the Chief Executive and several executives.

## 28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 28.1 Financial risk factors

The Company's activities expose it to variety of financial risks: market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as managing financial risk to minimise earning volatility and provide maximum return to shareholders.





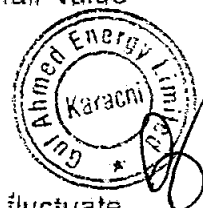
## 28.2 Financial assets and liabilities by category and their respective maturities

	2022			2021		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Deposits	4,315	-	4,315	4,315	-	4,315
Trade receivable	4,998,856	-	4,998,856	1,505,433	-	1,505,433
Loans and advances	1,670	1,395	3,065	804	595	1,399
Long term investment	-	3,826,671	3,826,671	-	3,816,671	3,816,671
Loan to subsidiary	-	758,308	758,308	-	149,228	149,228
Other receivables	1,039,580	-	1,039,580	335,123	-	335,123
Cash and bank balances	52,600	-	52,600	4,503	-	4,503
At fair value						
Investments	1,088,278	-	1,088,278	3,084,865	-	3,084,865
	<u>7,185,299</u>	<u>4,586,374</u>	<u>11,771,673</u>	<u>4,935,043</u>	<u>3,966,494</u>	<u>8,901,537</u>
Financial liabilities						
Lease Liabilities	21,390	35,920	57,300	11,759	-	11,759
Trade and other payables	690,262	-	690,262	624,960	-	624,960
	<u>701,642</u>	<u>35,920</u>	<u>737,562</u>	<u>636,719</u>	<u>-</u>	<u>636,719</u>
On statement of financial position date gap						
	<u>6,483,657</u>	<u>4,550,454</u>	<u>11,034,111</u>	<u>4,298,324</u>	<u>3,966,494</u>	<u>8,264,818</u>
Net financial (liabilities) / asset						
Interest bearing	(20,208)	722,388	702,180	452	145,704	146,156
Non-interest bearing	6,503,940	3,828,066	10,332,006	4,297,872	3,820,790	8,118,662
	<u>6,483,732</u>	<u>4,550,454</u>	<u>11,034,186</u>	<u>4,298,324</u>	<u>3,966,494</u>	<u>8,264,818</u>

All the financial instruments of the Company are measured at amortised cost except investments in units of open ended mutual funds which are designated as fair value through profit or loss account.

- a) Market risk  
i) Interest rate risk

Interest rate risk is a risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2022 the Company is not exposed to interest rate risk.





## ii) Foreign exchange risk

Foreign exchange risk arises mainly when receivables and payables exist in foreign currency due to transactions in foreign currencies. Financial assets include Rs.0.40 million (2021: Rs. 0.31 million) which are subject to foreign exchange risk. There are no financial liabilities which are subject to foreign exchange risk.

As at June 30, 2022, if the Pak Rupee had weakened / strengthened by 4% against US Dollar with all other variables held constant, profit for the year would have been lower / higher by Rs. 0.02 million (2021: Rs. 0.01 million) mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated bank balances.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the statement of financial position date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

## iii) Price risk

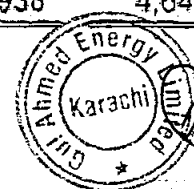
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund, or its management company.

The Company limits price risk by maintaining a diversified portfolio of mutual funds and by continuous monitoring of developments in open ended mutual funds. In addition, the Company actively monitors the key factors that affect the open ended mutual funds. The maximum exposure to price risk as at June 30, 2022 amounts to Rs. 1.09 billion (2021: Rs. 3.08 billion).

## b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets amounting to Rs. 11.77 billion (2021: Rs. 8.90 billion). The carrying values of financial assets which are neither past due nor impaired are as under.

	2022	2021
	(Rupees '000)	
Deposits, loans, advances and other receivables	52,266	50,062
Investments	1,088,278	3,084,865
Bank balances	52,538	4,480
Trade receivable	4,998,856	1,505,433
	<u>6,191,938</u>	<u>4,644,840</u>





Trade receivable amounting to Rs. 2,052.10 million (2021: Rs. 0.41 million) were past due but not impaired and these dues are from K-Electric. The age analysis of this receivable is as follows:

	2022	2021
	(Rupees '000)	
Trade receivable:		
Up to 1 month	2,052,100	406
	<u>2,052,100</u>	<u>406</u>

"Investments at fair value through profit or loss" represent investment in units of open ended mutual funds. The Company manages its credit and price risk by investing in income based diversified mutual funds.

The cash and bank balances represent low credit risk as the counterparties are banks with reasonably high credit ratings.

**c) Liquidity risk**

The liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company maintains sufficient cash and liquid investments to overcome any unforeseen liquidity problems.

**d) Fair values of the financial instruments**

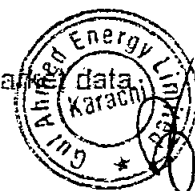
The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2022, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds which are carried at their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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





The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2022:

Financial assets	2022			
	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
Investments - at fair value through profit or loss	1,088,278	-	-	1,088,278
Financial assets	2021			
	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
Investments - at fair value through profit or loss	3,084,865	-	-	3,084,865

## 29. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.





	2022	2021
<b>30. PLANT CAPACITY AND PRODUCTION</b>		
Plant capacity - Gross ISO (MW)	<u>136.17</u>	<u>136.17</u>
Actual energy delivered (MWh)	<u>705,429</u>	<u>673,230</u>

Actual energy delivered by the plant is primarily dependent on the load demanded by K-Electric.

	2022	2021
<b>31. NUMBER OF EMPLOYEES</b>		
Number of employees as at June 30	<u>172</u>	<u>170</u>
Average number of employees during the year	<u>166</u>	<u>172</u>

**32. SUBSEQUENT EVENTS - DIVIDEND**

The Board of Directors through a resolution dated July 26, 2022 declared and approved second interim cash dividend for the period ended March 31, 2022 at Rs. 2.1 per ordinary share amounting to Rs. 353.49 million.

The Board of Directors through a resolution dated October 7, 2022 declared and approved final cash dividend for the year ended June 30, 2022 at Rs. 2.5 per ordinary share amounting to Rs. 420.82 million.

**33. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

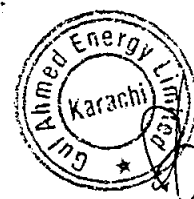
**34. DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated financial statements were authorised for issue on **05 DEC 2022** by the Board of Directors of the Company.

13/12

  
Chief Executive

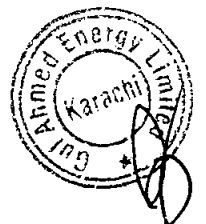
  
Director





# **ANNEXURE-D**

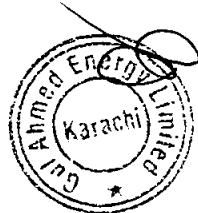
## **APPLICANT'S PROFILE**





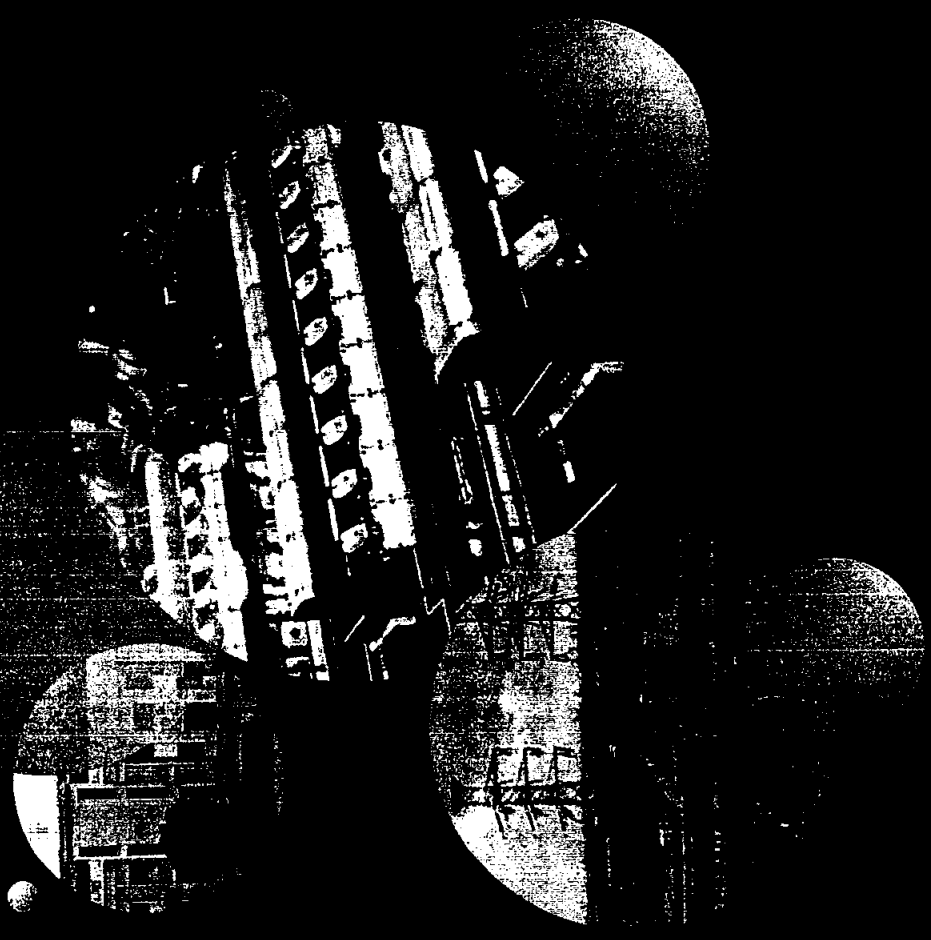


# PROFILE





Corporate Information

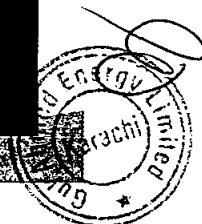


- Gul Ahmed Energy Limited has been operational as a RFO based power generation facility of 136.17 MW gross at Korangi Industrial Area, Karachi, Sindh.
- GAEL has been selling electricity to K Electric since November 1997.





From November 2019 to date





GUL AHMED ENERGY GROUP ("GAEG") holds 100% shareholding in the Project and is one the largest groups in Pakistan, having diversified business portfolios in energy, textile, beverages, real estate, and capital market.



The Gul Ahmed Group has been in existence since 1948 and is one of the leading groups in the Pakistani business circle.

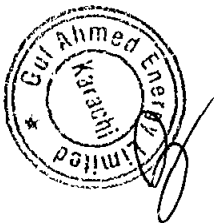


The Project's sponsors consist of a highly skilled and experienced group of companies that are well-versed with the energy sector and through the subject Project have brought their global skills and expertise to Pakistan.



Gul Ahmed Energy Group consists of Gul Ahmed Energy Limited, Gul Ahmed Electric Limited, Gul Ahmed Wind Power Limited, Gul Ahmed Energy Power Solutions Limited & Gul Ahmed Solar Power Limited under its umbrella.

***To be recognized as the performance leader in the Energy sector of Pakistan. Becoming performance leader require achievement of operational excellence, industry leading customer satisfaction and superior performance.***





# GAEL Strategic Importance



## GRIDS

GAEL is located inside the industrial hub of Karachi in Korangi Industrial Area and is a source of supplying uninterrupted, reliable power to three of the biggest areas of city, Korangi, Landhi, and Jinnah International Airport which is one of the busiest airport of the country.



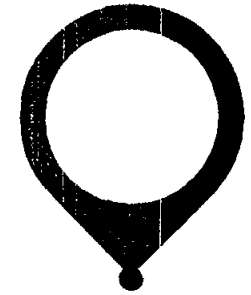
## LOCAL FUEL

GAEL uses HFO produced by local refineries, which is a by-product of crude oil. Major products of crude oil includes Diesel, Petrol, Kerosene, Jet fuel etc. Thus, providing savings in terms of FOREX to country and creating demand for local refineries which helps them in keep continue running their operations



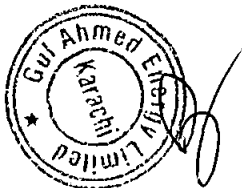
## HUMAN RESOURCE

Continued operation of the Facility will ensure optimization of the existing resources developed by the Company. Such resources include continued use of over 200 highly skilled, experienced, and exceptional employees.



## CSR

The Company is consistently involved in the Corporate Social Responsibility (CSR) activities for the improvement of their stakeholders and has also contributed significant amounts to Akhuwat Foundation, Indus Hospital and Saylani Welfare Trust





## **The Facility & its Useful Life**

### **RULA Study by Continental Marine Energy (CME) Malaysia**

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Remaining Useful Life Assessment (RULA) Study by Continental Marine Energy (CME) Malaysia

GAEL's 136.17MW RFO Based Facility was certified for useful operational life:

**“Continental Marine Energy RULA Study Remarks: After critical assessment and review of O&M, site inspection results, it is concluded that the nine units including power transformers are all found in sound condition and are fit for the **continued service.**”**

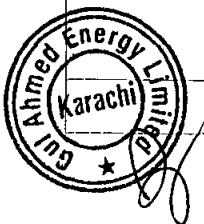
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**Gul Ahmed Energy Limited (GAEL) Management Profiles**

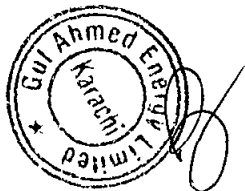
Name	Designation	Company	Education	Experience	Profile Summary
Mr. Danish Iqbal	Chairman & CEO	Gul Ahmed Energy Limited (136 MW Thermal Power Plant)	Bachelor of Science in Business Administration (UAE)	More than 20 years	As one of the first entrepreneurs in the Wind Power Industry in Pakistan, I am currently serving as the Chairman of Gul Ahmed Energy and its subsidiaries and Metro Power Group which includes 50 MW (x3) & 60 MW (x1) (210 MW) Wind Power Projects and 136 MW Thermal Power Plant. I have completed my Bachelor of Science in Business Administration, majoring in Management & Marketing from American University in Sharjah, UAE. I started my career from my family's textile business where I served as Director of Gul Ahmed Textile Mills. However, I felt drawn to the energy sector where Pakistan was facing a huge energy crisis due to dependent on important resources. My Journey in the energy sector started from Gul Ahmed Energy Ltd. in 2005, when I oversaw financial investments and the company's operations for its 136 MW Thermal Power plant. Under my leadership and direction, the group of companies expanded to renewable energy ventures, with four wind power plants at a total capacity of 210 MWs. In 2021, I was appointed as Chairman after serving as Executive Director at Gul Ahmed Energy. I am also the founder of the Pakistan Wind Energy Association which has now more than 18 Wind Power projects under its umbrella and served as its Chairman till 2020.
		Gul Ahmed Wind Power Limited (50 MW Wind Power Plant)			
		Gul Ahmed Electric Limited (50 MW Wind Power Project)			
		Gul Ahmed Energy Power Solutions			
		Metro Power Company Limited (50MW Wind Power Plant)			
	Chairman	Metro Wind Power Limited (60 MW Wind Power Project)			
	Chairman	Xloop Digital Services (Pvt.) Ltd.			
	Director	Zephyr Power Company			
	Founder & Ex. Chairman	Pakistan Wind Energy Association			
	Director	Metro Estate (Private) Limited			
Mr. Ubaid Amanullah	Chief Operating Officer	Gul Ahmed Energy Limited (136 MW Thermal Power Plant)	Bachelors in Economics (Northwestern University U.S.A)	More than 25 years	<p>Ubaid Amanullah, a seasoned Senior Renewable Energy Professional with 25+ years of operational leadership experience, is recognized for his hands-on involvement in the development and operations of green-field Renewable Energy projects. His adeptness in navigating complex corporate structures and executing growth strategies in the renewable energy sector stands out. His exceptional negotiation skills have been instrumental in securing Concession Documents with the Government of Pakistan, EPC and O&amp;M Agreements with Contractors, and Finance Agreements with institutions like IFC, Proparco, FMO, DEG, and local banks.</p> <p>As a leader, he fosters a positive work culture, champions gender diversity and inclusion, and supports professional growth within his teams. His portfolio boasts the successful development, implementation, and operation of thermal power plants and wind farms, totaling 346 MWs and over US\$ 500 million in cumulative project value.</p> <p>Currently serving as Group Chief Operating Officer for Gul Ahmed Energy Group &amp; Metro Power Company Ltd., Ubaid Amanullah oversees six companies, ensuring their efficient execution. He collaborates closely with stakeholders, maintains strong relationships, secures financing, and champions environmental sustainability.</p> <p>In summary, Ubaid Amanullah is a distinguished industry leader, continuously driving renewable energy projects to success and advancing the sector's growth.</p>
		Gul Ahmed Wind Power Limited (50 MW Wind Power Plant)			
		Gul Ahmed Electric Limited (50 MW Wind Power Project)			
		Gul Ahmed Energy Power Solutions			
		Metro Wind Power Limited (60MW Wind Power Plant)			
		Metro Power Company Limited (50MW Wind Power Plant)			
Mr. Muhammed Amin Bhimani	Chief Financial Officer & Company Secretary	Gul Ahmed Energy Limited	Chartered Accountant (Institute of Chartered Accountants of Pakistan)	More than 40 years	Mr. Muhammed Amin Bhimani is a Commerce Graduate from Karachi, Pakistan, and is also a Fellow Member of the Institute of Chartered Accountants Pakistan (ICAP). Currently, he has served in key roles across multiple companies, including Gul Ahmed Energy Limited, where he holds the positions of Chief Financial Officer (CFO) and Company Secretary since 1997. He is also Company Secretary of Gul Ahmed Wind Power Limited and GAE Power Solutions Limited.
	Chief Financial Officer & Company Secretary	GAE Power Solutions Limited			Mr. Bhimani is Highly resourceful finance professional with business acumen and having specialization of projects including infrastructure projects / power business. A dynamic leader with excellent managerial, interpersonal, negotiating and relationship skills having over 33 years of experience in executive leadership roles in energy and automobile sectors.
	Company Secretary	Gul Ahmed Wind Power Limited			<p align="center"><b>CORE COMPETENCIES</b></p> <ul style="list-style-type: none"> <li>• Business contracts evaluation and negotiation including security packages under the Power Policy, joint venture partners, long-term contractors and financing agreements</li> <li>• Strategic business planning, advisory to board and implementation and execution of plans</li> <li>• Project and business financing, managing relationship with financial / government institution and lenders,</li> <li>• Accounting &amp; budgeting functions including supervision, management reporting, statutory audit.</li> <li>• Knowledge and experience of corporate taxation and regulatory reporting</li> <li>• Treasury and funds management</li> <li>• Legal compliance including dealing with in-house and external legal advisors, auditors and consultants</li> </ul>





# GAEL Senior Management, Technical & Administration Staff List

S. No.	Name	Designation	Qualification	Experience in Years
1	Ghulam Shabbir	Plant Manager	BSC Marine, Chief Engineer Certification, Masters from University of Sind	35
2	Saeed Afzal	Technical Manager	Marine Chief Engineer Certification	38
3	Khalil Ahmed Patel	Manager Administration	Masters from University of Karachi	25
4	Malik Ejaz Ul Haque	Sr. Deputy Manager Operation	B.Tech Honor Mechanical	23
5	Muhammad Ibrahim Moiz	Dy. Manager Electrical	BE (Electrical), NEDUET	10
6	Muheet Uddin	Dy. Manager Mechanical	BE (Mechanical), NEDUET	10
7	Hamza Aslam	Sr. Asst. Manager Planning	BE (Mechanical), NEDUET	10
8	Muhammad Zain	Asst. Manager HSE	BE (Mechanical), NEDUET	7
9	Hafiz Muhammad Ahmed	Asst. Manager Procurement	BE (Mechanical), NEDUET and MBA Supply chain	7





# **ANNEXURE-E**

## **COPY OF GENERATION LICENSE**







**National Electric Power Regulatory Authority**  
Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad.  
Ph : 9207200 Ext : 330 — Fax : 9210215  
E-mail : office@nepra.isb.sdnpk.org  
Direct Phone : (051) 9206500

**Registrar**

No. NEPRA/REG-10/7743-44

30.0.2003

Commercial Manager & Co-ordinator,  
M/s. Gul Ahmed Energy Limited  
35-B, Block 6, PECHS,  
Karachi- 75400

**Subject:** Grant of Generation Licence IPGL/09/2003  
Licence Application No. LAG 10  
M/s. Gul Ahmed Energy Limited

Please refer to your application No. 549(1)/01/4144 dated 02.04.2001 for a Generation Licence.

2. Enclosed here is Generation Licence No. IPGL/09/2003 granted by the Authority to M/s. Gul Ahmed Energy Ltd. The Licence is granted to you pursuant to Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

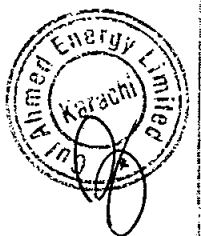
3. Please quote above mentioned Generation Licence No. in your future correspondence with the Authority.

DA/As above.



*(Signature)*  
(Mahjoob Ahmad Mirza)

Copy for information to Director General, Pakistan Environmental Protection Agency,  
44-B, Office Tower, Blue Area, Islamabad.



Copy No. 3059 Dated 01/05/2003



National Electric Power Regulatory Authority  
(NEPRA)  
Islamabad - Pakistan

**GENERATION LICENCE**

No. IPGL/09/2003

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Authority hereby grants a Generation Licence to

**Gul Ahmed Energy Limited**

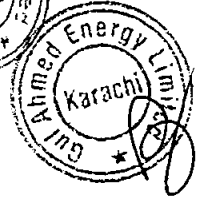
Incorporated under the Companies Ordinance, 1984  
Under Certificate of Incorporation

No. IC-05482 Dated 20<sup>th</sup> July 1994

to engage in generation business subject to and in accordance with the Articles of this Licence.

Given under my hand this 26<sup>th</sup> day of August, Two Thousand & Three and expires on 25<sup>th</sup> day of August, Two Thousand & Nineteen.

