



KAPCO



2025

3rd QUARTER
REPORT

March 31, (un-audited)

KOT ADDU POWER COMPANY LIMITED

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Company Information

Board of Directors	<p> Lt. General (Retd) Sajjad Ghani (Chairman) Mr. Shahab Qader Khan (Chief Executive) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Saad Iqbal Mr. Naveed Asghar Chaudhry Ms. Mahwish Humayun Khan Mr. Khawaja Khalil Shah Mr. Muhammad Arfan¹ </p>
Audit Committee	<p> Mr. Hafiz Mohammad Yousaf (Chairman) Mr. Saad Iqbal Mr. Naveed Asghar Chaudhry Mr. Khawaja Khalil Shah Mr. Muhammad Arfan </p>
HR Committee	<p> Ms. Mahwish Humayun Khan (Chairperson) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Naveed Asghar Chaudhry Mr. Muhammad Arfan </p>
Investment Committee	<p> Mr. Naveed Asghar Chaudhry (Chairman) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Saad Iqbal Mr. Khawaja Khalil Shah </p>
Special Committee	<p> Mr. Muhammad Arfan (Chairman) Mr. Aqeel Ahmed Nasir Mr. Naveed Asghar Chaudhry Mr. Saad Iqbal </p>
GM Finance / CFO	Mr. Muhammad Rabnawaz Ajrum
Company Secretary / Head Legal Counsel	Mr. A. Anthony Rath
Head of Internal Audit	Mr. Sikandar Usmani
Auditors	<p> A.F. Ferguson & Co. Chartered Accountants </p>
Legal Advisor	Cornelius, Lane & Multi
Bankers	<p> <u>Conventional</u> Askari Bank Limited Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited </p> <p> <u>Islamic</u> AlBaraka Bank (Pakistan) Limited Askari Bank Limited-IBD Bank Alfalah Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Meezan Bank Limited National Bank of Pakistan-IBD The Bank of Punjab-IBD </p>
Share Registrar	<p> THK Associates (Private) Limited Plot No. 32-C, Jami Commercial Street 2, DHA, Phase-VII, Karachi 75500, Pakistan Tel: +92 (0)21 111 000 322, Fax: +92 (0)21 34168271 </p>
Registered Office	Office No. 309, 3rd Floor, Evacuee Trust Complex Agha Khan Road, F-5/1, Islamabad, Pakistan
Corporate Office	<p> 5B/3, Gulberg III, Lahore 54860, Pakistan Tel: +92 (0)42 3577 2912-6, Fax: +92 (0)42 3577 2922 </p>
Power Project	<p> Kot Addu Power Complex, Kot Addu District Muzaffargarh, Punjab, Pakistan Tel: +92 (0)66 230 1047-9 Fax: +92 (0)66 230 1025 </p>
Email	info@kapco.com.pk
Website	www.kapco.com.pk

¹ Mr. Muhammad Arfan has been appointed Director w.e.f. April 21, 2025 in place of Mr. Jamil Akhtar by the Board of Directors for the remainder of Mr. Jamil Akhtar's term.

Directors' Report

for the nine-month period ended March 31, 2025

We are pleased to present the financial statements (un-audited) for the third quarter ended March 31, 2025.

The principal activity of the Company is to own, operate and maintain a 1600 MW name plate capacity multi-fuel combined cycle gas turbine power plant at Kot Addu. The Company is permitted to make investments in other business under its Memorandum of Association.

Discussions and negotiations have been further progressed with the National Task Force on Implementation of Structural Reforms (Power Sector), the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) and the National Transmission and Distribution Company Limited (NTDC) for retention of 500 MW of the Company's power plant in the system. In furtherance of these discussions and negotiations, the Company filed an Addendum to its tariff petition (Addendum) and requested the National Electric Power Regulatory Authority (NEPRA) to issue provisional tariff. NEPRA conducted a public hearing on the Addendum on April 8, 2025 and issued its Provisional Tariff Determination (Revised) on April 9, 2025, which is substantially aligned with the tariff structure proposed in the Addendum by the Company. NEPRA has also considered the request for renewal/extension in the Company's Generation License, and it is expected to be approved within April 2025. The Company is progressing matters for the execution of the PPA with CPPA-G and NTDC on the Provisional Tariff Determination (Revised) issued by NEPRA. The operations of the power plant are expected to commence in May 2025, following completion of regulatory and corporate approvals including heat rate and capacity testing.