Registrar





Article 1  
Definitions

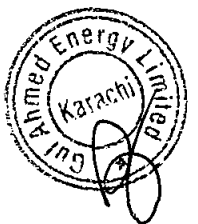
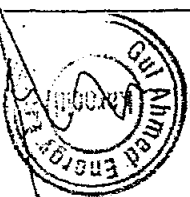
- (1) In this Licence:
- a. "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);
  - b. "Agreements" means any or both of the Implementation Agreement and the Power Purchase Agreement;
  - c. "Authority" means the National Electric Power Regulatory Authority constituted under Section 3 of the Act, or any successor thereof;
  - d. "Implementation Agreement" means the Implementation Agreement dated 29<sup>th</sup> June, 1995 as amended between the Licensee and the President of Pakistan;
  - e. "Licensee" means Gul Ahmed Energy Limited;
  - f. "Power Purchase Agreement" means the Power Purchase Agreement dated 7<sup>th</sup> June 1995 as amended between the Licensee and the power purchaser thereof and for the due performance of which a sovereign guarantee has been executed by the Government of Pakistan;
  - g. "Rules" means the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000, as amended from time to time;
- (2) Words and expressions used but not defined herein bear the meaning given thereto in the Act or in the Rules.

Article 2  
Application of Rules

- (1) This Licence is issued subject to the provisions of the Rules, as amended from time to time.



Page 1 of 5





- (2) During the subsistence of the Agreements entered into by the Licensee prior to the enactment of the Act, nothing contained in the Rules or this Licence shall be applied in a manner which is inconsistent with the Agreements and materially increases the obligations or impairs the rights of the Licensee under the Agreements.

Article 3  
Generation Facilities

- (1) The location, size, technology, interconnection arrangements, technical limits technical functional specifications and other details specific to the generation facilities of the Licensee are set out in Schedule I to this Licence.
- (2) The net capacity of the generation facilities is set out in Schedule II hereto.

Article 4  
Term

- (1) Pursuant to Rule 5 of the Rules, this Licence is granted for a term of Sixteen (16) years.
- (2) Unless revoked earlier, the Licensee may, ninety (90) days prior to the expiry of the term of the licence, apply for renewal of the Licence under the Licensing (Application and Modification Procedure) Regulations, 1999.

Article 5  
Licence Fee

The Licensee shall pay to the Authority the Licence fee in the amount and manner and at the time specified in the National Electric Power Regulatory Authority (Fee) Rules, 2002.



Page 2 of 5



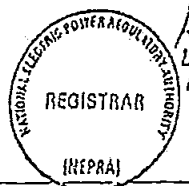


Article 6  
Competitive Trading Arrangement

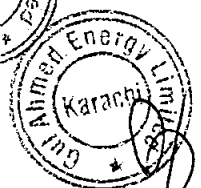
- (1) During the subsistence of the Agreements entered into by the Licensee prior to the enactment of the Act, the Licensee shall have the option to participate in such measures as may be directed by the Authority from time to time for development of a Competitive Trading Arrangement.
- (2) Any variation or modification in the Agreements under the foregoing sub-article (1), for allowing the Licensee to participate wholly or partially in the Competitive Trading Arrangement shall be subject to mutual agreement of the parties thereto and such terms and conditions as may be approved by the Authority.
- (3) In the event that the Licensee exercises its option to participate wholly or partially in development of the Competitive Trading Arrangement under the fore-going sub-article (1), the Licensee shall in good faith work towards implementation and operation of the aforesaid Competitive Trading Arrangement in the manner and time period specified by the Authority and in doing so, the Licensee shall not by any act or omission impede the development, implementation or operation of the Competitive Trading Arrangement.

Article 7  
Maintenance of Records

For the purpose of sub-rule (1) of Rule 19 of the Rules, copies of records and data shall be retained in standard and electronic form and all such records and data shall, subject to just claims of confidentiality, be accessible by authorized officers of the Authority.



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Article 8

Compliance with Performance Standards

Subject to the provisions of Article 2(2), the Licensee shall comply with the relevant rules on performance standards as may be prescribed by the Authority from time to time.

Article 9

Compliance with Environmental Standards

The Licensee shall, to the full satisfaction of the relevant competent authority, comply with the environmental standards as may be prescribed by the aforesaid relevant competent authority from time to time.

Article 10

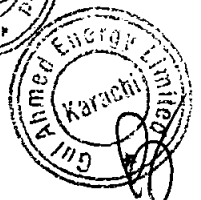
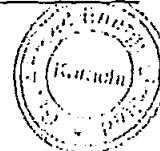
Provision of Information

Subject to the provisions of Article 2(2), the Licensee shall provide to the Authority all such information as the Authority may require.

Article 11

Revocation and Suspension

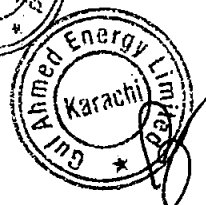
- (1) In exercising its powers to suspend or revoke the Licence under Section 28 of the Act, the Authority shall issue a show cause notice of a period not less than 30 days.
- (2) Pursuant to the powers under Rule 8(4), the obligations of the Licensee under Rule 8(3) stand modified to the extent of inconsistencies with the Agreements and in the event of termination of the Agreements, the Authority may revoke or suspend this Licence.





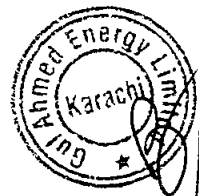
Article 12  
Approvals and Authorisations

Notwithstanding the provisions of Article 11(2), the Licensee shall apply to the Authority, where required, for approvals and authorizations under the Rules, including without limitation, the approvals and authorisations under Rule 8, Rule 10 and Rule 14.





# Schedule I





SCHEDULE 1

POWER PURCHASE AGREEMENT

MINIMUM FUNCTIONAL SPECIFICATIONS

The Complex consists of nine (9) units of RFO (Residual Furnace Oil) fired of diesel generating set with the following design ratings:

1. Gross Capacity under ISO 3046 (Latest Version)  
Diesel Generating Unit : 15.13 MW per unit x 9 units = 136.17  
at Alternator Terminal MW for the Complex
2. Derating : 6.80 MW
3. Auxiliary consumption : 4.07 MW  
of the Complex
4. Estimated Dependable Capacity : 125.30 MW  
of the Complex at 132kV Busbar  
under Reference Conditions

The proposed Site is located in Korangi, Karachi adjacent to an existing gas turbine power station owned by KESC.

The proposed Site area is characterized by tropical climate. Average rainfall is 600mm per year, but this amount falls in short durations. Reference Conditions are as follows:

AMBIENT AIR TEMPERATURE = 30 deg. C

CHARGE AIR COOLANT TEMPERATURE = 40 deg. C

RELATIVE HUMIDITY = 80 %

A maximum earthquake design factor of 0.1 g will be utilized for the design of the plant buildings and structures and the design wind speed will be 40 m/sec.





The proposed Site is at an elevation 8 m with respect to mean sea level (MSL). All structures will have a ground floor elevation of at least 10 m above MSL. Access to the Site will be provided by Public Road.

The main power block consists of 9 units of diesel generating sets.

\*  
Cooling water will be supplied via a radiator system.

Each diesel generator will be nominally rated at 18,910 kVA, 0.8 lagging and 0.9 leading power factor, 11,000 V, 3 phase, 50 cycle, not less than 0.55 short circuit ratio

The Complex will be capable of operation within a voltage range of  $\pm 10\%$  on the 132 kV system.

The Complex will have three generator transformers 63 MVA, 132/11 kV, ONAN/ONAF.

Interconnection with the KESC system will be via a 132kV, outdoor Conventional type substation with interrupting capacity of 31.5 kA at 132kV.

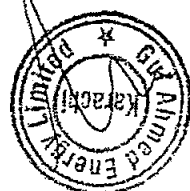
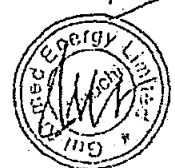
A common control room is provided to monitor and control the Complex. Operator interfaces for control of the Complex will be via control panel and PC operating stations and each generating unit can be started and stopped locally. The plant control system will include a data acquisition system.

Fuel supply to the Complex will be via tanker truck delivery. The Site will have sufficient RFO storage capacity to support operation of the Complex for the equivalent of 100 % of full load for 30 Days.

All material, plant, equipment and machinery incorporated in the construction of the Complex shall be new and unused.

\* Other plant buildings and structures outside of the main power block include the following:

Fuel storage area  
Fuel treatment plant / Water treatment plant  
Water storage  
Work shop / stores  
Fire fighting basin





SCHEDULE 2

TECHNICAL LIMITS.

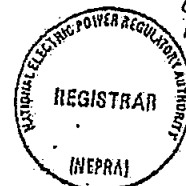
1. Design Limits

1.1 Unit Starts

- (a) The notice required by the Company to start-up the Complex and synchronize to the KESC Grid System will vary according to the length of time the Unit has been shutdown. Table 1 below shows the length of notice required against various periods of shutdown.

Table 1

<u>Length of Shutdown</u>	<u>Notice required to synchronize</u>
(i) Not more than 0.5 hours	30 minutes
(ii) More than 0.5 hours but not more than 8 hours	60 minutes
(iii) More than 8 hours but not more than 32 hours	2 hours
(iv) More than 32 hours but not more than 150 hours	4 hours
(v) More than 150 hours	7 hours



- (b) For the purposes of this Schedule start up of the Complex is classified as follows:

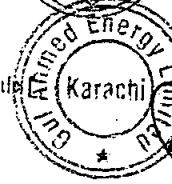
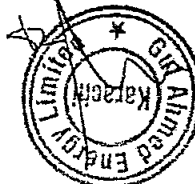
"Hot Start" - A start following a shutdown period as per (i) above.

"Cold Start" - A start following a shutdown period as per (ii), (iii), (iv) and (v) above.

and the reference to starts, starting or started means the process of pre heating the fuel and engine, starting and running of Diesel engine generators and synchronizing it to the KESC Grid System.

- (c) The notice required to synchronize under item (i) above shall apply provided the previous shutdown was not the result of a trip.

- (d) Starting of the Complex shall be subject to the following limits for each Unit:





Type of Starts	Table 2	Maximum number of starts per year
	Total aggregate maximum number of starts	
Hot Starts	NO TECHNICAL LIMITATIONS	
Cold Starts		

## 1.2 Complex loading

- (a) The Complex load ramping rate is the steady rate at which the load can be raised. The maximum load ramping rates are shown below in Table 3:

Complex Load Range %	Table 3 A	
	Cold Start % per minute	Hot Start % per minute
(i) 0 ~ 75	6	6
(ii) 75 ~ 100	5	5

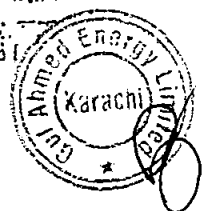
Complex load percentages in this Schedule refer to the load at the generator terminals as a percentage of gross capacity.

- (b) The unit load ramping rate is the steady rate at which the load can be raised. The maximum load ramping rates are shown below in table 3B:

Unit Load Range %	Table 3B	
	Cold Start %/minute	Hot Start %/minute
(i) 0 ~ 75	0.88	0.88
(ii) 75 ~ 100	0.7335	0.7335

Unit load percentages in this Schedule refer to the load at the generator terminals as a percentage of the Unit gross capacity.

- (c) Step changes in Despatched load of up to 20% are allowable provided that Complex load is greater than 35%. After such step change the new Complex load must be held constant for 30 minutes for stabilization purposes, or for a pro rata period for lesser step changes.





(d) The Complex can withstand a full load rejection and remain in a safe condition. *provided the Complex auxiliaries are operated continuously, the Complex can be re-synchronized within one hour provided that the reason for the load rejection has been removed.*

(e) The Complex minimum continuous loading shall be 8%. *of 67000 KW only for this unit.*

### 1.3 Frequency, Power Factor, Voltage Limits and Droop Settings

- (a) The Complex will operate at 100% load with a power factor in the range 0.8 lagging to 0.9 leading which range shall not be exceeded. At 0% load the Unit has a Reactive Power capability of 16 MVAR lagging or 6 MVAR leading. At 100% load the Unit has a Reactive Power capability of 11.3 MVAR lagging or 8.2 MVAR leading.
- (b) The Complex can operate within the range  $\pm 10\%$  on the 132 kV high voltage system which range shall not be exceeded.
- (c) The Complex can operate within the frequency range 47 Hertz to 53 Hertz which range shall not be exceeded.
- (d) The Complex will be subject to tripping if frequency and/or voltage fluctuations outside the ranges stated in 1.3(b) and 1.3(c) occur.
- (e) The Unit governor droop is adjustable in the range 0% to 10%. The automatic voltage regulator will control the generator voltage over the range of  $\pm 10\%$  of rated voltage with a droop characteristic of  $\pm 0.5\%$ .

### 1.4 General

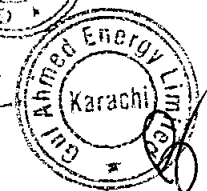
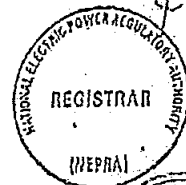
- (a) The Company shall advise KESC of any temporary operating constraints and limits which may from time to time apply to the Complex.

## 2. Design Maintenance Limits

The cycle of Scheduled Outages is set out in Table 4 below together with a manufacturer's recommended durations for such inspections.

TABLE 4

Major items and Nature of Maintenance in 12 Months Period	Operating hours Interval for each Maintenance activity	Estimated Duration of Each Activity Per Unit x times/year
Change of Lube Oil in TC	500	1.5 hrs x 16
Check of valve clearance		0 hrs x 8





Check of alarm and stop devices  
Cleaning of suction air filters

Inspection of injection valves 2000  
Change of oil in goyemor  
Check of overspeed devices

23 hrs x 4

Cleaning of coolers 4000  
Inspection of crankshaft  
Check of crankshaft alignment  
Inspection of T/C  
Check of water space  
Inspection of one piston

115 x 2 hours

Inspection of engine driven 6000 ~ 8000  
pumps  
Inspection of thermostatic valve  
Piston Overhaul  
Cylinder head Overhaul  
Turbocharger Overhaul  
Injection Pump Overhaul  
Inspection of main bearings  
Check of damper

294 hrs x 1

Required time per unit (including other activities) : 720 hours

Scheduled Outages thereafter continue on a one-year cycle which must be maintained.  
The scheduling of maintenance inspections will be compatible with regulatory requirements. All regulatory inspections will be carried out during Scheduled Outages.  
In addition to the above yearly Scheduled Outage, 720 hours Scheduled Outage for Overhaul as shown in table 5 shall be allowed at every fifth (5th) year.

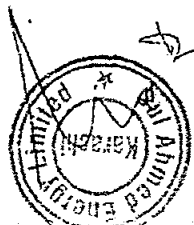
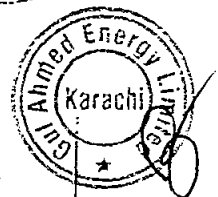
Table 5

Major items of Works 24000 ~ 32000 hrs  
Change of Torsional Vibration Damper  
Inspection/reconditioning of piston crown and skirts  
Change of valve seat rings and valve guides  
Inspection/change of intermediate gear wheel bearings  
Inspection/change of camshaft bearings  
Inspection/change of Big end bearings  
Inspection/change of valve seats

Required time per unit : 720 hours

### 3. Prudent Utility Practice

Notwithstanding anything to the contrary, the Company shall operate and maintain the Complex in accordance with Prudent Utility Practices.





SCHEDULE 3

INTERCONNECTION FACILITIES AND TRANSMISSION FACILITIES

1. Interconnection and Transmission Facilities

- (a) ~~The connection between the Complex (four line bays) and KESC's 132 kV substation at~~ \_\_\_\_\_, Karachi. The location of which will be shown on the Site plans Fig.1. (to be submitted later) The transmission line will terminate in the substation of the Complex, the location of which is shown on the Site plans Figures 1 and 2. (to be submitted later) The circuits of the transmission line will connect at terminal of line gantries provided by the Company as shown on the single line diagram of the substation at Figure 1 (to be submitted later). The boundary of responsibility between the Company and KESC will be at the top of the terminal of line gantries (the "Interconnection Point"). The Company will provide KESC with an earth connection from the earthing system of the Complex. KESC will install the Metering System which together with the transmission line referred to above within the Site boundary shall comprise the "Interconnection Facilities." This equipment will remain the property of KESC and shall be commissioned and maintained thereafter by KESC.

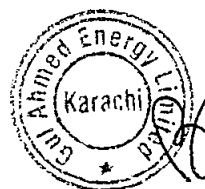
- (b) Protection. A carrier intertripping circuit for each transmission line shall be provided between the line circuit breakers at the Complex owned by the Company and the line circuit breakers at the 132kV Grid Station owned by KESC.

2. Design Data

The following design data has been provided by the Company to KESC to enable completion of KESC of the design of the Interconnection Facilities and the Transmission Facilities.

- \* *The connection between the Complex and KESC'S 132 kV system/network shall be between Korangi Town, Landhi and Port Qasim stations by two 132 kV double circuit transmission lines. The Company shall provide provision of loop in before interconnection with KESC.*

*Landhi, Korangi Town and Port Qasim.*





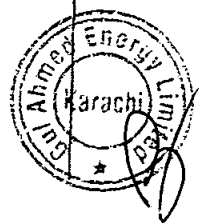
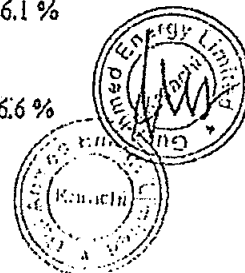
2.1. Generator Design Data (for diesel engine)

(a) Rating

Rating	18,910 kVA
Nominal Rated Capacity	18,910 kVA
Power factor	0.8 lagging 0.9 leading
Rated hydrogen pressure	N.A. (Air Cooled).
Number of phases	3
Number of poles	12
Frequency	50 Hz, $\pm 6\%$
Rated speed	500 rpm
Terminal voltage	11 kV, $\pm 10\%$
Short circuit ratio at rated MVA	not < 0.55
Excitation system	Brushless

(b) Generator Reactances (at the rated MVA & kV base) (for diesel engine)

Unsaturated direct axis synchronous reactance	191 %
Saturated direct axis sub-transient reactance	24.4 %
Saturated direct axis transient reactance	36.1 %
Negative phases sequence reactance	26.6 %





Zero phase sequence reactance 8.4 %

Leakage reactance 0.01 p.u.

(c) Generator time constants (for diesel engine)

Direct axis open circuit time TDO 5.2 seconds  
constant

Direct axis open circuit sub TDO 0.034 seconds  
transient time constant

Direct axis short circuit sub TD 0.025 seconds  
transient time constant

Direct axis short circuit TD 1.2 seconds  
transient time constant

.....(d) Inertia constant

diesel engine + its generator .  $J=17,200 \text{ kgm}^2$   
 $H=1.25 \text{ sec.}$

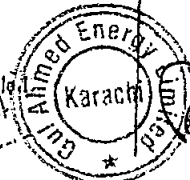
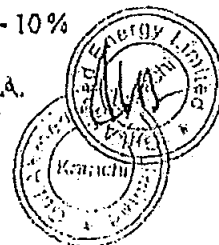
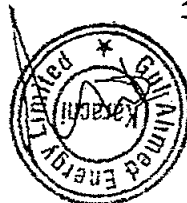
Notes : 1) The above design values will have tolerances as specified in the relevant IEC standards.

2.2 Excitation System

Excitation of the engine generator is provided by a brushless system using booster transformers. The excitation control system has two (2) voltage regulators which are automatic voltage regulator (AVR) and stand-by AVR. During normal operation, the whole excitation system is subject to automatic control by means of AVR. In case of AVR fault, stand-by AVR will be automatically connected.

Technical Characteristics

- (i) Voltage setting range for AVR operation:  $\pm 10\%$   
(ii) Voltage adjusting range for MEC operation: N.A.

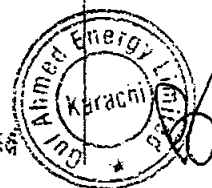
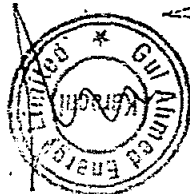




- (iii) Generator terminal voltage is held within  $\pm 10\%$  from no load to full load at rated frequency.
- (iv) Under the maximum direct current supplied from the excitation system for a specified time, the ceiling voltage to the generator field voltage is 2.0 p.u.
- (v) The transfer function diagram of excitation system as shown in Figure 4 (to be supplied later).

### 2.3 Generator Transformer

Rated Power	63 MVA
Rated voltage No. of Taps	132 kV $\pm 10\%$ / 11 kV $\pm 0\%$ (+/- 13 Taps)
Current prim./sec.	276 / 3307 A
Frequency	50 Hz, $\pm 6\%$
Connection Group	YNd11
Insulation Level	
Impulse	650 (250) / 95 kV
AC withstand	230 (95) / 38 kV
Type of Cooling	ONAN/ONAF
Temp. rise wdg. / oil	55 / 50 deg. C
Max. system short circuit power	7,200 MVA
Impedance and losses	at reference power 63 MVA
Impedance	15 % HV to LV
No load losses	40 kW
Load losses	190 kW

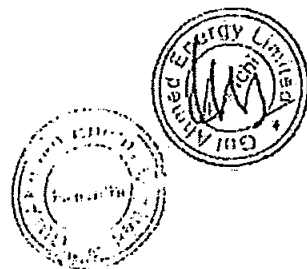




Aux, losses

2.2 kW

- 2.4 The governor droop will be adjustable from 0 % to 10 %, and the smallest size of step adjustment/ change of the governor droop is 0.1%. The governor droop is designed to operate over the frequency range 47 to 53 Hz.
- 2.5 The AVR droop setting is  $\pm 0 - 10\%$  of rated voltage with a droop characteristic of  $\pm 0.5\%$ .







Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Altinturk Avenue (East), G-5/1, Islamabad  
Ptn: +92-51-9206500, Fax: +92-51-2600020  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/RLAG-10/9084-89

March 19, 2020

Mr. Ansh Blumant,  
Chief Financial Officer,  
Gul Ahmed Energy Limited,  
7th Floor, Al-Tijarah Centre, 32-1-A, Block 6,  
P.E.C.F.S; Main Shahr-e-Faisal Road,  
Karachi 75400.