The Provisional Tariff (Revised) is as follows:

Components	Block	Gas/RLNG	LSFO
Energy Purchase Price (Rs./kWh):			
Fuel Cost components	I	28.0460	29.5862
	II	30.5956	32.0417
Variable O&M	I	0.8692	
	II	0.9992	
Capacity Purchase Price (Rs./kW/h):			
Fixed O&M	I, II	0.6774	0.7015
Cost of Working Capital	I, II	0.1545	0.1600
Return on Equity (ROE)	I, II	0.3388	0.3519
Insurance		0.2151	0.2227
Total Tariff	I	30.3010	31.8915
	II	32.9806	34.4770

The Provisional Tariff (Revised) is subject to the following conditions:

- The Company shall be entitled to receive 25% ROE on Take or Pay basis while the remaining ROE shall be linked with actual dispatch exceeding 25%.
- The fuel cost components have been worked out on the basis of LSFO Price of Rs. 150,817.50/Ton including transportation charges and Gas/RLNG Price of Rs. 3,442.78/MMBTU. The fuel cost components shall be subject to adjustment for variation in fuel price.
- The dispatch shall be on economic merit order.
- The Provisional Tariff (Revised) supersedes the provisional tariff dated August 4, 2023 approved by NEPRA.
- The Provisional Tariff (Revised) takes effect from the date of issuance by NEPRA.

The Company has a sound financial position and sufficient liquidity and reserves to meet its operational expenditures and discharge its liabilities for the foreseeable future. As on March 31, 2024, the receivables due from the Power Purchaser stand at Rs. 1,882 Million (net), which are backed by a GoP Guarantee; and the Company's investments in PIBs and Sukuks stand at Rs. 41,445 Million (at book value). Due to the issuance of Provisional Tariff (Revised) by NEPRA and expected operations of the Plant, the Company is considered a going concern. For further details of the impact of going concern assumptions kindly refer to Note 2.3 of the Financial Statements.

The operating profit for the nine-month period stands at Rs. 2,978 Million (2024: Rs. 8,134 Million) resulting mainly from the income from investments. The profit before levy and income tax is Rs. 2,735 Million (2024: Rs. 5,073 Million), whereas profit after tax for the period is Rs. 2,406 Million (2024: Rs. 3,582 Million), which gives earnings per share (EPS) of Rs. 2.73 per share of Rs. 10 each (2024: Rs. 4.07 per share).

As previously advised, the Company's bid for the proposed K-Electric solar projects to be set-up respectively at Deh Metha Ghar, Sindh (150 MW); and at Deh Halkani, District West, Karachi, (120 MW) was the lowest at 9.8319 PKR/kWh (3.4061 Cents/kWh at reference exchange rate for USD/PKR 288.65). On April 15, 2025 NEPRA conducted a public hearing for both these proposed solar projects.

The Company is viewing different investment options for its diversification. The Pakistan Water and Power Development Authority (WAPDA) being a major shareholder strongly supports the diversification plans of the Company.

The Company has complied with the requirements of the Code of Corporate Governance in the following manner:

1. The total number of Directors are nine (9) as per the following detail:
 - a) Male: Eight (8)
 - b) Female: One (1)
2. The composition of the Board of Directors is as follows:


Category	Names
Independent Directors	<ul style="list-style-type: none"> • Mr. Hafiz Mohammad Yousaf • Mr. Khawaja Khalil Shah • Ms. Mahwish Humayun Khan
Executive Director	<ul style="list-style-type: none"> • Mr. Shahab Qader Khan (Chief Executive)
Non-Executive Directors	<ul style="list-style-type: none"> • Lt. General (Retd) Sajjad Ghani • Mr. Aqeel Ahmed Nasir • Mr. Naveed Asghar Chaudhry • Mr. Saad Iqbal • Mr. Muhammad Arfan¹

Committees of the Board of Directors:

Audit Committee	<ul style="list-style-type: none"> • Mr. Hafiz Mohammad Yousaf (Chairman) • Mr. Naveed Asghar Chaudhry • Mr. Muhammad Arfan 	<ul style="list-style-type: none"> • Mr. Saad Iqbal • Mr. Khawaja Khalil Shah
HR Committee	<ul style="list-style-type: none"> • Ms. Mahwish Humayun Khan (Chairperson) • Mr. Hafiz Mohammad Yousaf • Mr. Muhammad Arfan 	<ul style="list-style-type: none"> • Mr. Aqeel Ahmed Nasir • Mr. Naveed Asghar Chaudhry
Investment Committee	<ul style="list-style-type: none"> • Mr. Naveed Asghar Chaudhry (Chairman) • Mr. Hafiz Mohammad Yousaf • Mr. Khawaja Khalil Shah 	<ul style="list-style-type: none"> • Mr. Aqeel Ahmed Nasir • Mr. Saad Iqbal
Special Committee	<ul style="list-style-type: none"> Mr. Muhammad Arfan (Chairman) Mr. Naveed Asghar Chaudhry 	<ul style="list-style-type: none"> Mr. Aqeel Ahmed Nasir Mr. Saad Iqbal