Subject: Modification-I in Generation Licence No. IPGL/09/2003  
Licence Application No. LAG-10  
Gul Ahmed Energy Limited (GAEL)

Reference: GAEL's LPM submitted vide letter dated February 06, 2019 (received on February 08, 2019)

The Authority has approved Modification in Generation Licence No. IPGL/09/2003 dated August 26, 2003 in respect of Gul Ahmed Energy Limited (GAEL), pursuant to Section 26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) read with Regulation 10(1)(a) of the NEPRA Licensing (Application and Modification Procedure) Regulations 1999.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification in the Generation Licence of GAEL along with Modification-I in the Generation Licence No. IPGL/09/2003 as approved by the Authority.

Encl: As above



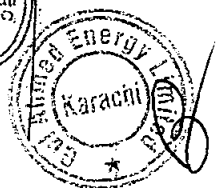
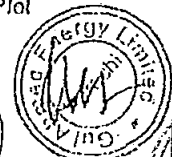
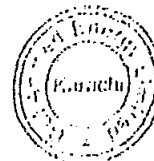
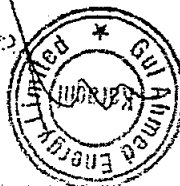
*[Signature]*  
19/03/20  
(Syed Safer Hussain)

Copy to:

1. Secretary, Power Division, Ministry of Energy, A-Block, Pak Secretariat, Islamabad.
2. Managing Director, NTDC, 414-WAPDA House, Lahore.
3. Chief Executive Officer, CPPA-G, ENERCON Building, Sector G-5/2, Islamabad.
4. Chief Executive Officer, K-Electric Limited, KE House, 39-B, Sunset Boulevard, Phase-II, DHA, Karachi.
5. Director General, Environment Protection Agency, Government of Sindh, Complex Plot No. ST-2/1, Korangi Industrial Area, Karachi.

Co. Name NEPRA

Diry No. 210 Dto 20-3-2020





National Electric Power Regulatory Authority  
(NEPRA)

Determination of the Authority  
in the Matter of Licensee Proposed Modification of  
Gul Ahmed Energy Limited

March 19, 2020  
Case No. LAG-10

(A). Background

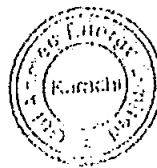
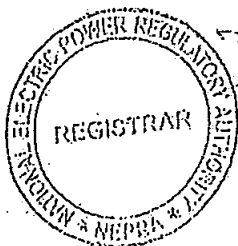
(i). Gul Ahmad Energy Limited (GAEL) holds a generation licence (No. IPGL/09/2003, dated August 26, 2003) in terms of Section-15 (now Section-14B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act").

(ii). The Authority granted the above generation licence to GAEL for its 136.17 MW Residual Furnace Oil (RFO) based generation facility/thermal power plant located at Korangi Industrial Area, Taluka & District Karachi, in the province of Sindh.

(B). Communication of Modification

(i). GAEL in accordance with Regulation-10(2) of the NEPRA Licensing (Application & Modification Procedure) Regulations, 1999 (the "Licensing Regulations") communicated a Licensee Proposed Modification (LPM) in its above-mentioned generation licence on February 08, 2019.

(ii). In the "Text of the Proposed Modification", GAEL proposed to extend the Term of its generation licence for ten (10) years and three (03) months after the expiry date of the current term of its generation licence on August 25, 2019. Regarding the "Statement of the Reasons in Support of the Modification", GAEL, *inter-alia*, submitted that the proposed modification aims to ensure that the term of the generation licence caters to the remaining useful life of the facility as, in terms of the applicable laws of Pakistan (including the NEPRA Act and the rules and



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regulations made thereunder), the Authority's approval of the proposed modification is an essential requirement for effective utilization of the facility (including implementation of the PPA Term Extension) till the proposed extension in the term of the generation licence.

(iii). About the statement of "the Impact on Tariff", "Quality of Service (QoS)" and "the Performance by the Licensee of its Obligation under the Licence", GAEL stated that it has also submitted a separate Tariff Petition before the Authority for determination of its Tariff for the extension in the term of its PPA. Further, GAEL also confirmed that QoS and the performance under the existing generation licence would not be affected by the proposed modification.

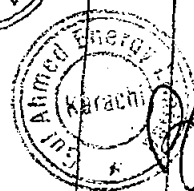
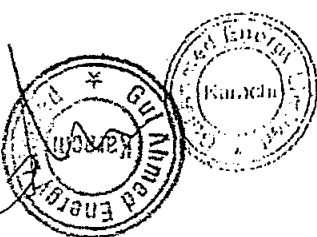
#### (C). Processing of LPM

(i). After completion of all the required information as stipulated under the Regulation-10(2) and 10(3) of the Licensing Regulations by the Licensee, the Registrar published the communicated LPM in one (01) English and one (01) Urdu daily newspaper on February 21, 2019, informing the general public, interested/affected parties, and different stakeholders about the said LPM as required under the Regulation-10(4) of the Licensing Regulations.

(ii). The Registrar invited comments of the said stakeholders in favor of or against the communicated LPM. Apart from the said notice in the press, separate letters were also sent to individual experts, Government ministries/attached departments and other representative organizations, etc. on February 22, 2019, inviting their views and comments for the assistance of the Authority as stipulated in Regulation-10(9) of the Licensing Regulations.

#### (D). Comments of Stakeholders

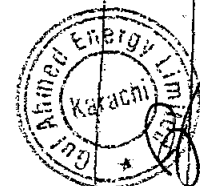
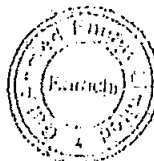
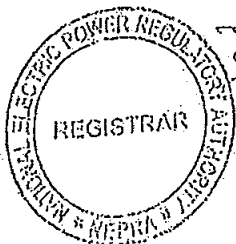
(i). In response to the above, comments were received from six (06) stakeholders including National Accountability Bureau (NAB), K-Electric Consumer's Forum (KECF), K-Electric Limited (KEL), Energy Department Govt. of Sindh (EDGoS), Central Power Purchasing Agency Limited (CPPA-G), and National Transmission & Despatch Company Limited (NTDC). The salient points of





the comments offered by the above-mentioned stakeholders are summarized in the following paragraphs:-

- (a). NAB commented that the notice of LPM published in the press does not suggest that the extension in the period of the licence can be made through modification. Therefore, a clarification in the matter along with legal justification be provided;
- (b). KECF while offering its comments submitted that the generation facility has already completed twenty-two (22) years of its operation and has requested another term of ten (10) years i.e. up to 2029. In this regard, KECF has a number of observations in the matter including but not limited to (a). the plant operates on RFO which is the dirtiest fuel which is being discouraged; (b). Govt. of Pakistan (GoP) has banned new project on RFO and is also curtailing the same for existing plants; (c). the plant operates on an open cycle and has low efficiency; and (d). auxiliary consumption and the maintenance cost are higher as compared to other plants including that of RLNG/Gas based facilities. In view of the said, KECF does not support the LPM and request the Authority to conduct a hearing in the matter at Karachi;
- (c). KEL remarked that existing PPA executed between the parties will be expiring on November 02, 2019. In view of the prevailing supply-demand situation, KEL intends to continue purchasing electric power from the company for which a Power acquisition Request (PAR) for another five (05) years has been submitted. In view of the said, KEL supports the extension in the term of the generation Licence of GAEL;
- (d). EDGoS in its comments supported the LPM subject to fulfilment of the requirements of the relevant rules and regulations. Further, it must be ensured that that there is no





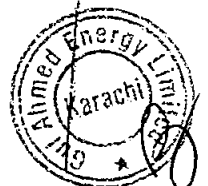
adverse impact on the QoS and tariff if the modification is allowed. The guidelines on the environment should be strictly followed and new technology be used to reduce the risk of emission of pollutants in the air.

(n). CPPA-G stated that the generation facility of GAEL does not fall under its purview. The generation facility is almost twenty-two (22) years old and therefore, the Authority may assess the remaining useful life along with other parameters before approval of the LPM; and

(f). NTDC submitted that GEPL is supplying power to KEL under a Power Purchase Agreement (PPA). It is suggested that efficiency, technical, and legal viability of GEPL may be got checked from experts of CPPA-G before modification of the licence;

(ii). On the above comments of NAB, a detailed reply was sent clarifying the legal position in the matter. Afterward, no further comments/observations were received from NAB. Further, the above comments of other stakeholders were examined and in view of the observations of KECF, EDGoS, CPPA-G, and NTDC, it was considered the appropriate seeking perspective of the licensee. On the said, it was submitted that the rationale for the continued operation of the generation facility has been extensively explained in the submitted petition for determination of reference tariff dated February 13, 2019, for additional five (05) year term in respect of the Power Purchase Agreement (PPA) with KEL, however, the same is reiterated. It is widely acknowledged that in order to meet load variations in peak and off-peak hours thermal plants are an integral part of the energy mix. Given the prevalent policies in respect of thermal power generation, any new thermal power generation facility shall need to operate using an alternative fuel (other than RFO). Therefore, this raises the question of evaluating alternative fuel sources for thermal power generation.

(iii). It is established that reliance on local gas is not a viable long-term

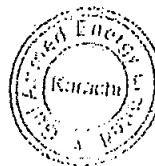
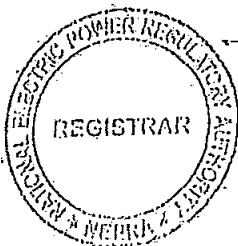




solution for thermal power generation. In this regard, it is emphasized that during the winter months of 2018-19 there was an extreme shortage of gas and even in this lean period the generation facility was operating at around 50% despatch level, with reliance on local RFO. Moreover, an over-dependence of thermal power generation on gas is a poor allocation of resources given that indigenous gas is scarce and essential raw material for certain industrial uses. Therefore, the only remaining viable option for power generation is either RLNG or pipeline gas from neighboring countries. At present, there are only two LNG terminals of 600 MMCFD each which are meeting the requirements of Haveli Bhadur Shah (1230 MW), QATPL (1180 MW) and Balokl (1320 MW). The surplus is supplied to certain Independent Power Producers (IPPs), such as Saif Power Limited, Halmore Power Generation Company Limited, Orient Power Company, Roush (Pakistan) Power Limited on availability basis. Although two or three more LNG terminals are being pursued for development, the same are at very initial stages and not likely to commence operations in the next three (3) to five (5) years.

(iv). As regards to the pipeline for import of gas from neighboring countries, even if all feasibilities and approvals are completed, it would require more than five (5) years for its construction and commissioning. It may be noted that the facility is currently operating on local RFO procured from local refineries which is competitively priced with other fuel sources used in thermal power plants (i.e. imported RFO and imported LNG) and the facility has adequate storage capacities to store RFO for up to thirty (30) days at full load.

(v). Moreover, whilst KECF has made references to a dwindling RFO market in Pakistan, currently, there is a surplus production of local RFO. It is noted that the recent actions of GoP seek to export RFO in order to promote the export of surplus RFO resulting from limitation of storage facilities, while the import of RFO has been put on hold. Moreover, local refineries are being encouraged to invest in improved hydrocracking and build additional storage facilities however, this will require significant time and investment. Given the relatively low export opportunities and limited storage capacity for such fuel, the local RFO market is constrained by the lack of readily available off-takers of the product. The facility, therefore, is



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directly benefitting local refineries by purchasing local RFO and reducing the outflow of foreign exchange by utilizing a local fuel source.

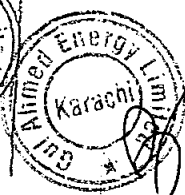
(vi). About the breach of policy of GoP, it was stated that the company understands that the prevalent GoP policy does not permit the establishment of new RFO plants, nor the import of RFO. It is widely acknowledged that thermal plants are an integral part of the energy mix. In order to meet load variations in peak and off-peak hours. It is highlighted that the Company is not in breach of the GoP's policy (i.e. to not establish new RFO plants) as the policy refers to new RFO plants being developed whereas the Company is only continuing operations of its existing facility. The continued operation of the facility is essential in order to cater to the growing population of Karachi and the continued demand for electricity of KEL until new projects are successfully established and commissioned.

(vii). On the question of efficiency of Single Cycle Plant, it is highlighted that the efficiency of a 'Combined Cycle Gas Turbine' (CCGT) plant is highest in baseload operations. However, considering the operational scenario of the facility, the efficiency of a CCGT plant would drastically reduce due to various limitations such as the size of the plant, high ambient temperatures, load variations, number of start-up and ramp rate, unavailability of water around the plant site, unavailability of gas, etc. Therefore, it is not prudent to design and decide on the technology without giving due considerations to the ground realities. Moreover, the Authority may consider and appreciate that the company seeks extension of the Generation License granted to the facility, which was commissioned under the 1994 Power Policy and the technology of the facility was well in line with the requirements at that time. The conversion to Combined Cycle, at this stage, makes no economic sense as the capital cost of conversion will increase the tariff and will unnecessarily burden the end consumers.

(viii). On the issue of auxiliary consumption, it was stated that the technical norm for the auxiliary consumption of small plants of CCGT in combined cycle mode is about three to four percent (3% to 4%) whereas the auxiliary consumption of our Facility, despite being a small simple-cycle plant, is around three percent



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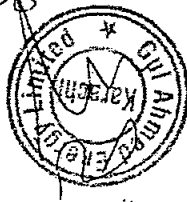




(3%). Regarding the competitive O&M, it was clarified that under the Tariff Petition, the O&M component has been claimed on the assumption that the operation and maintenance of the Facility shall be carried out utilizing the own resources of the Company, instead of a turnkey O&M service provider. In the absence of a "turnkey" third party contractor being hired for the O&M, the claim being made by the Company is resulting in lower costs, as compared to other similar generation facilities. Generally, the engine-based plants have relatively higher operation & maintenance cost as compared to gas turbine-based plants. However, the overall cost of the facility to produce power would remain relatively low (as compared to other thermal power generation facilities) as the plant is debt-free, readily available, and already connected to the system of KEL and fit for operation for another ten (10) years.

(ix). About the effect on the environment, it was submitted that compliance of the Facility with environmental standards is demonstrated by the fact that the Facility has the requisite approval of the Sindh Environmental Protection Agency (SEPA) in place. In accordance with the terms of the approval of SEPA, "Environmental Performance Monitoring" of the Facility is being carried out by independent consultants on a regular basis.

(x). Regarding comments on the compliance with the relevant rules and regulations and useful life of the Facility, it was submitted that Rule 5(1) of the Generation Rules states that the term of the generation licence will be commensurate with the maximum expected useful life of the units comprised in a generation facility. In view of the afore-stated criteria and to ensure compliance with the same, the GAEL engaged a third-party engineering consultant, namely Continental Marine Energy Sdn. Bhd., (the "RULA Expert") to carry out a detailed and exhaustive remaining useful life assessment ("RULA") study of the technical installations of the Facility. It is noted that the RULA Expert has concluded, based on its extensive analysis, that the overall condition of engines is 'Good' and the expected remaining life of the Facility is "10 years as a minimum with a very high degree of confidence".



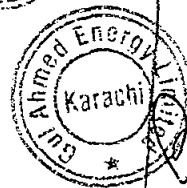
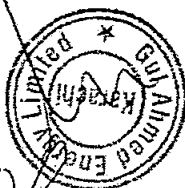


(xi). It was further submitted that there will be no adverse impact on the tariff, quality of service and performance by the Company of its obligations under the Generation Licence. The Company confirms that the quality of service and performance of the Facility will not be affected during the period of the proposed extension in the term of the generation facility. Regarding the suggestion of the GoS that new technology should be used to reduce the risk of emission of CO<sub>2</sub> in the air, it was submitted that the RULA Study Report illustrates that the Facility has a remaining useful life of ten (10) years, and as such the Company will be operating its existing Facility during the extended term of the Generation Licence, and no capital expenditure as such will be undertaken.

(xii). Regarding comments on the technical, financial, and legal viability of the project, it was submitted that KEL, being the off-taker of electricity from the Facility, has evaluated the viability of the PPA Term Extension and thereafter submitted a power acquisition request to the Authority vide its letter (Ref No. SBD/AR/NEPRA-0325/2019-1801) dated January 18, 2019 (the "Power Acquisition Request") for permission to acquire power from the Company for the PPA Term Extension.

(xiii). It is pertinent to highlight that unlike the complexities and long gestation periods involved in the development of a new power generation facility, the Project, being operational now for over two (2) decades, has all requisite contractual arrangements and other infrastructural requirements in place to continue power generation for servicing the consumers of Pakistan's largest city. It is noted that implementation of the extended term under the PPA will neither require a financial close from lenders nor construction of any new distribution/transmission lines. Moreover, an offtake arrangement is already in place and KEL itself is a strong supporter of the extended operations duration.

(xiv). The Authority reviewed the above submissions considered it appropriate to proceed further with the communicated LPM as stipulated in the Licensing Regulations and the Generation Rules.





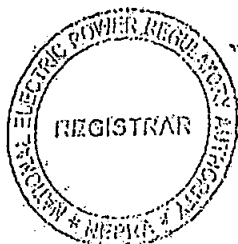
(E). Analysis of the Authority

(i). The Authority has examined the entire case in detail including the already granted generation licence, communicated LPM, comments of the stakeholders, provisions of PPA, and the relevant rules & regulations.

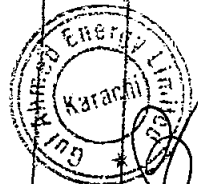
(II). In this regard, it is observed that in terms of Regulation-10(5) of the Licensing Regulations, the Authority is entitled to modify a licence subject to and in accordance with such further changes as the Authority may deem fit if, in the opinion of the Authority such modification (a). does not adversely affect the performance by the licensee of its obligations; (b). does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it; (c). is or is likely to be beneficial to the consumers; (d). is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; and (e). is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the licensee.

(III). The Authority has observed that the LPM envisages extension in the term of the generation licence. In this regard, Rule-5 (2) of the Generation Rules stipulates that on the expiry of the term of a generation licence, the Authority may renew a generation licence for such further term as it may deem appropriate. However, in consideration of the said, the Authority will consider (a). the remaining maximum expected useful life of the units comprised in the generation facility; (b). the performance of the licensee during the then expiring term, and (c). the interests of the consumers and the electric power industry as a whole.

(iv). The Authority has examined the submitted LPM in terms of the criteria given in the relevant regulations and observed that the average running of each Diesel Engine of the generation facility is around 133040 hours with the operation of the lowest used engine at 123691 hours and that of the engine having maximum use at 147034 hours. In view of the said fact, the average usage of the generation facility in terms of the years comes out to be around fifteen (15) years.



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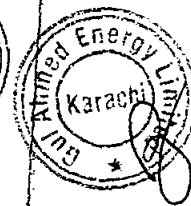


If the benchmark followed by the Authority for similar power plants is considered, then the remaining useful life of the GAEL is at least ten (10) years. The said assessment is also corroborated by the plant assessment report prepared by an Independent Malaysian Consultant Continental Marine Energy which has concluded that the expected useful of the generation facility is ten (10) years.

(v). The Authority observes that the performance of the licensee during the previous term has been very satisfactory as has also been confirmed by the Power Purchaser i.e. KEL and the same can be gauged from the fact that a new PAR has already been submitted for consideration of the Authority. In this regard, it is pertinent to mention that due to current supply-demand situation in the service area of KEL, allowing extension in the term of licence is vital as it will maintain a steady supply to the area which cannot be supplied by any suitable alternate source and accordingly it is in the interests of the consumers and the electric power industry as a whole allowing an extension in the term of the licence of GAEL.

(vi). The Authority has also considered the comments of the stakeholders and observed that concerns have been raised on the ground that the plant is low in efficiency and producing costly energy. Further, it has been submitted that many new efficient plants have been added in the national grid which are currently underutilized, therefore, in the overall interest of the country, the equivalent amount of power can easily be provided to KEL by the National Grid.

(vii). In view of the above comments of the stakeholders, the Authority directed CPPA-G to submit its analysis and recommendations on the additional supply of power to KEL to replace power supply by GAEL. Further, the Authority also directed NTDC to provide information whether equivalent power can be made available to KEL from National Grid to replace the power supplied by GAEL without any transmission constraints and in case NTDC system allows uninterrupted transmission of additional power, how much time will it take to make necessary arrangements.

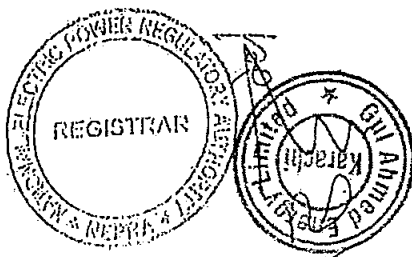




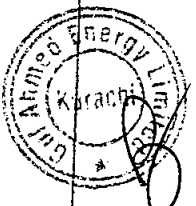
(viii). In this regard, NTDC informed that the existing NTDC and KEL 220 kV transmission interface cannot support 250 MW export in addition to the existing 650 MW export to KEL in a reliable manner, especially, under N-1 contingency conditions. NTDC further submitted that in the current scenario to cater the demand and maintain the smooth running of system, KEL may operate the two IPPs (Tapal and Gul Ahmad) as Merchant IPPs on Take & Pay basis for two-three years till the up-gradation of KEL network, to take additional power through existing NTDC system interface.

(ix). In consideration of the above, the Authority considers that the supply of additional power to KEL from the National Grid will not be possible at least in the short term. Therefore, keeping in view the demand-supply situation in the service area of KEL and the remaining useful life of the generation facility, the Authority considers it appropriate to extend the term of the generation licence of GAEL to ten (10) years, i.e., till August 25, 2029. However, GAEL will be required to strictly follow the directions given by the Authority in the tariff determination regarding the supply of power to KEL. Further, the Authority considers that in order to promote competition in the market, GAEL may opt to supply to Bulk Power Consumers in its vicinity during or after the expiry of the extended term of the PPA subject to regulatory approvals.

(x). Further to the above, the Authority considers that the LPM in the generation licence of GAEL regarding extension in the useful life of the generation facility will not be affecting adversely the performance by the Licensee of its obligations but will enable the Licensee to supply to the utility. Further, the Authority also observes that the LPM has not caused the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it. The proposed LPM will be beneficial to the consumers of KEL which will face severe power supply and reliability issues if extension in the term of the licence is denied. It is observed that LPM is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence. Further, it is reasonably necessary for the Licensee to have this LPM to ensure the continuous, safe and reliable supply of



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electric power to the utility/consumers keeping in view its financial and technical viability.