¹ Mr. Muhammad Arfan has been appointed Director w.e.f. April 21, 2025 in place of Mr. Jamil Akhtar by the Board of Directors for the remainder of Mr. Jamil Akhtar's term.

On behalf of the Board of Directors


 Shahab Qader Khan
 Chief Executive Officer
 Islamabad: April 25, 2025


 Hafiz Mohammad Yousaf
 Director

(31 مارچ 2025ء کو ختم ہونے والی مدت کے لیے)

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جیسا کہ پہلے بتایا گیا تھا، کمپنی کی جانب سے مجوزہ کے ایکٹنگ سولر منصوبوں کے لیے بولی، جو بالترتیب دیہہ بٹھاکر، سندھ (150 میگا واٹ) اور دیہہ ہانڈی، ضلع ویسٹ، کراچی (120 میگا واٹ) میں قائم کیے جاتے ہیں، سب سے کم رسی جو 9.8319 روپے فی کلو واٹ گھنٹہ (3.4061 سہائی فی کلو واٹ گھنٹہ، امریکی ڈالر روپیہ کے حوالہ جاتی شرح تبادلہ 288.65 کے مطابق) تھی۔ 15 اپریل 2025 کو بھیجے گئے ان دونوں مجوزہ سولر منصوبوں کے لیے عوامی سماعت منعقد کی۔

کمپنی کا رواداری نوع کے لئے سرمایہ کاری کے مختلف آپشنز و کیری ہے۔ پاکستان وائرلینڈ پاور ڈیولپمنٹ اتھارٹی (واپڈا) ایک پرائیویٹ ہولڈر ہونے کے ناطے نوع کے منصوبوں میں کمپنی کے ساتھ ہے۔

کمپنی نے مندرجہ ذیل طریقے سے کوڈ آف کارپوریٹ گورنس کے تقاضوں کی تعمیل کی ہے:

مندرجہ ذیل تصدیقات کے مطابق ڈائریکٹرز کی کل تعداد (9) ہے:

مرد: آٹھ (8)

عاقون: ایک (1)

بورڈ آف ڈائریکٹرز کی تشکیل مندرجہ ذیل ہے:

نام	کلیئر
• محترمہ مبش ہمایوں خان	• جناب حافظ محمد یوسف
	• جناب خواجہ فیصل شاہ
	• جناب شہاب قادر خان (چیف ایگزیکٹو)
	• جناب عقیل احمد ناصر
	• جناب نوبہ امیر چوہدری
	• جناب محمد عرفان (1)

• جناب حافظ محمد یوسف (چیرمین)	• جناب سعد اقبال
• جناب نوبہ امیر چوہدری	• جناب خواجہ فیصل شاہ
• جناب محمد عرفان	
• محترمہ مبش ہمایوں خان (چیرمین)	• جناب عقیل احمد ناصر
• جناب حافظ محمد یوسف	• جناب نوبہ امیر چوہدری
• جناب محمد عرفان	
• جناب نوبہ امیر چوہدری (چیرمین)	• جناب عقیل احمد ناصر
• جناب حافظ محمد یوسف	• جناب سعد اقبال
• جناب خواجہ فیصل شاہ	
• جناب محمد عرفان (چیرمین)	• جناب عقیل احمد ناصر
• جناب نوبہ امیر چوہدری	• جناب سعد اقبال

¹ بورڈ آف ڈائریکٹرز نے جناب محمد عرفان کو 21 اپریل 2025ء سے جناب جمیل اختر کی اہمیت کے لئے ڈائریکٹر مقرر کیا ہے۔

منجانب بورڈ آف ڈائریکٹرز

حافظ محمد یوسف
ڈائریکٹر

شہاب قادر خان
چیف ایگزیکٹو آفیسر

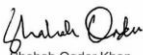
اسلام آباد: 25 اپریل 2025

Condensed Interim Statement of Financial Position

as at March 31, 2025 (Un-audited)

	Note	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
3,600,000,000 (June 30, 2024: 3,600,000,000) ordinary shares of Rs 10 each		36,000,000	36,000,000
Issued, subscribed and paid up capital			
880,253,228 (June 30, 2024: 880,253,228) ordinary shares of Rs 10 each		8,802,532	8,802,532
Capital reserve		444,451	444,451
Revenue reserve: un-appropriated profit		47,638,050	52,714,448
		56,885,033	61,961,431
NON-CURRENT LIABILITIES			
Deferred taxation		-	1,100,706
Staff retirement benefits		316,217	324,838
		316,217	1,425,544
CURRENT LIABILITIES			
Trade and other payables	5	5,939,077	7,059,152
Finances under mark-up arrangements - secured	6	-	9,944,193
Provision for taxation - net		1,326,368	-
Unclaimed dividend		1,257,118	1,160,934
		8,522,563	18,164,279
CONTINGENCIES AND COMMITMENTS			
	7		
		65,723,813	81,551,254

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Shahab Qader Khan
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer

	Note	Un-audited March 31, 2025 (Rupees in thousand)	Audited June 30, 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,982,502	1,929,046
Long term deposits		6,322	7,752
Deferred taxation		1,246,594	-
Staff retirement benefits - pension		294,473	280,566
		3,529,891	2,217,364
CURRENT ASSETS			
Stores and spares		3,959,905	3,953,694
Stock-in-trade	9	9,436,471	9,836,471
Trade debts - secured	10	1,881,584	10,866,072
Investments at fair value	11	41,444,601	47,425,903
Income tax due from Government		-	540,523
Loans, advances, deposits, prepayments and other receivables		3,806,129	3,926,935
Cash and bank balances		1,665,232	2,784,292
		62,193,922	79,333,890
		<u>65,723,813</u>	<u>81,551,254</u>



Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Profit or Loss

for the three-month and nine-month period ended March 31, 2025 (Un-audited)

	Note	Three-month ended		Nine-month ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		(Rupees in thousand)		(Rupees in thousand)	
Revenue from contract with customer		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Plant maintenance and preservation costs	12	(449,000)	(877,652)	(1,912,612)	(2,791,577)
Administrative expenses		(122,424)	(104,808)	(509,155)	(447,233)
Other operating expenses		(15,782)	(106,883)	(284,922)	(392,009)
Other income	13	1,104,354	3,296,778	5,684,474	11,764,819
Operating profit		517,148	2,207,435	2,977,785	8,134,000
Finance cost		(9,304)	(789,392)	(242,824)	(3,060,825)
Profit before levy and income tax		507,844	1,418,043	2,734,961	5,073,175
Levy - final tax		(893)	(466,997)	(897)	(1,478,386)
Profit before income tax		506,951	951,046	2,734,064	3,594,789
Income Tax		(45,931)	190,051	(328,309)	(13,092)
Profit for the period		461,020	1,141,097	2,405,755	3,581,697
Earnings per share					
- basic and diluted Rupees		0.52	1.30	2.73	4.07

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Shahab Qader Khan
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



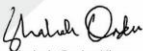
Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Comprehensive Income

for the three-month and nine-month period ended March 31, 2025 (Un-audited)

	Three-month ended		Nine-month ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	461,020	1,141,097	2,405,755	3,581,697
- Items that will not be reclassified subsequently to profit or loss	-	-	-	147,641
- Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	147,641
Total comprehensive income for the period	461,020	1,141,097	2,405,755	3,729,338

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


Shahab Qader Khan
Chief Executive Officer


M. Rabnawaz Anjum
Chief Financial Officer


Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Changes in Equity

for the nine-month period ended March 31, 2025 (Un-audited)

	Share capital	Capital reserve	Revenue Reserve: Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as at June 30, 2023				
Audited	8,802,532	444,451	56,836,744	66,083,727
Profit for the period	-	-	3,581,697	3,581,697
Other comprehensive income for the period	-	-	147,641	147,641
Total comprehensive income for the period	-	-	3,729,338	3,729,338
Transactions with owners:				
Final dividend for the year ended June 30, 2023 - Rs 5.00 per share	-	-	(4,401,266)	(4,401,266)
Interim dividend for the year ending June 30, 2024 - Rs 4.50 per share	-	-	(3,961,140)	(3,961,140)
Balance as at March 31, 2024				
Un-audited	8,802,532	444,451	52,203,676	61,450,659
Balance as at June 30, 2024				
Audited	8,802,532	444,451	52,714,448	61,961,431
Profit for the period	-	-	2,405,755	2,405,755
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,405,755	2,405,755
Transactions with owners:				
Final dividend for the year ended June 30, 2024 - Rs 4.00 per share	-	-	(3,521,013)	(3,521,013)
Interim dividend for the year ending June 30, 2025 - Rs 4.50 per share	-	-	(3,961,140)	(3,961,140)
Balance as at March 31, 2025				
Un-audited	8,802,532	444,451	47,638,050	56,885,033