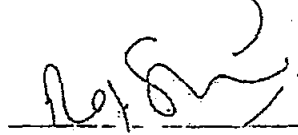
(F). Approval of LPM

(i). In consideration of the above, the Authority hereby approves the communicated LPM of GAEL in terms of Regulation-10(11)(a) of the Licensing Regulations and extends the term of the Generation Licence (No. IPGL/09/2003, dated on August 26, 2003) of GAEL till August 25, 2029.

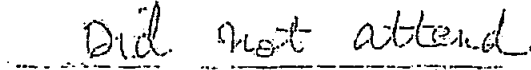
(ii). Accordingly, the Generation Licence (No. IPGL/09/2003, dated August 26, 2003) in the name of GAEL is hereby modified. The changes in "Face Sheet", of the Generation Licence are attached as an annexure to this determination. The approval of LPM will be subject to the provisions contained in the NEPRA Act, relevant Rules & Regulations framed thereunder, terms & conditions of the Generation Licence and other applicable documents.

Authority:

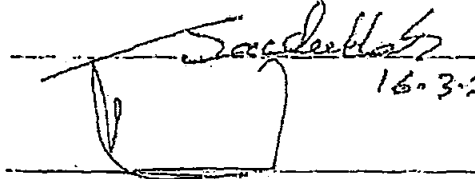
Engr. Rafique Ahmed Shaikh  
(Member)



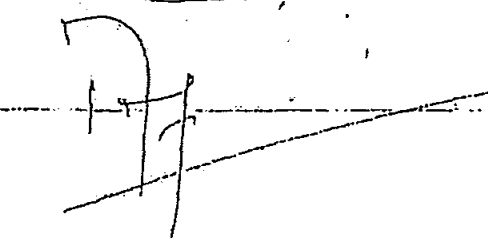
Engr. Rehmatullah Baloch  
(Member)



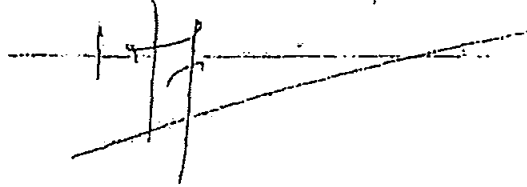
Saif Ullah Chaittha  
(Member)

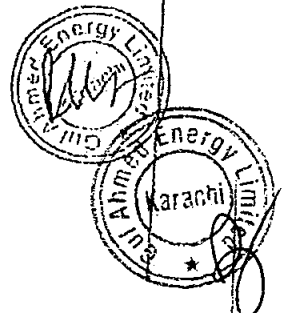
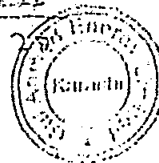
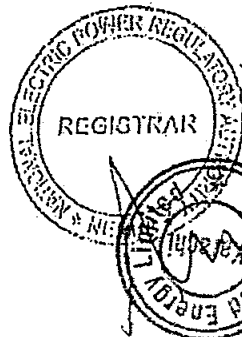
  
16.3.2020

Engr. Bahadur Shah  
(Member/Vice-Chairman)



Engr. Tauseef H. Farooqi  
(Chairman)







National Electric Power Regulatory Authority  
(NEPRA)

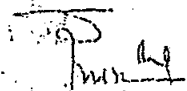
Islamabad – Pakistan

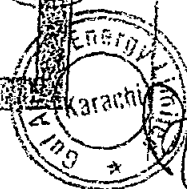
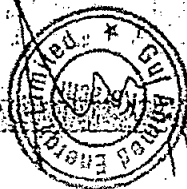
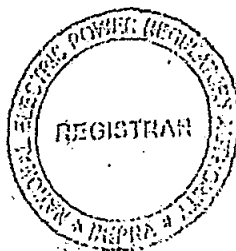
Generation Licence

IPGL/09/2003

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, (XL of 1997), as amended or replaced from time to time, the Authority hereby modifies the term of the Generation Licence (No. IPGL/09/2003, dated August 26, 2003) granted to Gul Ahmed Energy Limited. The changes made in the Generation Licence are described in the attached Annexure-A.

This Modification-I is given under my hand on 19<sup>th</sup> of March  
Two Thousand & Twenty

  
19 03 20  
Registrar



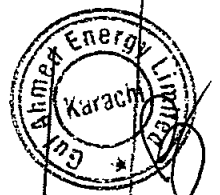


Generation License  
Gul Ahmed Energy Limited  
Korangi Industrial Area,  
Tatara & District Karachi,  
in the Province of Sindh

## Annexure-A



Page 1 of 2  
Amendment





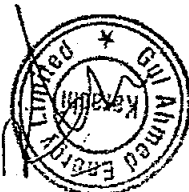
Modification-I  
in Generation Licence (No. IPGL/09/2003, dated  
August 26, 2003) of Gul Ahmed Energy Limited

(A). Face Sheet

- (i). On the Face Sheet (i.e. the first page of the generation licence), in the last line the phrase "expires on 25<sup>th</sup> day of August, Two Thousand & Nineteen" is deleted and is replaced by the phrase "expires on 25<sup>th</sup> day of August, Two Thousand & Twenty-Nine."

(B). Article-4

- (i). Article-4(1) of the generation licence is rephrased as "the term of this Licence is valid up to August 25, 2029."





# ANNEXURE – A-1 – INFORMATION MATRIX – GUL AHMED ENERGY LIMITED

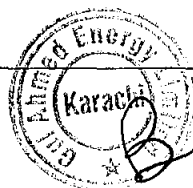
GUL AHMED ENERGY LIMITED - RESPONSE TO NEPRA ORDER			
NEPRA REGULATORY INFORMATION BOARD AUTHORITY'S LETTER DATED 06.12.2023 BEARING REF# F-NEPRA-L23-00177 AS ORDERED BY THE BOARD GATE NO. 12-02		NEPRA'S ORDER AGAINST THE APPLICATION DATED 06.12.2023	CURRENT SUBMISSION DATES
Regulations of NEPRA Application, Submission, Extension and Regulatory Procedures Regulations, 2020 (Regulations 30)			
1.	I. Certified copies of Annual Reports of the Company as required pursuant to Regulation 3(4)(c)(i)(C) of the Regulations.	Already Submitted for FY 2021-2022 as Annexure-C under Main Application.	Submitted for FY 2022-2023 (Form A + Financial Statements) with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
2.	II. Feasibility Study, prepared in the matter prescribed vide Regulation 3(f) of the Regulations	Already submitted as Annexure-G of the Main Application.	Already submitted as Annexure-G of the Main Application. Feasibility Study re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
3.	III. A duly authorised statement stating whether the applicant has been refused grant of license under the Act and, if so, the particulars of the refused application, including date of making the application and decision on the application, as required pursuant to Regulation 3(h) of the Regulations	Already submitted under Main Application.	Authorized Statement/affidavit, as submitted with the Main Application re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
IV. Information and Reference Schedule II (Article 16) in respect of Power Supply			
4.	i. Relevant feeder maps Number of consumers and expected load ii. Consumer class/category, sub-category on the basis of sanctioned load and voltage level iii. Tariff categories of consumer classes to be served iv. Demand and consumption pattern on different time periods v. 12-month projections on expected load, number or consumers and expected sale of units for each consumer category vi. 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).	i. Relevant feeder maps Number of consumers and expected load – <i>data not submitted with the Main Application.</i> ii. Consumer class/category, sub-category on the basis of sanctioned load and voltage level – data already submitted as part of Annexure G and Annexure H of the Main Application. iii. Tariff categories of consumer classes to be served - data already submitted as part of Annexure G and Annexure H of the Main Application. iv. Demand and consumption pattern on different time periods - data already submitted as part of Annexure G and Annexure H of the Main Application. v. 12-month projections on expected load, number or consumers and expected sale of units for each consumer category - <i>data not submitted with the Main Application.</i> vi. 5-year Investment Plan indicating schemes/models/framework for undertaking supply of electric power (including frameworks for providing non discriminatory services and acquisition/sale	i. Relevant feeder maps Number of consumers and expected load – <i>relevant data submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.</i> ii. Consumer class/category, sub-category on the basis of sanctioned load and voltage level – data already submitted as part of Annexure G and Annexure H of the Main Application – data re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023. iii. Tariff categories of consumer classes to be served - data already submitted as part of Annexure G and Annexure H of the Main Application - data re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023. iv. Demand and consumption pattern on different time periods - data already submitted as part of Annexure G and Annexure H of the Main Application - data re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023. v. 12-month projections on expected load, number or consumers and expected sale of units for each consumer category - <i>relevant data submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.</i>





ANNEXURE – A-1 – INFORMATION MATRIX – GUL AHMED ENERGY LIMITED

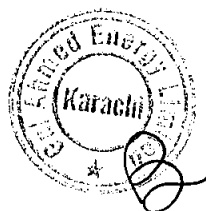
		of assets in relevant service territories) - data not submitted with the Main Application.	vi. 5-year Investment Plan indicating schemes/models/framework for undertaking supply of electric power (including frameworks for providing non discriminatory services and acquisition/sale of assets in relevant service territories) - relevant data submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
<b>1. Information/documents required under Rule 3(a) of Supply License Regulations, 2019</b>			
5.	i. <b>Certificate of incorporation</b> 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	Cert of Incorporation already submitted as Annexure-A under the Main Application.	Certificate of Incorporation re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.  Under III(A) objective clause of GAEL's Memorandum of Association, GAEL is entitled to engage in generation and supply of electric power. Separate accounts would be maintained.
6.	ii. Information regarding <b>Minimum Solvency Requirement</b> as provided in Schedule-I (copy of Schedule-I is enclosed).	Data not submitted with the Main Application.	GAEL meets solvency criteria as per rules. Annual accounts/financial statements and Company's PACRA rating are submitted for NEPRA's record with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
7.	iii. <b>Strategic Business Plan</b> for the three years duly certified by CEO or CFO or Company Secretary, demonstrating its capability to undertake electric power supply business.	Data Not Applicable.	GAEL's 136.17MW Power Plant is operational for past 25+ years. Strategic Business Plan <b>NOT APPLICABLE</b> .
8.	iv. <b>Minimum Human Resource Requirement</b> as provided in Schedule-II to meet all of its service-level commitments. (copy of Schedule-II is enclosed).	Relevant data already submitted as Annexure-D with the Main Application.	Minimum Human Resource requirements as listed are already being fulfilled. List of Company's senior management, technical and plant staff already submitted as Annexure-D of the Main Application re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
9.	v. An affidavit signed by duly authorized officer in the form as provided in Schedule-III. (copy of Schedule-III is enclosed).	Affidavit not submitted with the Main Application.	Affidavit duly submitted as per Schedule III format with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.
10.	vi. 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 code, distribution code, commercial code and other relevant legal instruments as applicable.	Data Not Applicable.	GAEL's 136.17 Power Plant is operational since last 25+ years, and ensures prompt and effective coordination with all relevant legal stakeholders, in compliance with the provisions of grid code, distribution code, commercial code and other relevant legal instruments as applicable etc.
11.	vii. Information regarding ability to discharge following 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	Data Not Applicable.	GAEL has laid down technologically up to date billing and collection procedures for CTBCM customers as part of the already submitted Electric Power Supply License Application under Annexure-G. Also, as an operational plant for 02 decades, company assures all quality standards for supply of electricity, and meets all NEPRA's reporting & data recording requirements in compliance with performance standards, and all other applicable rules and regulations of the Authority.





ANNEXURE – A-1 – INFORMATION MATRIX – GUL AHMED ENERGY LIMITED

	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		
12.	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 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	<i>Data Not Applicable.</i>	GAEI is operational since 25+ years, duly compliant with the following: (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 applicable in Pakistan – <i>GAEI already following IFRS accounting standards.</i> (ii) Sharing the necessary information and data through website or portal as required by any legal instrument – <i>GAEI already shares all necessary info with the Authority and other regulatory bodies, through website/portals as applicable.</i> (iii) information required by the Authority for the purpose of monitoring - <i>GAEI already shares all necessary monitoring info with the Authority under applicable rules and regulations.</i>
13.	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 Rule 5 of Rules	<i>Data Not Applicable.</i>	Company will duly comply with this requirement ( <i>collection and deposit of all applicable charges</i> ) once CTBCM electricity sale to BPCs is in effect.
14.	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.	<i>Data Not Applicable.</i>	Company will duly comply with this requirement ( <i>collection and deposit of all applicable charges</i> ) once CTBCM electricity sale to BPCs is in effect.
<b>14. Information regarding required information in supply related documents</b>			
15.	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.	Affidavit already submitted under the Main Application.	Copy of the affidavit re-submitted with Company's Response Letter bearing Ref # F-NEPRA-L23-00177 dated 26.12.2023.





**CERTIFIED COPIES OF ANNUAL REPORTS  
OF THE COMPANY – FY 2022-23  
FINANCIAL STATEMENTS AND LATEST  
FORM A**





**GUL AHMED ENERGY LIMITED**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2023**

**A.T. FERGUSON & CO.**  
*Chartered Accountants*  
*a member firm of the PwC network*

  
**pwc**







A.F. FERGUSON & CO.

## INDEPENDENT AUDITOR'S REPORT

To the members of Gul Ahmed Energy Limited

Report on the Audit of the Unconsolidated Financial Statements

### Opinion

We have audited the annexed unconsolidated financial statements of Gul Ahmed Energy Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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, 2023 and of the profit and other 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 Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the unconsolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

KARACHI LAHORE ISLAMABAD





**Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements**

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

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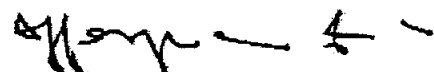
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 Syed Muhammad Hasnain.



A. F. Ferguson & Co  
Chartered Accountants  
Karachi

Date: September 19, 2023

UDIN: AR202310073NSbYoyw3H





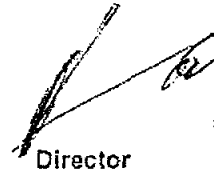
**GUL AHMED ENERGY LIMITED**

**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023**

	Note	2023	2022
		(Rupees '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	236,764	354,757
Intangible asset	4	12,831	-
Long term investment - subsidiaries	5	3,826,671	3,826,671
Long term loan - subsidiaries	6	1,406,997	758,308
Long term loans to employees - considered good	7	1,226	1,395
		<u>5,484,489</u>	<u>4,941,131</u>
<b>CURRENT ASSETS</b>			
Inventories	8	1,106,124	662,735
Trade receivable	9	2,884,424	4,998,856
Loans and advances	10	5,908	225,691
Trade deposits and short-term prepayments	11	28,700	49,201
Other receivables	12	575,721	1,039,580
Financial assets at fair value through profit or loss	13	1,471,376	1,088,278
Tax refunds due from government - sales tax		235,894	229,514
Taxation		20,172	85,981
Cash and bank balances	14	12,084	52,600
		<u>6,340,403</u>	<u>8,432,436</u>
<b>TOTAL ASSETS</b>		<u><b>11,824,892</b></u>	<u><b>13,373,567</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	15	1,683,284	1,683,284
Capital reserve	16	96,846	96,846
Unappropriated profit		<u>9,002,619</u>	<u>10,826,132</u>
		<b>10,782,749</b>	<b>12,606,262</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liability - staff gratuity	17	22,036	29,707
Long term lease liability	18	15,852	35,920
		<u>37,888</u>	<u>65,627</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	984,188	680,298
Current portion of long term lease liability	18	20,067	21,380
		<u>1,004,255</u>	<u>701,678</u>
<b>TOTAL LIABILITIES</b>		<b>1,042,143</b>	<b>767,305</b>
<b>COMMITMENTS</b>			
	20		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>11,824,892</b></u>	<u><b>13,373,567</b></u>

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director

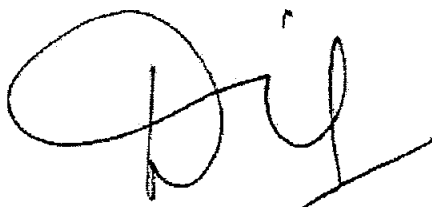




**GUL AHMED ENERGY LIMITED****UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees '000)	2022
Revenue from contract with customer	21	17,118,745	19,979,644
Cost of sales	22	<u>(16,386,783)</u>	<u>(18,406,900)</u>
Gross profit		731,962	1,572,744
Administrative expenses	23	<u>(223,849)</u>	<u>(208,955)</u>
		508,113	1,363,789
Finance income	24	134,126	18,763
Gain on disposal of operating fixed assets		3,357	74
Gain on investments	25	524,263	360,281
Dividend income	26	390,084	390,084
Profit before taxation		<u>1,559,943</u>	<u>2,132,991</u>
Taxation	27	<u>(228,785)</u>	<u>(90,492)</u>
Profit after taxation		<u>1,331,158</u>	<u>2,042,499</u>
Other comprehensive (loss) / income			
Remeasurements of post employment benefit obligations		(197)	1,089
Total comprehensive income		<u><u>1,330,961</u></u>	<u><u>2,043,588</u></u>

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director



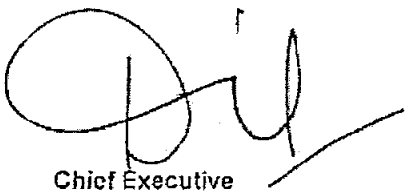



**GUL AHMED ENERGY LIMITED**


**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2023**

	SHARE CAPITAL	RESERVES			TOTAL
		CAPITAL	REVENUE	SUB TOTAL	
			Unappropriated profit		
			(Rupees '000)		
Balance as at July 1, 2021	1,683,284	96,846	9,287,529	9,384,375	11,067,659
- Profit for the year ended June 30, 2022	-	-	2,042,499	2,042,499	2,042,499
- Other comprehensive income for the year ended June 30, 2022	-	-	1,089	1,089	1,089
Total comprehensive income for the year ended June 30, 2022	-	-	2,043,588	2,043,588	2,043,588
Interim cash dividend for the year ended June 30, 2022 @ Rs. 3 per ordinary share	-	-	(504,985)	(504,985)	(504,985)
Balance as at June 30, 2022	1,683,284	96,846	10,826,132	10,922,978	12,606,262
- Profit for the year ended June 30, 2023	-	-	1,331,158	1,331,158	1,331,158
- Other comprehensive income for the year ended June 30, 2023	-	-	(197)	(197)	(197)
Total comprehensive income for the year ended June 30, 2023	-	-	1,330,961	1,330,961	1,330,961
Interim cash dividend for the quarter ended March 31, 2022 @ Rs. 2.1 per ordinary share	-	-	(353,490)	(353,490)	(353,490)
Final cash dividend for the year ended June 30, 2022 @ Rs. 2.5 per ordinary share	-	-	(420,821)	(420,821)	(420,821)
Interim cash dividend for the quarter ended September 30, 2022 @ Rs. 8.92 per ordinary share	-	-	(1,501,489)	(1,501,489)	(1,501,489)
Interim cash dividend for the quarter ended March 31, 2023 @ Rs. 5.22 per ordinary share	-	-	(878,674)	(878,674)	(878,674)
Balance as at June 30, 2023	1,683,284	96,846	9,002,619	9,099,465	10,782,749

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director





# GUL AHMED ENERGY LIMITED

## UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation:		1,559,943	2,132,991
Adjustment for non cash charges and other items:			
Depreciation and amortisation		119,796	142,331
Provision for retirement benefits		(6,948)	(2,110)
Dividend income / Gain on disposal of open ended mutual funds		(509,442)	(358,450)
Gain on re-measurement of fair value of open ended mutual funds		(14,821)	(1,831)
Gain on disposal of property, plant and equipment		(3,357)	(74)
Finance cost		18,719	20,457
Dividend Income		(390,084)	(390,084)
Interest income		(152,668)	(39,127)
		821,138	1,504,103
Effect on cash flow due to working capital changes:			
Decrease / (increase) in current assets			
Inventories		(443,389)	599,392
Trade receivable		2,114,432	(3,493,423)
Loans and advances		219,783	399,590
Trade deposits and short-term prepayments		20,501	(2,381)
Other receivables		463,859	(704,457)
Refunds due from the government - sales tax		(6,380)	159,040
		2,368,806	(3,042,239)
Increase in current liabilities			
Trade and other payables		303,890	55,338
		2,672,696	(2,986,901)
Cash generated from / (used in) operations		3,293,834	(1,482,798)
Retirement benefits paid		(921)	(1,870)
Taxes paid		(162,876)	(90,342)
Finance cost paid		(12,655)	(14,577)
Loans to employees		169	(800)
		(176,383)	(107,689)
Net cash generated from / (used in) operating activities		3,117,451	(1,590,487)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(14,724)	(2,278)
Proceeds from sale of property, plant and equipment		3,447	95
Investments made in mutual funds units		(19,758,717)	(14,393,801)
Proceeds from disposal of mutual funds units		19,899,882	16,750,670
Investment in GAE Power Solutions Limited		-	(10,000)
Interest received		43	750
Dividend received		390,084	390,084
Loan provided to Gul Ahmed Electric Limited		(451,563)	(76,703)
Loan provided to GAE Power Solutions Limited		(44,500)	(494,000)
Net cash generated from investing activities		23,952	2,164,817
<b>CASH USED IN FINANCING ACTIVITIES</b>			
Lease rentals paid		(27,445)	(21,247)
Dividend paid		(3,154,474)	(504,985)
Net (decrease) / increase in cash and cash equivalents		(40,516)	48,097
Cash and cash equivalents at beginning of the year		52,600	4,503
Cash and cash equivalents at end of the year	14	12,084	52,600

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director





## GUL AHMED ENERGY LIMITED

### NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Gul Ahmed Energy Limited (the Company) was incorporated on July 20, 1994 under the repealed Companies Ordinance, 1984 (Companies Act, 2017) as a public limited company. The principal activity of the Company is power generation and its supply to K - Electric Limited herein after referred to as K - Electric.