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Aftab Mahmood Butt
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer




Hafiz Muhammad Yousaf
Director

Condensed Interim Statement of Cash Flows
for the nine-month period ended March 31, 2025 (Un-audited)

		Nine-month ended	
		March 31, 2025	March 31, 2024
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	15	7,192,992	8,275,447
Finance cost paid		(734,255)	(4,624,031)
Levy - final tax paid		(884,479)	-
Income tax paid		(808,719)	(1,100,602)
Workers' Profit Participation Fund recovered / (paid)		28,040	(965)
Workers' Welfare Fund paid		(110,784)	(136,386)
Staff retirement benefits paid		(44,721)	(770,604)
Net cash generated from operating activities		4,638,074	1,642,859
Cash flows from investing activities			
Fixed capital expenditure		(56,752)	(5,683)
Income on bank deposits received		123,247	93,077
Interest on PIBs and Sukuks		-	7,598,721
Net decrease in long term deposits		1,430	1,340
Investment made in mutual funds		(7,241,128)	(48,495,044)
Redemption of mutual funds		18,743,800	4,071,095
PIBs and Sukuks disposed-off		-	50,916,720
Proceeds from sale of property, plant and equipment		2,431	2,241
Net cash generated from investing activities		11,573,028	14,182,467
Cash flows from financing activities			
Dividend paid		(7,385,969)	(8,237,491)
Net cash used in financing activities		(7,385,969)	(8,237,491)
Net increase in cash and cash equivalents		8,825,133	7,587,835
Cash and cash equivalents at the beginning of the period		(7,159,901)	(20,233,938)
Cash and cash equivalents at the end of the period	16	1,665,232	(12,646,103)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


Shahab Qader Khan
Chief Executive Officer


M. Rabnawaz Anjum
Chief Financial Officer


Hafiz Mohammad Yousaf
Director

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

1. Legal status and nature of business

Kot Addu Power Company Limited (the Company or KAPCO), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on April 18, 2005 on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA) which was initially for a period of 25 years. WAPDA irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) via Novation Agreement which became effective on May 21, 2021 after approval from the relevant authorities. The PPA was extended by 16 months from June 26, 2021, pursuant to the terms of Master Agreement and the Third Amendment to the PPA, which expired on October 24, 2022.

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

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

2. Basis of preparation

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited and are being submitted to the members of the Company as required by Section 237 of the Companies Act, 2017.

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

These condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2024.

These condensed interim financial statements have been prepared under the historic cost convention except certain employee benefits which are recognized on present value and investments which are measured at fair value. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

2.3 Impact on going concern assumption due to expiry of PPA and generation license

The PPA of the Company was initially for a term of 25 years, which was due to expire on June 26, 2021. Pursuant to the terms of the Third Amendment to the PPA and Master Agreement (together, the 'Agreements'), the term of the PPA was extended for a period of 16 months which expired on October 24, 2022. Furthermore, the Company's extended generation license also expired on September 21, 2024.

During the period ended March 31, 2025, the Company entered into negotiations with the National Task Force on Implementation of Structural Reforms (Power Sector) for retention of the Company's power plant in the system after the Government of Pakistan (GoP) terminated contracts of certain other power plants in the region. Consequently, the techno commercial terms were agreed in-principle for 500MW generation facility and switchyard for 3 years on hybrid take-or-pay model wherein fixed costs along with a minimum guaranteed return would be allowed on the basis of availability of plant upto 25% whereas extra return would be linked with the additional generation of electricity. Subsequently, the GoP has approved the retention of the Company's power plant in the system in place of some other power plants and has advised the relevant authorities including NEPRA, CPPA-G and NTDC to execute the PPA with the Company after completion of regulatory formalities. In view of these developments, the Company filed an addendum to the tariff petition with NEPRA for the determination of final tariff as well request for provisional tariff.

Subsequently to the period end, on April 09, 2025, NEPRA issued a Provisional Tariff Determination, which is substantially aligned with the tariff structure proposed in the Company's addendum. NEPRA has also considered the request for renewal/extension in the Company's Generation License and it is expected to be approved within April 2025, thereafter, PPA will be executed. A public hearing was held by NEPRA on April 08, 2025, and the determination of final tariff is also expected to be issued shortly.