The Company owns following subsidiaries:

	%age of holding	
	2023	2022
- Gul Ahmed Wind Power Limited	55.10%	55.10%
- Gul Ahmed Electric Limited	100%	100%
- Gul Ahmed Solar Power Limited	100%	100%
- GAE Power Solutions Limited	100%	100%

The principal activity of above subsidiaries is power generation and related activities.

Gul Ahmed Wind Power Limited (GAWPL) has initiated its commercial production on October 18, 2016.

Gul Ahmed Electric Limited GEL has initiated its commercial production on date April 07, 2022.

Gul Ahmed Solar Power Limited (GASPL) was incorporated in the year ended June 30, 2016. GASPL is in the process of obtaining requisite approval from relevant authorities.

GAE Power Solutions Limited (GAEPSL) was incorporated in the year ended June 30, 2022. The principal line of business of the GAEPSL is to carry on businesses of sale/services associated with all type of power generating plants but not limited to renewable energy power plants, thermal power plants and hydro power plants and to perform all other acts which are necessary or identical to the business of electricity generation, transmission, distribution and supply.

#### 1.2 The geographical locations and addresses of the Company's business units are as under

- The registered office of the Company is situated at Plot No. 8, Model Town, Village Humak, Islamabad.
- The principal place of business of the Company is situated at 7th Floor, Al-Tijarah Centre, 32 / 1-A, Block-6, P.E.C.H.S., Karachi.
- The power generation plant of the Company is situated at Plot No. 434, Sector 10, Korangi Industrial Area, Karachi.





1.3 The original Power Purchase Agreement (PPA) between the Company and K - Electric was concluded on November 02, 2019. In 2019, K - Electric had provided its consent for the extension of PPA for an additional term of five years, subject to fulfilment of all regulatory obligations, consents and other requirements. The Company had received revised tariff issued by NEPRA for a term of three years and modified generation license for the next ten years. The key terms of the revised tariff dated June 03, 2020, effective November 03, 2019 are as follows:

- a) The tariff is revised on "Take and Pay" basis as compared to previous tariff which was on "Take or Pay" basis.
- b) The Company is not required to guarantee the percentage of availability and is allowed to sell power to Bulk Power Consumers (BPCs).

Accordingly, the PPA for the next three years commencing from November 03, 2019 had been signed between the Company and K - Electric on April 29, 2022. The PPA was for three years ending November 02, 2022 and includes "Take and Pay" basis and the Company was allowed to sell power to BPCs subject to prior written approval from K - Electric.

The Company and K-Electric have agreed to extend the term of the power purchase arrangement for an additional two years commencing from November 03, 2022 and accordingly K-Electric has granted its power purchase consent to the Company.

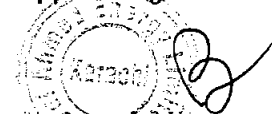
On September 12, 2022, GAEL filed tariff petition with NEPRA for determination of revised generation tariff for sale of electricity to K-Electric for a period of two years commencing from November 03, 2022 with a 40% dispatch factor.

NEPRA through its order No. NEPRA/R/ADG(Trf)/TRF-591/GAEL-2022/3236-3238 dated February 22, 2023 decided to extend the term of tariff till April 30, 2023 or the lifting of the moratorium period before the stipulated date, whichever comes earlier, on the same terms & conditions approved vide decision dated June 03, 2020. The instant decision shall supersede the interim tariff decision dated December 01, 2022 as mentioned in note 21.1.

The order also allowed the Company to sell electricity under Competitive Trading Bilateral Contracts Market (CTBCM) regime after April 30, 2023.

On March 08, 2023, the Company filed motion for leave against decision of NEPRA dated February 22, 2023 to the Registrar. Further, the decision of the NEPRA has been challenged by the Company on same date in NEPRA Appellate Tribunal through Appeal No. 49/NT/2023 which was disposed by the Tribunal on April 12, 2023 by passing an order. The salient features of the order are as follows:

- a) NEPRA shall decide all the pending issues raised in the Review Application in accordance with law.
- b) NEPRA shall additionally take into account the letter dated April 03, 2023 sent by K-Electric to NEPRA and the Power Acquisition Program furnished by K-Electric in determining the term of the Tariff being granted to the Appellant given the power shortage in the K-Electric system.





- c) The Appellant will continue to supply electricity to K-Electric on the existing tariff and terms and conditions and K-Electric shall also follow the same until a decision is made by NEPRA in the Review Application.
- d) The Review Petition be decided at the earliest in accordance with Law, Rules after affording right of audience to all the stake holders.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

#### 2.1.1 Statement of compliance

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

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

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

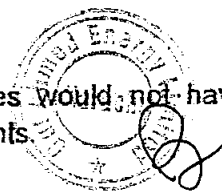
#### 2.1.2 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- i) Provision for staff retirement benefits
- ii) Useful lives of property, plant and equipment and intangible assets
- iii) Provisions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that the change in outcome of estimates ~~would not~~ have a material impact on the amounts disclosed in the financial statements.





### 2.1.3 Changes in accounting standards, interpretations and pronouncements

#### a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However these do not have any significant impact on the Company's financial reporting.

#### b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However these are considered either not to be relevant or to have any significant impact on the Company's financial statement and operations and, therefore, have not been disclosed in these financial statements.

### 2.2 Overall valuation policy

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

### 2.3 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortisation. Capital work in progress, spare parts and stand-by equipments are stated at cost.

Leasehold land is amortised over the period of the lease. The Company depreciates / amortises its assets using the straight line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in 3.1 to the financial statements.

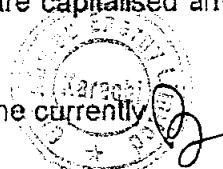
Depreciation on acquisition is charged from the month of addition whereas no depreciation is charged in the month of disposal.

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

The Company accounts for impairment, where indication exists, by reducing assets carrying value to the assessed recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals, improvements, spare parts and stand-by equipments are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are included in income currently.



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## 2.4 Intangible assets

An intangible asset is recognised as an asset if it is probable that the future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Amortisation is calculated using the straight line method to allocate the cost of assets over useful lives.

## 2.5 Staff retirement benefits

### 2.5.1 Defined Benefit Plan

The Company operates an unfunded gratuity scheme for certain non management employees. Contributions to the scheme are based on actuarial valuation.

The latest actuarial valuation of the scheme has been carried out as at June 30, 2023 using the Project Unit Credit method. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in income.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the scheme.

Gratuity shall be paid as defined under:

#### Years of service:

Less than 1 year

Greater than or equal to 1 year

#### Entitlement of gratuity:

Nil

One month's last drawn gross salary for each completed year of service

### 2.5.2 Defined Contribution Plan

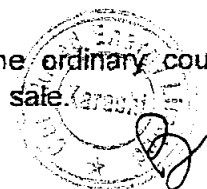
The Company operates a recognised provident fund for all its management employees and certain non management employees. Equal monthly contributions are made by the Company and the employees in the fund at the rate of 8.33% of basic salary of employees.

## 2.6 Inventories

These are valued at the lower of cost and net realisable value. Cost is determined using first-in-first-out method.

Items of stores and spares in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.





## 2.7 Provisions

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

## 2.8 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

## 2.9 Taxation

Profits and gains derived by the Company from electric power generation project set up in Pakistan are exempt under clause 132 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001. However, the Company's other income is subject to normal tax regime.

### Group Taxation

The Company being the parent has opted for group taxation under section 59AA of the Income Tax Ordinance, 2001 along with its certain subsidiaries. These companies are taxed as one fiscal unit under this scheme.

The current taxes have been estimated on separate income of companies according to the applicable law and recognised by the Company within the Group.

## 2.10 Foreign currencies

These financial statements are presented in Pak Rupee which is the Company's functional and presentation currency.

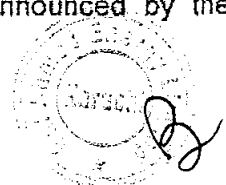
Transactions in foreign currencies are recorded in Pak Rupee at exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are reported in Pak Rupee using the rates of exchange approximating those prevailing at the statement of financial position date.

Exchange gains and losses are reported on net basis.

## 2.11 Financial assets at fair value through profit or loss

The Company determines the appropriate classification of its investment at the time of making the investment.

Investments classified as "financial assets at fair value through profit or loss" are initially recognised at cost being the fair value of consideration given. At subsequent reporting dates these investments are measured at fair value with any resulting gains or losses recognised directly in the statement of profit or loss and other comprehensive income. The fair value of such investments is determined on the basis of prevailing market prices. In the case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company.





## 2.12 Long term investment

Investment in subsidiary company is stated at cost. Impairment loss is recognised when the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognised in statement of profit or loss and other comprehensive income.

## 2.13 Advances and deposits

Loans, advances, deposits and prepayments are non-derivate financial assets with fixed and determinable payments. These are included in current assets, except those with maturities greater than twelve months after the reporting date, which are classified as non-current assets.

## 2.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current, savings and foreign currency accounts.

## 2.15 Impairment losses

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If such indications exist, the assets' recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the statement of profit or loss and other comprehensive income.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been

## 2.16 Contingent liabilities

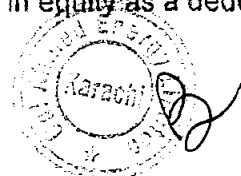
Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and 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
- there is present 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.

A contingent liability is disclosed unless the possibility of an outflow is remote.

## 2.17 Share capital

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





## 2.18 Revenue recognition

Revenue is recognized on delivery of electricity to K-Electric which is invoiced as Energy & Capacity Invoice. Delivery of electricity is determined through the meters installed. The amount of revenue is determined in accordance with the arrangement with K-Electric and approved/determined by NEPRA.

## 2.19 Other income

Return on deposits is accounted for on accrual basis.

Interest income on subsidiaries is accounted for on accrual basis.

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

## 2.20 Financial Instruments - Initial recognition and subsequent measurement

### Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

### Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

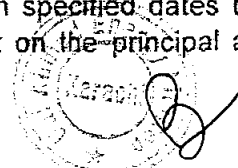
Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

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

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

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

### **Classification of financial liabilities**

The Company classifies its financial liabilities in the following categories:

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

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

### **Subsequent measurement**

#### **i) Financial assets and liabilities at amortised cost**

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

#### **ii) Financial assets and liabilities at FVTPL**

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

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

### **Impairment of financial asset**

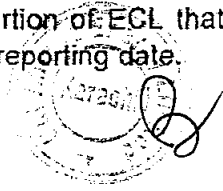
The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default) occurring over the expected life of the financial instrument has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivable are always measured at an amount equal to life time ECLs.

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

3





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

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

### **Derecognition**

#### **i) Financial assets**

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

#### **ii) Financial liabilities**

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

### **2.21 Off-setting of financial assets and liabilities**

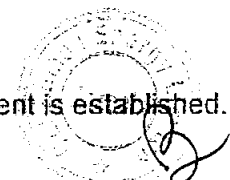
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **2.22 Dividend disbursement**

Dividend distribution to the Company's shareholders is recognised as liability at the time of their approval.

### **2.23 Dividend income**

Dividend income is recognised when the right to receive payment is established.





## 2.24 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

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

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

## 3. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 3.1  
Spare parts and stand-by equipments

2023                      2022  
(Rupees '000)

236,764	338,636
-	16,121
<u>236,764</u>	<u>354,757</u>





## 3.1 Operating assets

	Leasehold land	Buildings on leasehold land	Leasehold improvements	Plant and machinery	Air conditioners	Furniture and fittings	Office equipments	Computers	Vehicles	Right-of-use- asset	Total
	Rupees '000										
Year ended June 30, 2023											
Opening net book value	28,728	-	14,209	218,933	106	3,440	2,661	1,430	1,781	67,348	338,636
Additions	-	-	-	-	-	242	1,004	863	13,814	-	15,923
Cost	-	-	-	-	-	-	515	378	5,718	-	6,611
Accumulated depreciation	-	-	-	-	-	-	(425)	(378)	(5,718)	-	(6,521)
Disposals	-	-	-	-	-	-	(90)	-	-	-	(90)
Depreciation	(361)	-	(4,310)	(87,780)	(11)	(1,321)	(596)	(651)	(2,373)	(20,302)	(117,705)
Closing net book value	28,367	-	9,899	131,153	95	2,361	2,979	1,642	13,222	47,046	236,764
At June 30, 2023											
Cost	35,761	323,321	43,098	6,390,368	10,373	18,746	12,043	13,032	63,821	118,451	7,029,004
Accumulated depreciation / amortisation	(7,394)	(323,321)	(33,199)	(6,259,205)	(10,278)	(16,385)	(9,064)	(11,390)	(50,599)	(71,405)	(6,792,240)
Closing net book value	28,367	-	9,899	131,153	95	2,361	2,979	1,642	13,222	47,046	236,764
Year ended June 30, 2022											
Opening net book value	29,091	-	18,520	278,416	-	4,746	2,196	914	4,195	23,860	361,938
Additions	-	-	-	55,865	117	-	1,059	1,102	-	60,907	119,050
Cost	-	-	-	-	-	-	83	268	43	-	394
Accumulated depreciation	-	-	-	-	-	-	(62)	(268)	(43)	-	(373)
Disposals	-	-	-	-	-	-	(21)	-	-	-	(21)
Depreciation / amortisation charge	(363)	-	(4,311)	(115,348)	(11)	(1,306)	(573)	(586)	(2,414)	(17,419)	(142,331)
Closing net book value	28,728	-	14,209	218,933	106	3,440	2,661	1,430	1,781	67,348	338,636
At June 30, 2022											
Cost	35,761	323,321	43,098	6,390,368	10,373	18,504	11,554	12,547	55,725	118,451	7,019,692
Accumulated depreciation / amortisation	(7,033)	(323,321)	(28,889)	(6,171,425)	(10,267)	(15,064)	(8,893)	(11,117)	(53,944)	(51,103)	(6,681,056)
Closing net book value	28,728	-	14,209	218,933	106	3,440	2,661	1,430	1,781	67,348	338,636
Rate of depreciation %	1.01	10	10	12 - 33.33	10	10	10	25	20	30	





	2023	2022
	(Rupees '000)	
3.2 Spare parts and stand-by equipments		
Opening	16,121	71,986
Purchases	-	-
Transferred to property, plant & equipment	-	(55,865)
Transferred to stores and spares	(16,121)	-
Closing	<u>-</u>	<u>16,121</u>

#### 4. INTANGIBLE ASSET

##### Net carrying value basis

Opening net book value	-	-
Additions during the year	14,923	-
Amortisation charge	(2,092)	-
Closing net book value	<u>12,831</u>	<u>-</u>

##### Gross carrying value basis

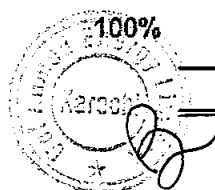
Cost as at the beginning of the year	-	-
Additions during the year (at cost)	14,923	-
Cost as at December 31	14,923	-
Accumulated amortisation	(2,092)	-
Net book value	<u>12,831</u>	<u>-</u>

4.1 Amortisation is charged at the rate of 20% per annum.

#### 5. LONG TERM INVESTMENT - SUBSIDIARIES

##### Investment in subsidiaries - at cost

	2023		2022	
	Equity % held	Investment at cost (Rupees '000)	Equity % held	Investment at cost (Rupees '000)
Gul Ahmed Wind Power Limited 177,310,970 (2022: 177,310,970) Ordinary shares of Rs. 10 each	55.10%	1,773,110	55.10%	1,773,110
Gul Ahmed Electric Limited - 194,356,101 (2022: 194,356,101) Ordinary shares of Rs. 10 each	100%	1,943,561	100%	1,943,561
Gul Ahmed Solar Power Limited 10,000,000 (2022: 10,000,000) Ordinary shares of Rs. 10 each	100%	100,000	100%	100,000
GAE Power Solutions Limited 1,000,000 (2022: 1,000,000) Ordinary shares of Rs. 10 each	100%	10,000	100%	10,000
		<u>3,826,671</u>		<u>3,826,671</u>





	2023	2022
	(Rupees '000)	
<b>6. LONG TERM LOAN - SUBSIDIARIES</b>		
Gul Ahmed Electric Limited - note 6.1	755,542	243,912
GAE Power Solutions Limited - note 6.2	651,455	514,396
	<u>1,406,997</u>	<u>758,308</u>

6.1 The loan is provided to the Gul Ahmed Electric Limited for meeting cashflow requirements and carries an interest rate of 3 months KIBOR + 0.5% per annum. This loan is to be repaid by the subsidiary as per the terms and conditions of its Common Terms Agreement (CTA).

6.2 The loan is provided to the GAE Power Solutions Limited during the year for meeting cashflow requirements and carries an interest rate of 3 months KIBOR + 0.5% per annum. This loan is to be repaid by the subsidiary starting from July 2024 subject to the cash flow and/or liquidity position.

**7. LONG TERM LOANS TO EMPLOYEES - considered good**

The loans are granted to the employees of the Company in accordance with the Company's employment policy for personal loans. These loans are for maximum period of 4 years. These loans are secured against retirement benefit plans of employees. The loans do not carry any interest and are carried at cost.

	2023	2022
	(Rupees '000)	
<b>8. INVENTORIES</b>		
Stores and spares [including in transit Rs. 44.71 (2022: Rs. Nil)]	341,949	202,476
Furnace oil	727,085	423,568
Diesel	3,296	2,271
Lubricants	33,794	34,420
	<u>1,106,124</u>	<u>662,735</u>

**9. TRADE RECEIVABLE - considered good**

The amount is due from K - Electric and is un-secured. (2022: un-secured). K - Electric has provided post-dated cheques to the Company.

9.1 As at June 30, 2023, the age analysis of these trade receivables is as follows:

	2023	2022
	(Rupees '000)	
Not yet due	1,802,721	2,946,756
Past due		
- 0 to 30 days	934,547	2,052,100
- Up to 3 months	-	-
- Up to 6 months	40,803	-
- Up to 1 year	96,077	-
- More than 1 year	10,276	-
	<u>2,884,424</u>	<u>4,998,856</u>

9.2 The amounts overdue against various invoices are subject to mark-up on delayed payments under Power Purchase Agreement (PPA) dated April 29, 2022 at the rate of KIBOR plus 2% per annum.



	2023	2022
	(Rupees '000)	
<b>10. LOANS AND ADVANCES</b>		
Loans to employees – considered good	1,272	1,200
Advances to employees	575	470
Advances to suppliers - note 10.1	4,061	224,021
	<u>5,908</u>	<u>225,691</u>

10.1 This includes advance in respect of supply of furnace oil amounting to Rs. Nil (2022: Rs. 203.72 million).

	2023	2022
	(Rupees '000)	
<b>11. TRADE DEPOSITS AND SHORT - TERM PREPAYMENTS</b>		
Security deposits	4,897	4,315
Prepayments		
- Insurance premium	23,368	44,672
- Others	435	214
	<u>23,803</u>	<u>44,886</u>
	<u>28,700</u>	<u>49,201</u>

**12. OTHER RECEIVABLES**

Receivable from K - Electric

- Workers' Profits Participation Fund – note 12.1
- Sales tax – note 12.2

24,470	67,167
532,893	960,497
<u>557,363</u>	<u>1,027,664</u>

Receivable from Workers' Profits Participation Fund - note 12.3

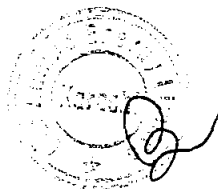
18,336 11,916

Others

22	-
<u>575,721</u>	<u>1,039,580</u>

12.1 Payments made to Workers' Profits Participation Fund are receivable from K-Electric as Pass-Through Items, in accordance with the revised tariff NEPRA/R/SA/(Tariff)/TRF-464/GAEL-2019/14142-14144 approved by NEPRA dated June 03, 2020 effective from November 03, 2019.

12.2 Sales tax on the sale of electricity to K - Electric is a Pass-Through Item as defined in the revised tariff issued by NEPRA on June 03, 2020 effective from November 03, 2019.





	2023	2022
	(Rupees '000)	
<b>12.3 Workers' Profits Participation Fund</b>		
Balance at the beginning of the year	11,916	44,348
Allocation for the year	(24,470)	(67,167)
	<u>(12,554)</u>	<u>(22,819)</u>
Amount paid to the Trustees of the Fund	30,890	34,735
	<u>18,336</u>	<u>11,916</u>

### 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments in open ended mutual funds at fair value are as follows:

2023	2022		2023	2022
(Number of units)			(Rupees '000)	
109,823,477	-	Pak Oman Government Securities Fund	1,191,717	-
2,513,901	-	Faysal Financial Sector Opportunity Fund	260,138	-
160,143	5,649,027	MCB Cash Management Optimizer *	16,248	572,245
31,004	40	HBL Money Market Fund	3,200	4
736	-	Alfalalah GHP Money Market Fund	72	-
4	1,854	ABL Cash Fund	1	19
-	5,146,445	HBL Financial Sector Income Fund	-	514,879
-	10,300	AWT Income Fund	-	1,126
-	18	Faysal Money Market Fund	-	2
-	19	Askari Sovereign Cash Fund	-	2
-	14	Askari Sovereign Yield Enhancer	-	1
			<u>1,471,376</u>	<u>1,088,278</u>

\* Out of 160,143 units, 112,840 units have been pledged against issue of bank guarantees as disclosed in note 20.

### 14. CASH AND BANK BALANCES

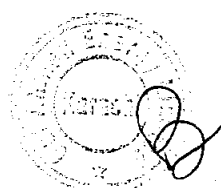
With banks in:

- Foreign currency account - USD 2,011  
(2022: USD 1,941)

- Current accounts - local currency  
- Savings accounts - local currency - note 14.1  
Cash in hand

2023	2022
(Rupees '000)	
588	403
11,334	51,366
99	769
63	62
<u>12,084</u>	<u>52,600</u>

14.1 The rate of interest on local currency savings accounts is 4.28% to 19.55% (2022: 5.50% to 12.25%) per annum.





		2023	2022
		(Rupees '000)	
<b>15.</b>	<b>SHARE CAPITAL</b>		
<b>15.1</b>	<b>Authorised share capital</b>		
	Authorised capital 185,000,000 ordinary shares of Rs. 10 each	<u>1,850,000</u>	<u>1,850,000</u>
<b>15.2</b>	<b>Issued, subscribed and paid up capital</b>		
	147,656,514 ordinary shares of Rs. 10 each fully paid in cash	1,476,565	1,476,565
	20,671,912 ordinary shares of Rs. 10 each issued as bonus shares	<u>206,719</u>	<u>206,719</u>
		<u>1,683,284</u>	<u>1,683,284</u>
<b>16.</b>	<b>CAPITAL RESERVE</b>		
	Share premium note - 16.1	<u>96,846</u>	<u>96,846</u>
<b>16.1</b>	This can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017.		
<b>17.</b>	<b>DEFERRED LIABILITY - STAFF GRATUITY</b>		
<b>17.1</b>	As stated in note 2.5, the company operates unfunded gratuity scheme for eligible employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. The latest actuarial valuation was carried out as at June 30, 2023 using the Project Unit Credit method.		
		2023	2022
		(Rupees '000)	
<b>17.2</b>	<b>Statement of financial position reconciliation</b>		
	Present value of defined benefit obligation	<u>22,036</u>	<u>29,707</u>
<b>17.3</b>	<b>Movement in the defined benefit obligation</b>		
	Obligation as at July 01	29,707	34,876
	Service cost	2,568	2,544
	Interest expense	3,843	2,975
	Remeasurements on obligation	197	(1,089)
	Benefits paid	(921)	(1,970)
	Liability transferred to provident fund trust - note 17.4	<u>(13,359)</u>	<u>(7,629)</u>
	Obligation as at June 30	<u>22,036</u>	<u>29,707</u>
<b>17.4</b>	As per gratuity scheme, every non-management employee upon reaching salary of Rs. 50,000 is transferred from gratuity fund to provident fund and the outstanding balance of its gratuity as of that date is also transferred to provident fund.		





		2023	2022
		(Rupees '000)	
17.5	Expense recognised in profit and loss account		
	Service cost	2,568	2,544
	Interest expense	3,843	2,975
		<u>6,411</u>	<u>5,519</u>
17.6	Remeasurement loss / (income) recognised in other comprehensive income		
	Remeasurement loss / (income) recognised due to experience adjustments	<u>197</u>	<u>(1,089)</u>
17.7	Net recognised liability		
	Balance as at July 01	29,707	34,876
	Expense for the year	6,411	5,519
	Benefits paid	(921)	(1,970)
	Liability transferred to provident fund trust	(13,359)	(7,629)
	Remeasurement loss / (income) recognised in other comprehensive income	197	(1,089)
	Balance as at June 30	<u>22,036</u>	<u>29,707</u>
		2023	2022
17.8	Actuarial assumptions		
	Discount rate used for year end obligation	16.25%	13.25%
	Expected rate of increase in salaries	15.25%	12.25%
	Retirement age (years)	60	60
17.9	Mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down by one year.		
17.10	Sensitivity analysis for actuarial assumptions		
	The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
		Impact on defined benefit obligation	
		Change in assumption	Increase in assumption
		Decrease in assumption	
		←	→
			Rupees '000
	Discount rate at June 30,	1%	(353)
	Future salary increases	1%	365
			(362)
17.11	If longevity increases by 1 year, the resultant increase in obligation is insignificant.		





17.12 The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the statement of financial position.

17.13 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 2.34 million in 2024.

17.14 The weighted average service duration of employees is 9.88 years.

17.15 Expected maturity analysis of undiscounted retirement benefit plan.

At June 30, 2023	Less than a year	1 - 2 years	3 - 5 years	6 - 10 years	Over 10 years	Total
	Rupees in '000					
Gratuity Fund	-	11,054	18,806	-	-	29,860

## 18. LEASE LIABILITY

18.1 Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 (Rupees '000)	2022 (Rupees '000)
Opening Balance	57,300	11,759
Additions	-	60,908
Accretion of interest	6,064	5,880
Payments	(27,445)	(21,247)
As at June 30	<u>35,919</u>	<u>57,300</u>
Current portion of long term lease liabilities	20,067	21,380
Long term lease liabilities	<u>15,852</u>	<u>35,920</u>
	<u>35,919</u>	<u>57,300</u>

18.2 Lease liabilities payable are as follows:

	2023			2022		
	Principal outstanding	Financial charge for future	Minimum lease payment	Principal outstanding	Financial charge for future	Minimum lease payment
	(Rupees in '000)					
Not later than one year	20,067	5,901	25,968	21,380	2,228	23,608
Later than one year but not later than five years	15,852	7,879	23,731	35,920	13,780	49,700
More than five years	-	-	-	-	-	-
	<u>35,919</u>	<u>13,780</u>	<u>49,699</u>	<u>57,300</u>	<u>16,008</u>	<u>73,308</u>



	2023	2022
	(Rupees '000)	
<b>19. TRADE AND OTHER PAYABLES</b>		
Creditors - note 19.1	664,582	623,384
Accrued liabilities	319,224	56,483
Payable to Provident Fund - note 19.2	32	36
Others	350	395
	<u>984,188</u>	<u>680,298</u>

**19.1** This includes amount of Rs. 612.67 million (2022: Rs. 577.24 million) in respect of purchase of furnace oil from fuel supplier.

**19.2** All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

**20. COMMITMENTS**

**20.1** The facilities for opening letter of credit as at June 30, 2023 amounted to Rs. 100 million of which the amount remaining outstanding at the year end was Rs. 51.17 million. The facility has been extended till August 31, 2023.

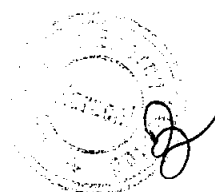
**20.2** Bank guarantee has been renewed by MCB Bank Limited in favour of Directorate of Alternative Energy, Energy Department, Government of Sindh (DAE GoS) of the value of USD 25,000 for solar project. This guarantee is secured against lien on 112,840 units of MCB Cash Management Optimizer of the Company. The bank guarantee will expire on June 30, 2023.

**20.3** During the year, bank guarantee has been renewed by Habib Bank Limited in favour of National Bank Limited of the value of USD 8.06 million for Gul Ahmed Electric Limited and is secured by the guarantee of sponsors. The bank guarantee will expire on June 30, 2024.

	2023	2022
	(Rupees '000)	
<b>21. REVENUE FROM CONTRACT WITH CUSTOMER</b>		
Revenue - net	19,880,637	23,133,447
Less: Sales tax	(2,761,892)	(3,153,803)
	<u>17,118,745</u>	<u>19,979,644</u>

**21.1** On October 17, 2022, the Company has requested NEPRA to exercise its power and grant a provisional approval of tariff based on the reference tariff petition after the expiry of current tariff on November 02, 2022.

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NEPRA through its order No. NEPRA/R/ADG(Trf)/TRF-591/GAEL-2022/22885-22887 dated December 01, 2022 approved a provisional tariff with effect from November 03, 2022, for immediate application for the sale of power to K-Electric subject to a final decision and an order of refund, if any, for the protection of the consumers while the proceedings are pending before NEPRA.

The key terms of the provisional tariff are as follows:

- a) Tariff shall be on Take & Pay basis.
- b) The fuel cost component shall be subject to adjustment for variation in fuel prices.

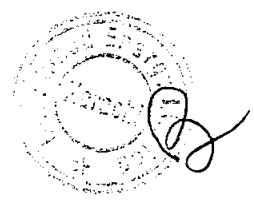
NEPRA through its order No. NEPRA/R/ADG(Trf)/TRF-591/GAEL-2022/3236-3238 dated February 22, 2023 decided to extend the term of tariff till April 30, 2023 or the lifting of the moratorium period before the stipulated date, whichever comes earlier, on the same terms & conditions approved vide decision dated June 03, 2020. The instant decision shall supersede the interim tariff decision dated December 01, 2022. Accordingly, the Company adjusted its billed revenue for the month of November, December and January. The billing for the month of February, March and April has been done on the basis of February 22, 2023 order.

On March 08, 2023, the Company filed motion for leave against decision of NEPRA dated February 22, 2023 which was disposed by the Tribunal on April 12, 2023 with the order that the appellant will continue to supply electricity to K-Electric on the existing tariff and terms and conditions and K-Electric shall also follow the same until a decision is made by NEPRA in the Review Application.

Accordingly, the Company has recorded the revenue for the month of May and June 2023 on the basis of last expired tariff.

	2023	2022
	(Rupees '000)	
<b>22. COST OF SALES</b>		
Furnace oil, diesel and lubricants consumed net of scrap sales Rs. 11.37 million (2022: Rs. 11.24 million)	15,584,060	17,846,261
Salaries, allowances and benefits - note 22.1	184,280	160,232
Stores and spares consumed	238,120	63,395
Contracted services	38,519	31,696
Depreciation	111,754	135,254
Rates and taxes	597	978
Utilities	20,043	4,021
Insurance	164,318	135,796
Repairs and maintenance	5,483	1,032
Vehicle running expenses	29,774	19,903
Postage, telephone and fax	564	512
Security expense	2,616	2,429
Cleaning charges	6,655	5,391
	<u>16,386,783</u>	<u>18,406,900</u>

3





- 22.1 Salaries, allowances and benefits include Rs. 0.60 million and Rs. 5.60 million (2022: Rs. 2.88 million and Rs. 4.63 million) in respect of charge for defined benefit plan and defined contribution plan respectively.

	2023	2022
	(Rupees '000)	
<b>23. ADMINISTRATIVE EXPENSES</b>		
Salaries, allowances and benefits - note 23.1	164,582	139,231
Utilities	8,451	6,771
CSR activities - note 23.2	4,500	3,500
Repairs and maintenance	3,992	3,197
Travelling and conveyance	2,347	1,603
Vehicle running expenses	4,949	4,111
Depreciation	5,951	7,077
Entertainment	328	464
Postage, telephone and fax	988	1,153
Amortisation	2,092	-
Printing and stationery	1,602	930
Legal and professional	11,286	4,288
Consultancy charges	59	116
Fees and subscription	9,796	6,949
Auditors' remuneration - note 23.3	1,755	1,497
Other receivable written off	-	24,430
Others	1,171	3,638
	<u>223,849</u>	<u>208,955</u>

- 23.1 Salaries, allowances and benefits include Rs. 6.42 million and Rs. 5.44 million (2022: Rs. 2.64 million and Rs. 4.70 million) in respect of charge for defined benefit plan and defined contribution plan respectively.

	2023	2022
	(Rupees '000)	
<b>23.2</b>	This includes donations to following donees:	
Donees		
Akhuwat	2,000	2,000
Karachi Down Syndrome Program	1,000	-
The Hunar Foundation	1,500	-
Indus Hospital & Health Network	-	1,000
Saylani Welfare International trust	-	500
	<u>4,500</u>	<u>3,500</u>

**23.3 Auditors' remuneration**

Audit fee	1,325	1,325
Other certifications	250	-
Out of pocket expenses	180	172
	<u>1,755</u>	<u>1,497</u>

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	2023	2022
	(Rupees '000)	
<b>24. FINANCE INCOME / (COST)</b>		
Bank charges and commission	(12,655)	(14,577)
Accretion of interest	(6,064)	(5,880)
Return on PLS savings accounts	43	750
Interest income on loan to subsidiaries	152,626	38,377
Exchange gain	176	93
	<u>134,126</u>	<u>18,763</u>

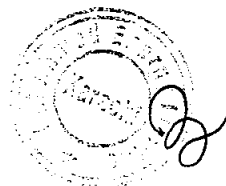
<b>25. GAIN ON INVESTMENTS</b>		
Gain on re-measurement of fair value of open ended mutual funds	14,821	1,831
Dividend income / Gain on disposal of open ended mutual funds	<u>509,442</u>	<u>358,450</u>
	<u>524,263</u>	<u>360,281</u>

**26. DIVIDEND INCOME**

This represents dividend income from Gul Ahmed Wind Power Limited at the rate of Rs. 2.2 per ordinary share. This includes tax of Rs. 29.26 million (2022: Rs. 29.26 million).

	2023	2022
	(Rupees '000)	
<b>27. TAXATION</b>		
Super tax - note 27.1		
- Current Year	95,429	-
- Prior Year	31,256	-
Tax on income on mutual funds units	72,844	61,236
Tax on dividend income	29,256	29,256
	<u>228,785</u>	<u>90,492</u>

**27.1** This includes super tax at the rate of 10% of taxable income for the current period. This tax is based on the new slab rates as introduced through Finance Act 2023 for tax year 2023 and onwards.





## 28. TRANSACTIONS WITH RELATED PARTIES

Relationship	Nature of transactions	2023	2022
		(Rupees '000)	
i. Subsidiary company	Guarantee provided	2,321,107	2,337,894
	Investment in share capital	-	10,000
	Loan provided to subsidiary	496,063	570,703
	Interest on loan provided to subsidiary	136,695	38,377
	Dividend received	390,084	390,084
ii. Employee provident fund	Contributions paid	11,062	9,364
iii. Key management personnel	Salaries and other employee benefits	25,908	20,891
	Post employment benefits	1,252	1,019
iv. Employee gratuity fund	Benefits paid	921	1,970

## 29. REMUNERATION TO DIRECTOR, CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Director		Executives	
	2023	2022	2023	2022	2023	2022
(Rupees '000)						
Managerial remuneration	15,026	12,229	3,600	3,600	62,090	53,792
Bonus	1,747	1,060	-	-	7,096	6,319
Allowances	7,513	6,114	-	-	31,045	27,602
Retirement benefits	1,252	1,019	-	-	5,172	4,481
Medical reimbursements	129	155	-	-	2,925	2,938
Others	1,493	1,333	-	-	5,153	4,913
	<u>27,160</u>	<u>21,910</u>	<u>3,600</u>	<u>3,600</u>	<u>113,481</u>	<u>100,045</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>19</u>	<u>19</u>

In addition, Company maintained cars are provided to the Chief Executive and several executives.

10/1





### 30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 30.1 Financial risk factors

The Company's activities expose it to variety of financial risks: market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as managing financial risk to minimise earning volatility and provide maximum return to shareholders.

#### 30.2 Financial assets and liabilities by category and their respective maturities

	2023			2022		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Deposits	4,897	-	4,897	4,315	-	4,315
Trade receivable	2,884,424	-	2,884,424	4,998,856	-	4,998,856
Loans and advances	1,847	1,226	3,073	1,670	1,395	3,065
Long term investment	-	3,826,671	3,826,671	-	3,826,671	3,826,671
Loan to subsidiary	-	1,406,997	1,406,997	-	758,308	758,308
Other receivables	575,721	-	575,721	1,039,580	-	1,039,580
Cash and bank balances	12,084	-	12,084	52,600	-	52,600
At fair value						
Investments	1,471,376	-	1,471,376	1,088,278	-	1,088,278
	<u>4,950,349</u>	<u>5,234,894</u>	<u>10,185,243</u>	<u>7,185,299</u>	<u>4,586,374</u>	<u>11,771,673</u>
Financial liabilities						
Lease Liabilities	20,067	15,852	35,919	21,380	35,920	57,300
Trade and other payables	984,156	-	984,156	680,262	-	680,262
	<u>1,004,223</u>	<u>15,852</u>	<u>1,020,075</u>	<u>701,642</u>	<u>35,920</u>	<u>737,562</u>
On statement of financial position date gap						
	<u>3,946,126</u>	<u>5,219,042</u>	<u>9,165,168</u>	<u>6,483,657</u>	<u>4,550,454</u>	<u>11,034,111</u>
Net financial (liabilities) / asset						
Interest bearing	(20,067)	1,391,145	1,371,078	(21,380)	722,388	701,008
Non-interest bearing	3,966,193	3,827,897	7,794,090	6,505,037	3,828,066	10,333,103
	<u>3,946,126</u>	<u>5,219,042</u>	<u>9,165,168</u>	<u>6,483,657</u>	<u>4,550,454</u>	<u>11,034,111</u>

27



All the financial instruments of the Company are measured at amortised cost except investments in units of open ended mutual funds which are designated as fair value through profit or loss account.

**a) Market risk**

Market risk is the risk that fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risks: currency risk, interest / mark-up rate risk and price risk. The exposure to these risks and their management is explained below:

**i) Interest rate risk**

Interest rate risk is a risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As at June 30, 2023 the Company is not exposed to interest rate risk.

**ii) Foreign exchange risk**

Foreign exchange risk arises mainly when receivables and payables exist in foreign currency due to transactions in foreign currencies. Financial assets include Rs. 0.59 million (2022: Rs. 0.4 million) which are subject to foreign exchange risk. There are no financial liabilities which are subject to foreign exchange risk.

As at June 30, 2023, if the Pak Rupee had weakened / strengthened by 4% against US Dollar with all other variables held constant, profit for the year would have been lower / higher by Rs. 0.02 million (2022: Rs. 0.02 million) mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated bank balances.

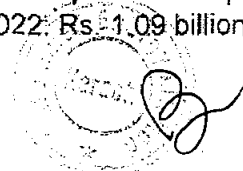
The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the statement of financial position date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

**iii) Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund, or its management company.

The Company limits price risk by maintaining a diversified portfolio of mutual funds and by continuous monitoring of developments in open ended mutual funds. In addition, the Company actively monitors the key factors that affect the open ended mutual funds. The maximum exposure to price risk as at June 30, 2023 amounts to Rs. 1.47 billion (2022: Rs. 1.09 billion).

W





**b) Credit risk**

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets amounting to Rs. 10.19 billion (2022: Rs. 11.77 billion). The carrying values of financial assets which are neither past due nor impaired are as under.

	2023	2022
	(Rupees '000)	
Deposits, loans, advances and other receivables	31,773	52,266
Investments	1,471,376	1,088,278
Bank balances	12,021	52,538
Trade receivable	2,884,424	4,998,856
	<u>4,399,594</u>	<u>6,191,938</u>

Trade receivable amounting to Rs. 934.55 million (2022: Rs. 2,052.10 million) were past due but not impaired and these dues are from K-Electric. The age analysis of this receivable is as follows:

	2023	2022
	(Rupees '000)	
Trade receivable:		
Up to 1 month	934,547	2,052,100
	<u>934,547</u>	<u>2,052,100</u>

"Investments at fair value through profit or loss" represent investment in units of open ended mutual funds. The Company manages its credit and price risk by investing in income based diversified mutual funds.

The cash and bank balances represent low credit risk as the counterparties are banks with reasonably high credit ratings.

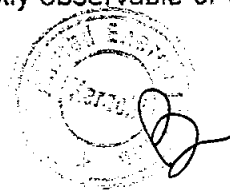
**c) Liquidity risk**

The liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company maintains sufficient cash and liquid investments to overcome any unforeseen liquidity problems.

**d) Fair values of the financial instruments**

The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.





As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds which are carried at their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2023:

Financial assets	2023			Total
	Level 1	Level 2	Level 3	
	Rupees in '000'			
Investments - at fair value through profit or loss	1,471,376	-	-	1,471,376
	2022			
Financial assets	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
Investments - at fair value through profit or loss	1,088,278	-	-	1,088,278



### 31. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

	2023	2022
<b>32. PLANT CAPACITY AND PRODUCTION</b>		
Plant capacity - Gross ISO (MW)	<u>136.17</u>	<u>136.17</u>
Actual energy delivered (MWh)	<u>508,676</u>	<u>705,429</u>

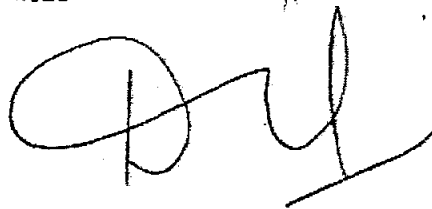
Actual energy delivered by the plant is primarily dependent on the load demanded by K-Electric.

	2023	2022
<b>33. NUMBER OF EMPLOYEES</b>		
Number of employees as at June 30	<u>168</u>	<u>172</u>
Average number of employees during the year	<u>171</u>	<u>166</u>

### 34. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on  
06 SEP 2023 by the Board of Directors of the Company.

rcy



Chief Executive



Director





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

(Please Complete in typescript or in bold block capitals)

1.1 CUIDR Registration Number) 0033005

1.2 Name of the company GUL AHMED ENERGY LIMITED

1.3 Fee payment details

1.3.1 Chalan No E-2023-1853007 1.3.2. Amount 1000.0

1.4 Form A made upto dd mm yyyy 29/10/2023

1.5 Date of AGM 29/10/2023

## PART-II

## Section A

2.1 Registered Office Address PLOT-3, MODEL TOWN, VILLAGE HUMAK, ISLAMABAD

2.2 Email Address info@gaenergy.com

2.3 Office Tel. No. 34540270

2.4 Office Fax No. 34540274

2.5 Principle line of business --POWER GENERATION - ALLIED (OTHER)

2.6 Mobile No. of Authorized officer (Chief Executive/ Director/ Company Secretary/ Chief Financial Officer) 03008252240

## 2.7 Authorized Share Capital

Classes and kinds of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		1,850,000,000.00	

## 2.8 Paid up Share Capital

Classes and kinds of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		1,683,284,260.00	

## 2.9 Particulars of the holding /subsidiary company, if any

Name of Company	Holding/Subsidiary	% Shares Held
As per attached list		

## 2.10 Chief Executive

Name DANISH IQBAL

Address B-70, KDA 1, KARACHI EAST PAKISTAN

NIC No 4220145846131

Next Page



## 2.11 Chief Financial Officer

Name

Address

NIC No

## 2.12 Secretary

Name

Address

NIC No

## 2.13 Legal Advisor

Name

Address

NIC No

## 2.14 Particulars of Auditors

Name

Address

## 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	GHULAM MOHAMMED	A-7, AMIR KHUSRO ROAD, K.D.A, SCHEME NO. 1, KARACHI	Pakistan	4220198508215	26/12/2022	
2	ABDUL RAZAK TELI	94, 10TH STREET, KHAYABAN-E-RAHAT, PHASE VI, D.H.A KARACHI	Pakistan	4230118671337	26/12/2022	
3	MOHOMED BASHIR	B-37, KDA SCHEME NO.1, KARSANZ ROAD, KARACHI.	Pakistan	4220135545001	26/12/2022	
4	MUHAMMAD JUNAID	114, 16TH STREET, KHAYABAN-E-MUHAFIZ, PHASE-V, D.H.A., KARACHI.	Pakistan	4220198630927	26/12/2022	
5	NUSAIR SIRAJ TELI	45, KHAYABAN-E-TARIQ, PHASE-VI, DHA, KARACHI.	Pakistan	4220192554215	26/12/2022	
6	DANISH IQBAL	B-70, KDA 1, KARACHI EAST PAKISTAN	Pakistan	4220145846131	26/12/2022	
7	SAAD IQBAL	HOUSE NO B-84/1-A, KDA SCHEME NO.1, KARACHI	Pakistan	4220199112265	26/12/2022	
8	UBAID AMANULLAH	HOUSE NO.121, STREET NO.14, DEFENCE PHASE-VI, KARACHI.	Pakistan	4230182095697	26/12/2022	





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

S#	Folio#	Name *	Address	Nationality	No of shares	Percentage	(Passport if foreigner)
<b>Members</b>							
		As per attached List	-	Pakistan	168328426		
<b>Debenture Holders</b>							

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

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THIS IS A DIGITALLY SIGNED COPY AND NEEDS NO STAMP/SIGNATURE. CTC ISSUED DATE: 13-11-2023 (VALIDITY 01 MONTH)

This is a Certified True Copy..  
This Certified True Copy is not valid for purpose of bank account opening.  
This Certified True Copy is not valid for purpose of bank portal launched by the SECP.