The operations of the power plant will commence following completion of regulatory and corporate approvals including heat rate and capacity testing.

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

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

- The Management is committed to diversify the Company's business through investment in both greenfield and brownfield projects. During the period ended March 31, 2025, the Company participated in the bidding process on Sindh Solar Energy Park (SSEP) projects of 150 MWp at Deh Metha Ghar and 120 MWp at Deh Halkani, whereby, the Company has been declared as the lowest bidder for both projects by K. Electric, however, these projects will be awarded to the Company after due approvals from NEPRA. NEPRA hearing for these projects is scheduled in 2nd week of April 2025.

Moreover, the Management is also exploring potential investments in brownfield projects in energy and other sectors. The Management is confident that some of these projects will materialize in due course.

- Cost optimization / rationalization measures for managing the total cost of the Company including the plant maintenance activities, insurance and headcount rationalization in line with the 500MW expected generation capacity;

- Investment of surplus funds to generate sufficient income to meet expenses during non-operating period; and

- Readiness for participation in the Competitive Trading Bilateral Contracts Market (CTBCM) under B2B or merchant plant, once it is implemented by the GoP.

Notwithstanding, as elaborated above, based on the Management's forecasts, the Company has sufficient liquidity and reserves to meet the operational expenditures and discharge its liabilities for the foreseeable future even at zero load factor. Further, the Company draws strength from investment in mutual funds of Rs. 41,445 million (at book value) as at March 31, 2025.

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

3. Standards, amendments and interpretations to published accounting standards

3.1 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to the approved accounting standards are effective for the accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

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

There are certain standards, amendments to accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2025, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these condensed interim financial statements. Further, these standards, interpretations and the amendments are not expected to have significant impact on the Company's condensed interim financial statements other than certain disclosures.

4. Material accounting policy information, estimates, judgements and financial risk management

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in preparation of these condensed interim financial statements are same as those applied to the audited financial statements as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended June 30, 2024.

5. Trade and other payables

Trade and other payables include an amount of Rs 4,954 million (June 30, 2024: Rs 4,954 million) payable to the fuel suppliers on account of late payment surcharge on credit supplies of fuel. Further, included in it is an amount of Rs 26 million (June 30, 2024: Rs 46 million) payable to CPPA-G, which is a related party, against purchase of electricity.

		Un-audited March 31, 2025	Audited June 30, 2024
	Note	(Rupees in thousand)	
6. Finances under mark-up arrangements secured			
- Under conventional finances		-	4,956,195
- Under islamic finances		-	4,987,998
	6.1	-	9,944,193

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

6.1 Finances under mark-up arrangements available from various conventional banks amount to Rs 500 million (June 30, 2024: Rs 7,993 million) and finances available under musharika and murabaha arrangements amount to Nil (June 30, 2024: Rs 6,000 million). The Company has fully settled all working capital lines during the period.

6.2 Letters of credit and bank guarantees

Of the aggregate facility of Rs 400 million (June 30, 2024: Rs 406 million) for opening letters of credit and Rs 2,600 million (June 30, 2024: Rs 2,507 million) for guarantees, the amounts utilised as at March 31, 2025 were Nil (June 30, 2024: Rs 6 million) and Rs 2,585 million (June 30, 2024: Rs 2,507 million) respectively.

6.3 The aggregate running finances, short term finances and letters of credit and guarantees are secured by joint pari passu charge over current assets up to a limit of Rs 67,200 million (June 30, 2024: Rs 67,200 million). The Company has initiated the process for revision of lien/charge in accordance with the required credit lines.

7. Contingencies and commitments

7.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at June 30, 2024 except the following:

- (i) The Additional Commissioner Punjab Revenue Authority initiated a proceeding u/s 52 of Punjab Sales Tax on Services Act, 2012 on the basis that Company has not complied with the provisions of Punjab Sales Tax on Services (Withholding) Rules, 2015 and created a demand of Rs 1,028 million. Being aggrieved, the Company filed an appeal with the Commissioner Appeals, Punjab Revenue Authority, which was decided partly in favor of the Company on October 01, 2024 to the extent that demand of Rs. 70 million was created. The Company settled the case by depositing the said demand.

7.2 Commitments

- (i) Letter of credit other than for capital expenditure is Nil (June 30, 2024: Rs 6 million).
- (ii) Contracts for car ijara are Rs 30 million (June 30, 2024: Rs 51 million).
- (iii) Based on Power Purchaser's forecast of electricity generation during PPA term, the Company placed orders to Pakistan State Oil for purchase of fuel stock in June 2022 for the delivery in July 2022. Out of these orders, around 40,000 MT of furnace oil is available with PSO. Depending upon the renewal of PPA, the fuel may be purchased at HSFO price from PSO and its cost will be passed on to the Power Purchaser.

Notes to the Condensed Interim Financial Statements
for the nine-month period ended March 31, 2025 (Un-audited)

		Un-audited March 31, 2025	Audited June 30, 2024
	Note	(Rupees in thousand)	
8. Property, plant and equipment			
Opening Net Book Value (NBV)		1,929,046	1,931,244
Add: Additions during the period / year	8.1	56,752	5,683
		<u>1,985,798</u>	<u>1,936,927</u>
Less: Disposals during the period / year (at NBV)		-	2,198
Depreciation charged during the period / year		3,296	5,683
		<u>3,296</u>	<u>7,881</u>
		<u>1,982,502</u>	<u>1,929,046</u>
8.1 Following is the detail of additions during the period / year			
Freehold land - commercialization fee		53,456	-
Gas turbine blading		-	2,574
Office equipment		3,296	3,109
		<u>56,752</u>	<u>5,683</u>
9. Stock-in-trade			
Furnace oil		10,865,909	10,865,909
Provision for net realizable value (NRV) against furnace oil	9.1	(2,129,000)	(1,729,000)
		<u>8,736,909</u>	<u>9,136,909</u>
Diesel		647,364	647,364
Coal		52,198	52,198
		<u>9,436,471</u>	<u>9,836,471</u>
9.1 It represents provision for write-down of furnace oil stock based on expected realisable value from the disposal of furnace oil as per Management's estimate in the existing circumstances of the Company.			
		Un-audited March 31, 2025	Audited June 30, 2024
		(Rupees in thousand)	
10. Trade debts - secured			
Trade debts - secured	10.1	2,499,261	11,483,749
Provision for doubtful debts		(617,677)	(617,677)
		<u>1,881,584</u>	<u>10,866,072</u>

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

10.1 Trade debts represent an overdue amount of Rs 2,499 million (June 30, 2024: Rs 8,291 million) receivable from CPPA-G, which is a related party of the Company. Amount disputed by the Power Purchaser is Rs 2,499 million (June 30, 2024: Rs 2,465 million), out of which Rs 618 million (June 30, 2024: Rs 618 million) is considered doubtful and the provision has been recorded thereagainst. The Company has not recorded provision in respect of the remaining amount, as there are adequate grounds to defend the claim for such invoices.

The maximum aggregate amount outstanding during the period was Rs 11,484 million (June 30, 2024: Rs 27,071 million).

The trade debts are Pakistani rupee denominated and secured by a guarantee from the Government of Pakistan under the Facilitation Agreement.

	Un-audited March 31, 2025		Audited June 30, 2024	
	Cost	Fair Value	Cost	Fair Value
	(Rupees in thousand)			
11. Investments at fair value				
Fair value through profit or loss				
<u>Mutual Funds</u>				
Fixed Rate / Return Funds	40,057,490	41,378,816	42,868,373	45,856,872
Income Funds	54,501	65,447	1,000,000	1,063,574
Money Market Funds	315	338	500,000	505,457
	<u>40,112,306</u>	<u>41,444,601</u>	<u>44,368,373</u>	<u>47,425,903</u>
	Three-month ended		Nine-month ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
12. Plant maintenance and preservation costs				
Salaries, wages and benefits	225,041	283,630	705,204	1,047,500
Electricity import for self consumption	86,912	138,362	340,946	431,489
Plant maintenance	3,297	4,045	17,839	23,069
Repair and renewals	-	2,322	-	13,721
Plant insurance	131,010	157,136	445,327	500,770
Depreciation on property, plant and equipment	2,740	-	3,296	5,683
Provision for net realizable value (NRV) against furnace oil	-	282,000	400,000	547,000
Voluntary Severance Scheme	-	10,157	-	222,345
	<u>449,000</u>	<u>877,652</u>	<u>1,912,612</u>	<u>2,791,577</u>

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

These costs are incurred to keep the plant in preservation mode for ensuring that the plant is readily available if offtake of electricity is demanded by the Power Purchaser. During the period ended March 31, 2025, there was no offtake of electricity accordingly the costs have been recorded under Plant Maintenance and Preservation Costs. It also includes the cost of running the switchyard and grid facility, which is being operated on the special request of Ministry of Energy.