## 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
<b>Members</b>				
1	As per attached List	As per attached List	2381965	16/02/2023
2	As per attached List	As per attached List	1024961	11/04/2023
<b>Debenture Holders</b>				

## 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

M. AMIN BHIMANI

Secretary

## 3.3 Signatures

Electronically signed by M. AMIN BHIMANI

## 3.4 Registration No of Authorized Intermediary, if applicable

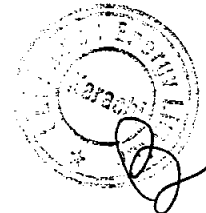
## 3.5 Date

Day Month Year

03/11/2023

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INSTRUCTIONS FOR FILLING FORM-A



THIS IS DIGITAL CERTIFIED COPY AND NEEDS NO STAMP/SIGNATURE. CTC ISSUED DATE : 19-11-2023 (VALIDITY 01 MONTH)

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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.





**FEASIBILITY STUDY – SUBMITTED AS  
ANNEXURE-G OF THE APPLICATION FOR  
ELECTRIC POWER SUPPLY LICENSE**

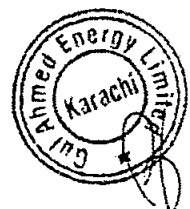




# **ANNEXURE-G**

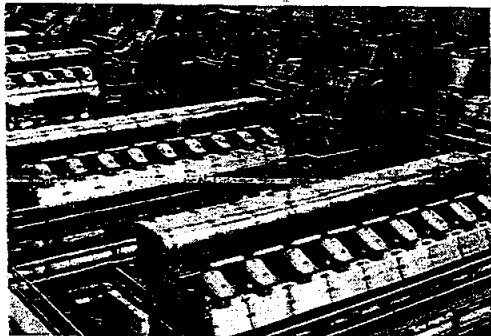
## **COPY OF FINANCIAL AND TECHNICAL PROPOSALS**







# TECHNICAL PARAMETERS AND CONSUMER INFORMATION





Information submitted pursuant to Schedule III (Regulation 3(4)(a)(D))  
AMECPR-2021 - Table of Contents

SR #	CONTENTS
A.	The Type, Technology, Model, Technical Details, Operational Characteristics, System Interconnection, And The Facility
B.	The Expected Life Of GAEL Facility
C.	The Location Of GAEL Facility
D.	Fuel Type And Availability
E.	Infrastructure Project Cost, Financing Plan, Financing Terms, Tariff Calculations And Assumptions Of Financial Calculations Including Economic/Financial Analysis
F.	The Type And Details Of The Services Proposed To Be Provided
G.	The Environmental Impact Of The Facility
H.	List Of Potential Consumers
I.	Demand And Consumption Pattern
J.	Proposed Service Territory
K.	Billing And Collection Procedures
L.	Ability To Access Consumer Metering Systems And Other Services/Equipment
M.	Emergency Provisions And Protocols





**A. The Type, Technology, Model, Technical Details, Operational Characteristics, System Interconnection, And Design Of The Facility**

<b>TYPE</b>	HFO Based Thermal Power Plant
<b>TECHNOLOGY</b>	Wartsila 18V46 Engines WARTSILA, Finland
<b>MODEL</b>	18V46
<b>TECHNICAL DETAILS</b>	Four Stroke, Direct Injection, Turbocharged and inter-cooled, 500 RPM, 16290 KW, 460mm Cylinder Bore.
<b>SYSTEM INTERCONNECTION</b>	Medium voltage (11KV) electricity from generator outgoing feeder panel; High voltage supply (132 KV) system to KE network
<b>OPERATIONAL CHARACTERISTICS</b>	Generation Voltage: 11 kV, Frequency: 50 Hz Power Factor: 0.85





## B. The Expected Life Of GAEL Facility

Remaining Useful Life Assessment (RULA) Study by Continental Marine Energy (CME)

GAEL's 136.17MW RFO Based Facility was certified for useful operational life:

**“Continental Marine Energy RULA Study Remarks: After assessment and review of O&M, site inspection results concluded that the nine units including power transformers all found in sound condition and are fit for the continued service.”**

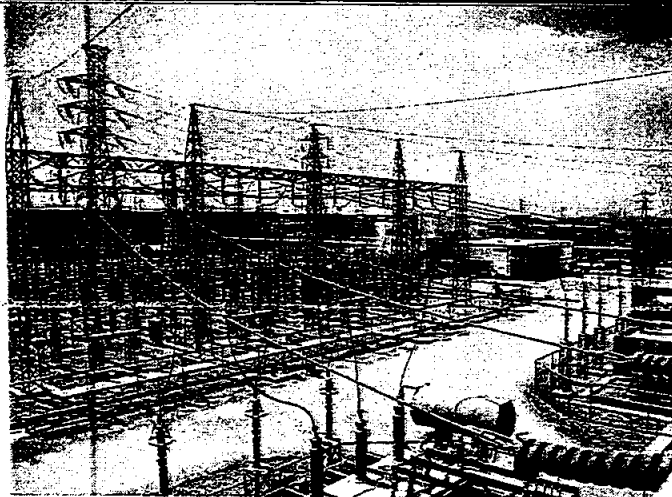




C. The GAEL Facility is located in the heart of Karachi

GUL AHMED ENERGY LIMITED PLANT CO-ORDINATES

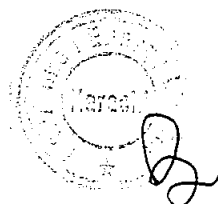
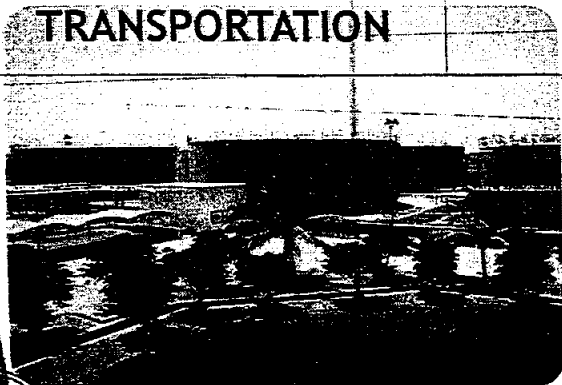
24° 50' 58.09" N , 67° 04' 45.72" E





## D. Fuel Type and Availability

FUEL TYPE	Heavy Fuel Oil (HFO)
FUEL SOURCE	Indigenous
SUPPLIERS	Multiple Suppliers
TRANSPORTATION	Supplied in Tankers





**E. Infrastructure Project Cost, Financing Plan, Financing Terms, Tariff Calculations And Assumptions Of  
Financial Calculations Including Economic/Financial Analysis  
136MW GAEL RFO Generation Facility and 50MW Solar Power Project**

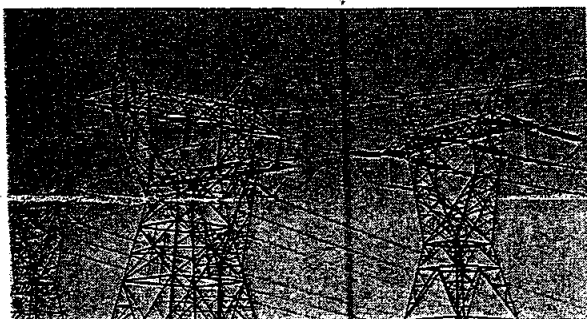
Company	GUL AHMED ENERGY		
	SOLAR	THERMAL	CONSO
Capacity (MW)	50	136.17	186





**F. The Type And Details Of The Services Proposed To Be Provided**

**SUPPLY OF ELECTRIC POWER TO BULK POWER  
CONSUMERS (BPCs)**





## G. The Environmental Impact Of The Facility

- The sponsors of Company are committed to excellence in corporate social responsibility. Environmental protection and conservation as a key component of this commitment. The Facility of state of the art technology, and internal controls and procedures to keep any adverse environmental impacts from the Facility's operations to a minimum, including gaseous emissions, discharge of effluents, wastewater as well as noise levels.
- The Facility has been designed to minimize any adverse environmental impacts, ensuring no irreversible harm to environment, and adhering to recognized standards.
- The Company also carries out environmental audits on quarterly basis, utilizing the services of Independent Environmental Monitoring Consultants. GAEL's facility's operations are geared towards compliance with environmental laws, proved by the submission of its environmental impact reports to NEPRA as well as Sindh Environment Protection Agency (SEPA) on regular basis.
- Appendix:
  - Environmental Monitoring Report of Gul Ahmed Energy Limited by Corshe Consultants ( for compliance with Environmental Protection Act 2014 - SEPA Compliance )





## H. List of Potential Consumers

NAME	CAPACITY
National Refinery Limited	22MW
Artistic Milliners	20MW
Getz Pharma	15MW
Martin Dow Pharma	5MW
Loads Limited	5MW
National Paints	8MW
Karachi Paper and Board Mills (Pvt) Ltd	3MW
Pakistan Beverage Limited	4MW
Bin Qasim Industrial Zone	N/A
Federal B Industrial Area	N/A
Karachi Export Processing Zone	N/A
Korangi Industrial Area	N/A
S.I.T.E. Industrial Area	N/A





## I. Demand & Consumption Pattern

Demand and consumption pattern will be developed per the demand of BPCs.





## J. Proposed Service Territory

# Korangi Industrial Area

Gul Ahmed Energy Limited is uniquely positioned in the industrial heart of Karachi comprising the wider Korangi Industrial area. The Korangi Industrial area covers over 10,000 acres of land and hosts over 5000 industrial, commercial, and service industries including two main oil refineries of the country. With its proximity to diverse industries (ranging from textiles to pharmaceutical manufacturers, food & beverages, polymers, leather works, and major oil refineries) comprising more than 500 Korangi Association of Trade & Industry (KATI) members, GAEL's 136MW Power Generation Facility possesses ample potential to be a source of reliable and affordable power for businesses in its immediate vicinity and beyond, thus facilitating industrial growth in a major hub.

- Appendix:
- Full List of KATI Member / Voters

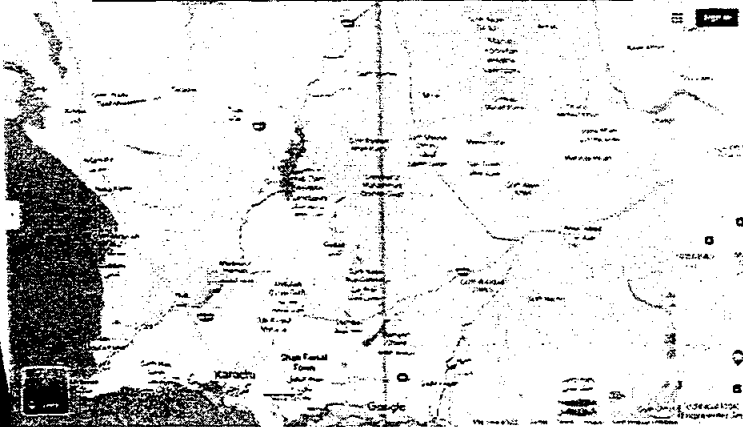




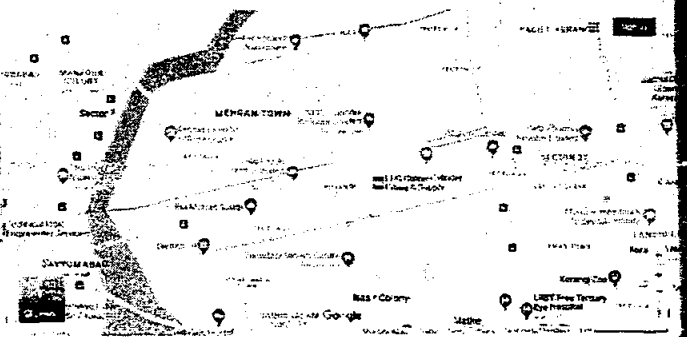
## J. Proposed Service Territory

Location of Korangi Industrial Area: Industrial hub of Pakistan & Karachi

Map of Karachi, Pakistan



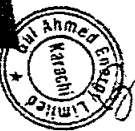
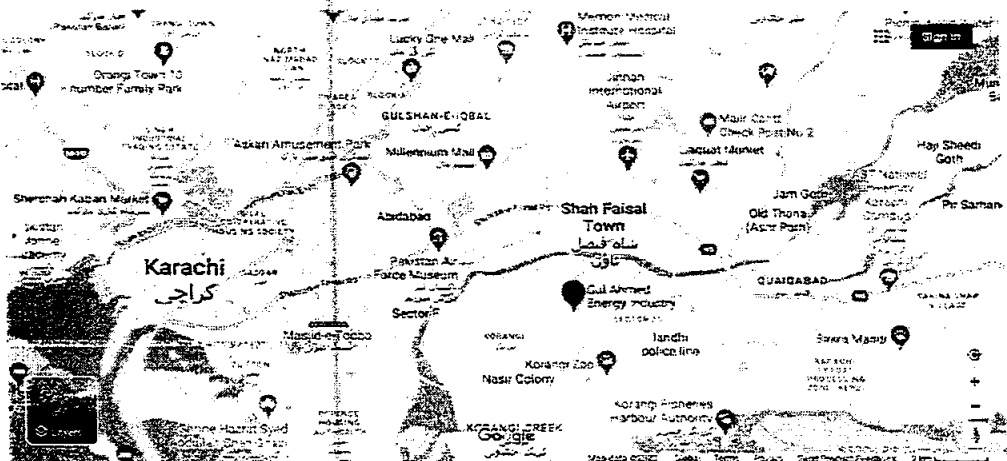
Map of Korangi Industrial Area





## J. Proposed Service Territory

Gul Ahmed Energy Facility within the proposed service territory Korangi Industrial Area





## K. Billing and Collection Procedures

Designated meters will be installed at the BPC sites to record the units being supplied. The consumption indicated by the meters, will then be used to calculate charges for these BPCs, following mutually agreed terms, and conditions permitted by the Authority.

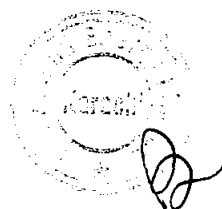
Billing and collection procedure framework would be following:

### Billing:

On or after the first (1st) Business Day of each Month following the Facility's connection with the BPC, GAEL will issue an invoice complete in all respects stated in Rupees, to the BPC for the following:

- (1) the Net Delivered Energy to the BPC;
- (2) such other information and calculations so as to enable GAEL to confirm that the calculation of the amounts on the invoice comply with the provisions of the Power Purchase Agreement with BPC;
- (3) any interest payable on an amount not paid by the Due Date by the BPC, showing the calculation of such claim, interest and supporting information; and
- (4) Sales Tax payable on the sale, exportation, generation or delivery of electricity by GAEL.

Electricity account





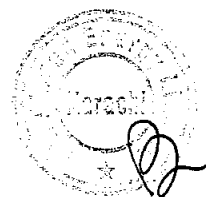
## K. Billing and Collection Procedures

Billing and collection procedure framework would be following:

### Payment by BPC:

- (1) the BPC shall pay GAEL the amount shown on an invoice delivered in accordance with the PPA to the Parties, on or before the thirtieth (15th) Day ("Due Date") following the Day the invoice is received;
- (2) Any invoice delivered shall be paid in Rupees;
- (3) Late payments by the BPC of amounts due and payable shall bear interest at a rate agreed between the Parties; and
- (4) Payments received by GAEL shall be applied against undisputed outstanding invoices on the 'first in, first out' principle.

Electricity account





## L. Ability To Access Consumer Metering Systems And Other Services/Equipment

The capability to access consumer metering systems and other services/equipment will be carried out in alignment with the Contract between the Company and BPC.

The metering system would consist of the following:

### Metering System:

- To determine Net Delivered Energy to BPC, installation & testing of Metering System and Back-Up Metering System would be prior to the sale of electricity;
- The Metering System and the Back-Up Metering System would be (i) fully compatible with the characteristics of automatic meter reading (AMR) system; and (b) compliant with the latest NTDC standards;
- Installation: GAEL would install the Metering System and procure and install the Back-Up Metering System;
- Security: GAEL would secure the Metering System and Back-Up Metering System in a locked and walled enclosure. BPC would ensure that it or its Contractors, employees, agents and invitees do not tamper with the Metering System or the Back-Up Metering System;
- Testing: GAEL would test the accuracy and calibrate or recalibrate the Metering System and the Back-Up Metering System in accordance with the PPA with BPC;
- Meter Reading: GAEL would procure and install telemetry and electronic data recording systems capable of recording the Net Delivered Energy measured by the Metering System and the Back-Up Metering System on a continuous basis and capable of meter recordings; and
- Sealing: The Metering System and the Back-Up Metering System would be jointly sealed by Parties as per PPA terms.





## L. Ability To Access Consumer Metering Systems And Other Services/Equipment

The Company will provide energy to BPCs using Smart Metering and Prepaid/Prepayment Metering systems

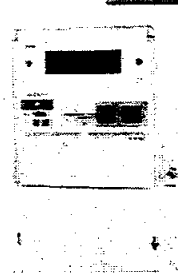
### Smart Metering:

- Ability to monitor energy utilized during a specific timeframe (Month-to-date, Year-to-date etc.)
- Improvement in operational efficiency using real-time consumption data and consumption patterns
- Ability to communicate over various wireless communication technologies such as GSM, PLC and RF
- Capability to choose different tariff options (credit payment or prepaid payment)

Smart meters such as the modular "ISKRA MT860" can be used for this purpose.

### Prepaid Metering:

- Ideal for Customers who do not qualify for long-term credit-worthiness of a PPA
- BPC pays the total, discounted amount of the full PPA upfront, with no payments made during the term of the agreement
- Advanced revenue collection, improved cashflows, elimination of the possibility of bad-debt
- Easy forecasting of electricity demand
- Ability to monitor remaining balance units and manage load accordingly
- Load disconnection after consumption of prepaid units





## M. Emergency Provisions and Protocols



- Gul Ahmed Energy Limited has been diligently enacting appropriate emergency measures and protocols. Both the Plant and its constituent systems are planned and executed with safety as the utmost priority. The well-being and safety of all personnel, including constructors, operators, maintenance staff, and others, take precedence throughout the operational phase to ensure the absolute safety of everyone involved.

- Gul Ahmed Energy Limited's staff strictly operates and handles all equipment of the Facility pursuant to a rigorously implemented Health and Safety Manual (appended herewith) which provides for staff training and response for all possible emergency scenarios that can arise from the facility's operations. The GAEL code is developed in line with international and industrial best practices to promote emergency training, usage & handling of hazardous substances and utilization of personal protective equipment (PPE) etc. to align with the organization's safety protocols at all times.

- Appendix:

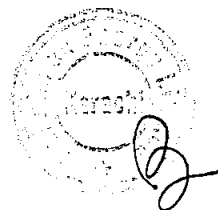
- Gul Ahmed Energy Limited Safety Manual
- HSE Reports to NEPRA (2018 - 2022)





## List of Appendices to Technical Parameters and Consumer Information

SR #	CONTENTS
I.	Gul Ahmed Energy Limited's Environmental Monitoring Report by Corsche Consultants
II.	Proposed Service Territory - List of Members of Korangi Association of Trade & Industry (KATI)
III.	Proposed Service Territory - MOU between Pakistan Beverage Limited and Gul Ahmed Energy Limited for supply of Electricity
IV.	Gul Ahmed Energy Limited Safety Manual
V.	Gul Ahmed Energy Limited - HSE Reports to NEPRA - 2018 to 2022
VI.	Gul Ahmed Energy Limited - RULA Study Report

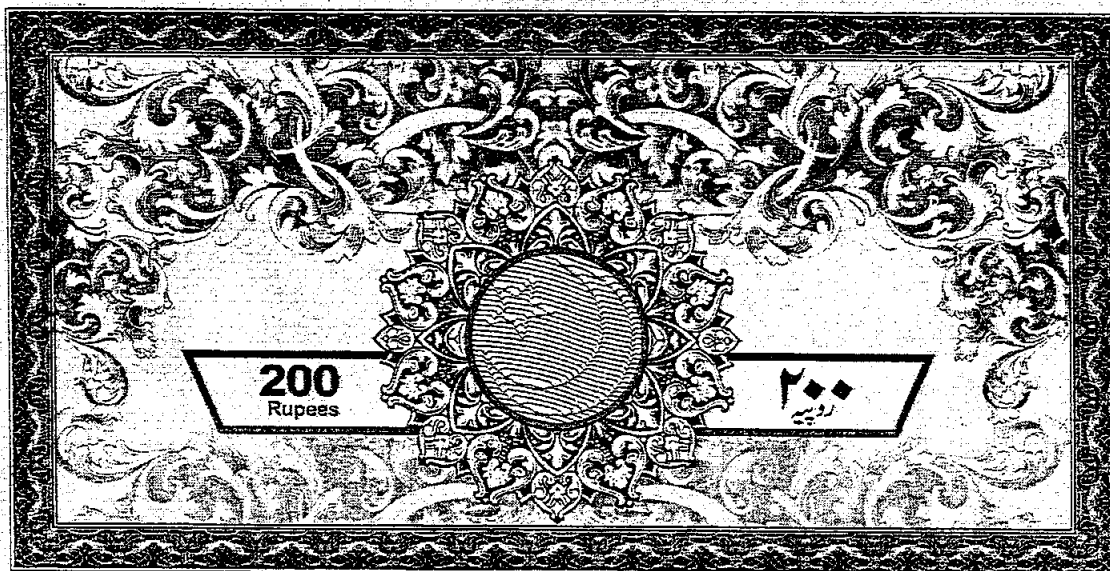




AFFIDAVIT / STATEMENT IN RELATION  
TO OTHER LICENSES UNDER NEPRA ACT  
- A DULY AUTHORISED STATEMENT  
STATING WHETHER THE APPLICANT HAS  
BEEN REFUSED GRANT OF LICENSE  
UNDER THE ACT AND, IF SO, THE  
PARTICULARS OF THE REFUSED  
APPLICATION, INCLUDING DATE OF  
MAKING THE APPLICATION AND  
DECISION ON THE APPLICATION, AS  
REQUIRED PURSUANT TO REGULATION  
3(H) OF THE REGULATIONS







MUHAMMAD IBRAHIM ALL STAMP VENDOR

Shop # 205, Shams Center Chah Faisal Colony Karachi.

Lic. No. 172

S. No.

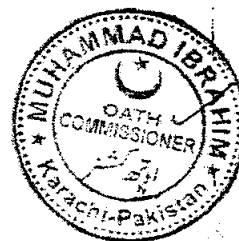
DATE

03 AUG 2023

ISSUED TO WITH ADDRESS.....  
THROUGH A STAMP VENDOR.....  
Not For Use Diversely Used with purpose  
of LMS 2/3.....  
STAMP VENDOR'S SIGNATURE.....

Noor Ali  
Adv./C

5

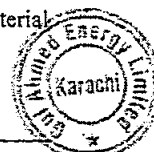


### AFFIDAVIT

Affidavit of Mr. Danish Iqbal, Chairman/Chief Executive Officer and authorized representative of Gul Ahmed Energy Limited with its registered office located at Plot No. 08, Sector Model Village, Humak, Islamabad, Pakistan, (the "Company").

I, the above-named Deponent, do hereby solemnly affirm and declare that:

1. I am the Chairman/Chief Executive Officer of the Company.
2. It is hereby stated that the Company was granted other licenses under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act").
3. The above content is true and correct to the best of my knowledge and belief, and nothing material or relevant thereto has been concealed or withheld therefrom.



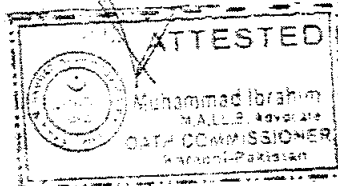
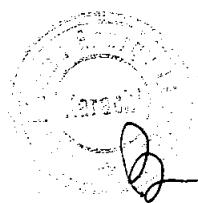
Deponent

### VERIFICATION

It is hereby verified on solemn affirmation at Karachi on 13 October 2023, that the contents of the above Affidavit are true and correct to the best of my knowledge and belief, and that nothing material or relevant thereto has been concealed or withheld therefrom.



Deponent





**INFORMATION REQUIRED UNDER  
SCHEDULE-II (REGULATION 3(4)(A)(D) IN  
RESPECT OF POWER SUPPLY**





REQUIRED DATA		INFORMATION PROVIDED
1.	Relevant feeder maps	Feeder Maps attached.
2.	List of Potential Consumers and expected load	List of consumers along-with sanctioned load attached.
3.	Consumer class/category, sub-category on the basis of sanctioned load and voltage level	Consumer category – B3 & B4
4.	Tariff categories of consumer classes to be served	Industrial Supply Tariffs.
5.	Demand and Consumption Pattern	Demand and consumption pattern will be developed as per the requirements of BPC and usually remains within 40% - 60% of total dependable capacity of the Company.
6.	12-month projections on expected load, number of consumers and expected sale of units for each consumer category	<p>12 months' projections on expected load remains in line with demand and consumption pattern i.e. 40% - 60%.</p> <p>Number of consumers may range from 6 – 10.</p> <p>12 months expected sale of units ranges from 446,760,000 to 670,140,000 units.</p>
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)	5 year investment plan file attached.







K-WEST/BALUCH/GIZRI

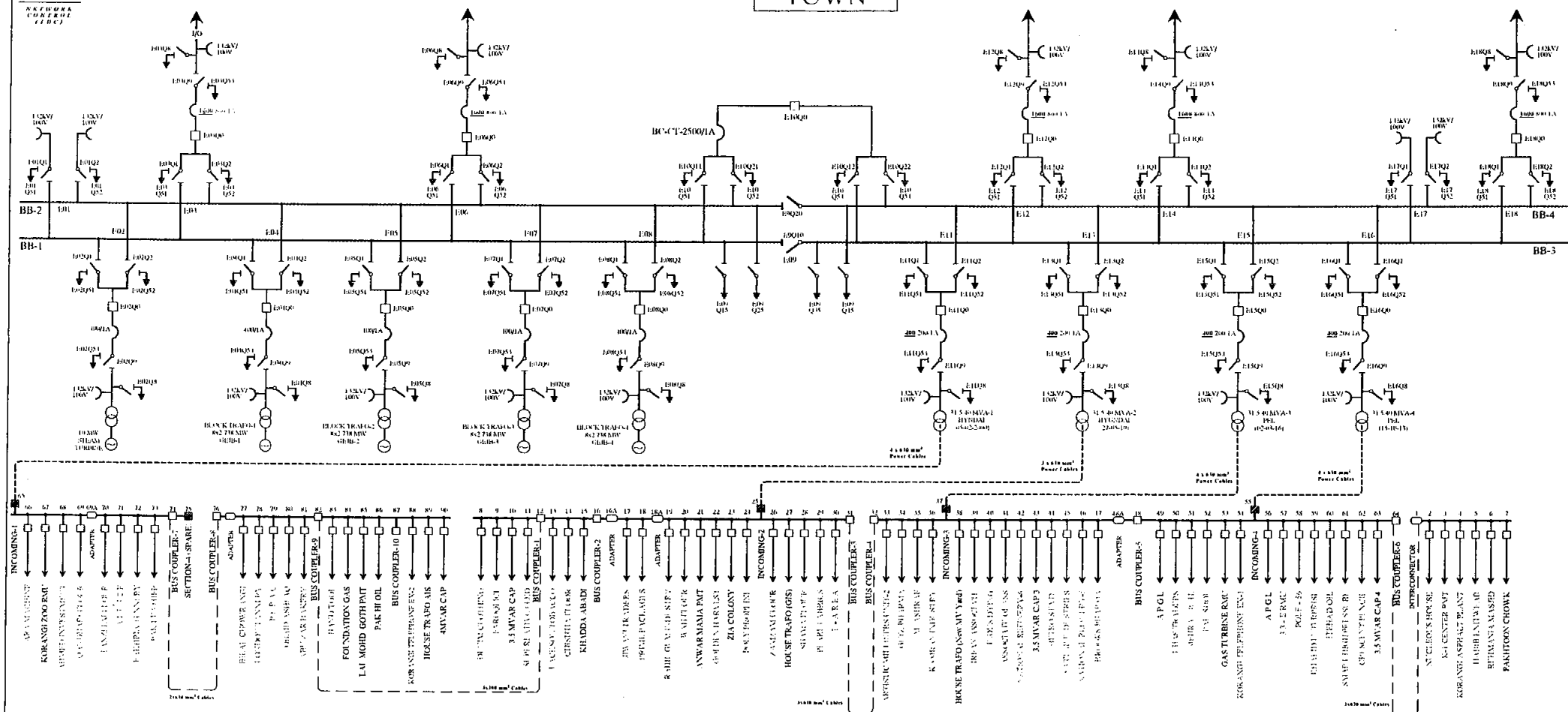
BALUCH COLONY

KORANGI  
TOWN

PIPRI WEST

GUL AHMED

GETZ PHARMA



GRID STATION DETAIL  
TYPE: 132kV G.I.S  
LINE CODE: 0333-2551487 (NCR)  
0311-2901688 (GCR)  
LP NO: 2221  
SCADA: 2208/2209/2266

DESCRIPTIONS

132kV BUS BAR CT RATIO-2500/1A  
KLEPS Cable Drop Station

TOTAL FEEDERS = 66  
TOTAL 11kV SWITCHES = 100  
TOTAL OUTGOING SWITCHES = 65

COLOUR KEY & FEEDER COUNT			
LOW LOSS	14	STRATEGIC	02
MEDIUM LOSS	09	REMOTE	00
HIGH LOSS	00	INDUSTRIAL	41
VERY HIGH LOSS	00	DEDICATED IND	00

REVISION DATE:

06-09-2022

GRID ELECTRIFICATION DATE

May-1970



## I. Demand & Consumption Pattern

Demand and consumption pattern will be developed per the demand of BPCs.





## H. List of Potential Consumers

NAME	CAPACITY
National Refinery Limited	22MW
Artistic Milliners	20MW
Getz Pharma	15MW
Martin Dow Pharma	5MW
Loads Limited	5MW
National Paints	8MW
Karachi Paper and Board Mills (Pvt) Ltd	3MW
Pakistan Beverage Limited	4MW
Bin Qasim Industrial Zone	N/A
Federal B Industrial Area	N/A
Karachi Export Processing Zone	N/A
Korangi Industrial Area	N/A
S.I.T.E. Industrial Area	N/A





## GAEL – INVESTMENT PLAN

Type	Department	Approximate Total Cost
Spares	Mech Maint	PKR 444,625,875
	Elec Maint	PKR 413,152,786
	Lab	PKR 13,200,000
	HSE	PKR 7,797,500
	IT	PKR 7,510,000
Spares Total		PKR 886,286,161
Services	Elec Maint	PKR 732,185,936
	Mech Maint	PKR 106,075,000
	Admin	PKR 69,622,720
	HSE	PKR 550,000
	Lab	PKR 0
	IT	PKR 0
Services Total		PKR 908,433,656
Grand Total		PKR 1,794,719,817





# CERTIFICATE OF INCORPORATION





GOVERNMENT OF PAKISTAN



CERTIFICATE OF INCORPORATION

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

Company Registration No. K-05482 OF 1994-95

I hereby certify that GUL AHMED ENERGY LIMITED

==  
==  
==

is this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and that

the company is limited by SHARES AS A PUBLIC COMPANY

Given under my hand at KARACHI

this 20TH day of JULY

one thousand nine hundred and NINETY FOUR

Fee Rs. 19,370/-



CAO-1

(NISAR AHMED KAKEPOTA)

JOINT REGISTRAR  
OF COMPANIES



## GAEL PACRA RATING







The Pakistan Credit Rating Agency Limited

## Rating Report

### Gul Ahmed Energy Limited

#### Report Contents

1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

#### Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
10-Nov-2021	A-	A2	Stable	Maintain	-
10-Nov-2020	A-	A2	Stable	Initial	-

#### Rating Rationale and Key Rating Drivers

Gul Ahmed Energy's Power Purchase Agreement (PPA) with Karachi-Electric (KE), expired in November, 2019. National Electric Power Regulatory Authority (NEPRA) has approved the tariff of GAEL for three years (valid till Nov-2022) which is contingent till the time CPPA-G/NTDC are willing and capable of supplying equivalent additional power to KE. Under current tariff (i) the Company will have a 'take and pay' tariff by virtue of which the Company will generate revenue only when electricity is supplied to the power purchaser i.e. K.electric and other bulk purchasers (ii) Fuel procurement will be the responsibility of GAEL (iii) No liquidated damages relating to fuel supply / electricity supply will be applicable on either party. The Company is in negotiation with KE for finalization of PPA. The Company's project debt has been paid and it has not procured any short-term facility, consequently the Company finances its working capital through its operations. GAEL holds short term investment in mutual funds amounting to PKR 3.08bln as at 30 June, 2021 which, being much beyond the operational requirement of the Company, lends extra cushion. Furthermore, GAEL's controlling interest in the 3 subsidiaries it owns is noted as i) Gul Ahmed Wind Power Limited 50MW which is operational since 2016, ii) Gul Ahmed Electric Limited 50MW which has achieved financial close in 2019, has subsequently achieved a Construction Start Date in July, 2020 and shall be commencing commercial operations on November, 2021 and iii) Gul Ahmed Solar Power Limited 50MW which has obtained Letter of Intent from Energy Department, Government of Sindh. GAEL's Leverage stands at virtually zero, as it does not have any sort of borrowings (neither long term nor short term).

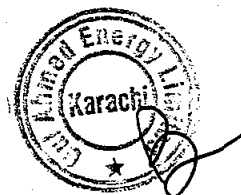
The ratings have a stable outlook owing to the already determine tariff. The management is confident based on rational argument as to the finalization of PPA and continued operations of the Company. Comfort can be drawn from Company's liquid cash position and low leveraged balance sheet and no working capital lines utilization. Although well-managed, in-house O&M activities expose the company to operational risk; thus upholding strong operational performance would remain a key driver of the ratings. Meanwhile, the determination of Power Purchase Agreement is essential for the ratings.

#### Disclosure

Name of Rated Entity	Gul Ahmed Energy Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology   Independent Power Producer Rating(Jun-21),Criteria   Correlation Between Long-term & Short-term Rating Scales(Jun-21),Criteria   Rating Modifiers(Jun-21)
Related Research	Sector Study   Power(Jan-21)
Rating Analysts	Anam Waqas Ghayour   anam.waqas@pacra.com   +92-42-35869504

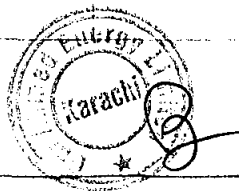
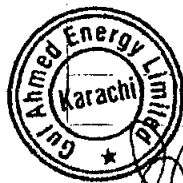


# MINIMUM HUMAN RESOURCE REQUIREMENT





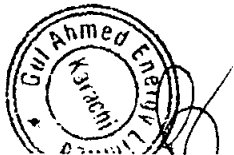
Gul Ahmed Energy Limited (GAE) Management Profiles					
Name	Designation	Company	Education	Experience	Profile Summary
Mr. Danish Iqbal	Chairman & CEO	Gul Ahmed Energy Limited (136 MW Thermal Power Plant)	Bachelor of Science in Business Administration (UAC)	More than 20 years	<p>As one of the first entrepreneurs in the Wind Power industry in Pakistan, I am currently serving as the Chairman of Gul Ahmed Energy and its subsidiaries and Metro Power Group which includes 50 MW (x3) &amp; 60 MW (x1) (210 MW) Wind Power Projects and 136 MW Thermal Power Plant. I have completed my Bachelor of Science in Business Administration, majoring in Management &amp; Marketing from American University in Sharjah, UAE. I started my career from my family's textile business where I served as Director of Gul Ahmed Textile Mills. However, I felt drawn to the energy sector where Pakistan was facing a huge energy crisis due to dependent on important resources. My journey in the energy sector started from Gul Ahmed Energy Ltd. in 2005, when I oversaw financial investments and the company's operations for its 136 MW Thermal Power plant. Under my leadership and direction, the group of companies expanded to renewable energy ventures, with four wind power plants at a total capacity of 210 MWs. In 2021, I was appointed as Chairman after serving as Executive Director at Gul Ahmed Energy. I am also the founder of the Pakistan Wind Energy Association which has now more than 18 Wind Power projects under its umbrella and served as its Chairman till 2020.</p>
		Gul Ahmed Wind Power Limited (50 MW Wind Power Plant)			
		Gul Ahmed Electric Limited (50 MW Wind Power Project)			
		Gul Ahmed Energy Power Solutions			
		Metro Power Company Limited (50MW Wind Power Plant)			
	Chairman	Metro Wind Power Limited (50 MW Wind Power Project)			
	Chairman	Xloop Digital Services (Pvt.) Ltd.			
	Director	Zephyr Power Company			
	Founder & Ex. Chairman	Pakistan Wind Energy Association			
Mr. Ubaid Amanullah	Chief Operating Officer	Gul Ahmed Energy Limited (136 MW Thermal Power Plant)	Bachelors In Economics (Northwestern University U.S.A)	More than 25 years	<p>Ubaid Amanullah, a seasoned Senior Renewable Energy Professional with 25+ years of operational leadership experience, is recognized for his hands-on involvement in the development and operations of green-field Renewable Energy projects. His adeptness in navigating complex corporate structures and executing growth strategies in the renewable energy sector stands out. His exceptional negotiation skills have been instrumental in securing Concession Documents with the Government of Pakistan, EPC and O&amp;M Agreements with Contractors, and Finance Agreements with institutions like IFC, Propara, FMO, DFC, and local banks.</p> <p>As a leader, he fosters a positive work culture, champions gender diversity and inclusion, and supports professional growth within his teams. His portfolio boasts the successful development, implementation, and operation of thermal power plants and wind farms, totaling 346 MWs and over US\$ 500 million in cumulative project value.</p> <p>Currently serving as Group Chief Operating Officer for Gul Ahmed Energy Group &amp; Metro Power Company Ltd., Ubaid Amanullah oversees six companies, ensuring their efficient execution. He collaborates closely with stakeholders, maintains strong relationships, secures financing, and champions environmental sustainability.</p> <p>In summary, Ubaid Amanullah is a distinguished industry leader, continuously driving renewable energy projects to success and advancing the sector's growth.</p>
		Gul Ahmed Wind Power Limited (50 MW Wind Power Plant)			
		Gul Ahmed Electric Limited (50 MW Wind Power Project)			
		Gul Ahmed Energy Power Solutions			
		Metro Wind Power Limited (50MW Wind Power Plant)			
		Metro Power Company Limited (50MW Wind Power Plant)			
Mr. Muhammed Amin Dhimani	Chief Financial Officer & Company Secretary	Gul Ahmed Energy Limited	Chartered Accountant (Institute of Chartered Accountants of Pakistan)	More than 40 years	<p>Mr. Muhammed Amin Dhimani is a Commerce Graduate from Karachi, Pakistan, and is also a Fellow Member of the Institute of Chartered Accountants Pakistan (ICAP). Currently, he has served in key roles across multiple companies, including Gul Ahmed Energy Limited, where he holds the positions of Chief Financial Officer (CFO) and Company Secretary since 1997. He is also Company Secretary of Gul Ahmed Wind Power Limited and GAE Power Solutions Limited.</p>
	Chief Financial Officer & Company Secretary	GAE Power Solutions Limited			<p>Mr. Dhimani is Highly resourceful finance professional with business acumen and having specialization of projects including infrastructure projects / power business. A dynamic leader with excellent managerial, interpersonal, negotiating and relationship skills having over 33 years of experience in executive leadership roles in energy and automobile sectors.</p>
	Company Secretary	Gul Ahmed Wind Power Limited			<p><b>CORE COMPETENCIES</b></p> <ul style="list-style-type: none"> <li>• Business contracts evaluation and negotiation including security packages under the Power Policy, joint venture partners, long-term contractors and financing agreements</li> <li>• Strategic business planning, advisory to board and implementation and execution of plans</li> <li>• Project and business financing, managing relationship with financial / government institution and lenders,</li> <li>• Accounting &amp; budgeting functions including supervision, management reporting, statutory audit.</li> <li>• Knowledge and experience of corporate taxation and regulatory reporting</li> <li>• Treasury and funds management</li> <li>• Legal compliance including dealing with in-house and external legal advisors, auditors and consultants</li> </ul>





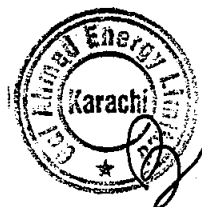
# GAEL Senior Management, Technical & Administration Staff List

S. No.	Name	Designation	Qualification	Experience in Years
1	Ghulam Shabbir	Plant Manager	BSC Marine. Chief Engineer Certification. Masters from University of Sind	35
2	Saeed Afzal	Technical Manager	Marine Chief Engineer Certification	38
3	Khalil Ahmed Patel	Manager Administration	Masters from University of Karachi	25
4	Malik Ejaz Ul Haque	Sr. Deputy Manager Operation	B.Tech Honor Mechanical	23
5	Muhammad Ibrahim Moiz	Dy. Manager Electrical	BE (Electrical). NEDUET	10
6	Muheet Uddin	Dy. Manager Mechanical	BE (Mechanical). NEDUET	10
7	Hamza Aslam	Sr. Asst. Manager Planning	BE (Mechanical). NEDUET	10
8	Muhammad Zain	Asst. Manager HSE	BE (Mechanical). NEDUET	7
9	Hafiz Muhammad Ahmed	Asst. Manager Procurement	BE (Mechanical). NEDUET and MBA Supply chain	7

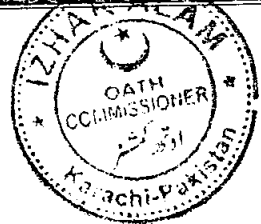




## AFFIDAVIT OF SCHEDULE III







Name James Earl Ray  
 Date April 4, 1968  
 Address Adairville 1964  
 City Adairville  
 State Missouri  
 Zip 64701  
 Telephone 314-735-1111  
 Occupation Student  
 School Adairville High School  
 Teacher Mr. J. H. Smith  
 Parent Mr. J. H. Smith  
 Other Mr. J. H. Smith  
 Signature James Earl Ray  
 Date April 4, 1968

372-9d

I, Mr. Danish Iqbal, Chairman/Chief Executive Officer, being the duly Authorized Representative of **GUL AHMED ENERGY LIMITED** with its registered office located at Plot No. 08, Sector Model Village, Humak, Islamabad, Pakistan, (the “**Company**”), duly authorized in this regard by virtue of the Board Resolution dated 06<sup>th</sup> September 2023, hereby solemnly affirm and declare that the Applicant is compliant with and shall always fulfill the obligations imposed on it under the National Electric Policy and National Electricity Plan made under Section 14A of the Act.

Deponent