Cost for the comparative period has also been reclassified from Cost of Sales to Plant Maintenance and Preservation Costs.

	Three-month ended		Nine-month ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
13. Other Income				
Income from mutual funds	1,092,477	1,317,921	5,521,369	1,317,921
Interest on PIBs and Sukuks	-	962,909	-	6,594,750
Fair value gain on PIBs and Sukuks	-	290,543	-	815,182
Scrap sales	1,964	954	3,617	103,054
Interest on late payment - CPPA-G	-	639,704	12,954	2,683,988
Income on bank deposits	4,972	80,146	126,953	173,223
Others	4,941	4,601	19,581	76,701
	<u>1,104,354</u>	<u>3,296,778</u>	<u>5,684,474</u>	<u>11,764,819</u>

			Nine-month ended	
			March 31, 2025	March 31, 2024
			(Rupees in thousand)	
14. Transactions with related parties				
Relationship with the Company	Percentage of shareholding	Nature of transaction		
i. Associated undertakings				
CPPA-G	-	Purchase of electricity	353,463	444,961
CPPA-G	-	Interest income on late payment	12,954	2,683,988
WAPDA	40.25%	Purchase of service	2,022	630
CPPA-G	-	Provision for doubtful debt	-	9,267
WAPDA	40.25%	Dividend paid	3,011,645	3,365,956
KAPCO Employees Empowerment Trust	5.48%	Dividend paid	410,146	458,398
Central Depository Company	-	Purchase of services	2,662	2,593
MCB Funds	-	Income earned	405,262	69,371
MCB Funds	-	(Redemption) / Investment	(3,485,069)	4,000,000

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

			Nine-month ended	
			March 31, 2025	March 31, 2024
			(Rupees in thousand)	
Relationship with the Company	Percentage of shareholding	Nature of transaction		
ii. Post retirement benefit plans				
KAPCO Employees				
Provident Fund Trust	-	Contributions paid	17,357	28,205
iii. Key Management Personnel*				
(including directors)	-	Compensation	254,177	198,130

Sale and purchase transactions with related parties are carried out on mutually agreed terms.

* Mr. Aftab Mehmood Butt completed his term of office and ceased to be the Chief Executive on July 31, 2024. Subsequently, the Board of Directors (BOD) appointed Mr. Rabnawaz Anjum (Chief Financial Officer) as Acting Chief Executive. On December 23, 2024, the Board of Directors appointed Mr. Shahab Qader Khan as the Chief Executive of the Company for a term of 3 years commencing with effect from January 22, 2025.

As per Company policy, Company transport, education of children, club charges, medical facility, house loan subsidy, security and utilities are provided to the employees. Further, a company maintained vehicle is provided to the Chairman of the Board of Directors, and the directors are entitled for corporate club memberships.

	Un-audited	Audited
	March 31, 2025	June 30, 2024
(Rupees in thousand)		
Period end balances		
Associated Undertakings		
Receivable from related parties	1,881,584	10,866,072
Payable to related parties	26,128	45,684

They are in the normal course of business and interest free.

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

	Nine-month ended	
	March 31, 2025	March 31, 2024
	(Rupees in thousand)	
15. Cash generated from operations		
Profit before tax	2,734,064	3,594,789
Adjustments for:		
- Depreciation on property, plant and equipment	3,296	5,683
- Gain on disposal of property, plant and equipment	(2,431)	(43)
- Income on PIBs and Sukuks	-	(6,594,750)
- Income from mutual funds	(5,521,369)	(1,317,921)
- Income on bank deposits	(126,953)	(173,223)
- Staff retirement benefits accrued	22,193	175,827
- Finance cost	242,824	3,060,825
- Fair value gain on investments at fair value	-	(815,182)
- Provision for doubtful debts	-	9,267
- Provision for net realizable value (NRV) against furnace oil	400,000	547,000
- Provision for Workers' Profit Participation Fund	142,598	253,659
- Provision for Workers' Welfare Fund	116,997	101,464
- Final tax - levy	897	1,478,386
(Loss) / profit before working capital changes	(1,987,884)	325,781
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(6,211)	(27,939)
- Decrease in trade debts	8,984,488	8,388,983
- Decrease in loans, advances, deposits, prepayments and other receivables	96,472	161,572
- Decrease / (increase) in trade and other payables	106,127	(572,950)
	<u>9,180,876</u>	<u>7,949,666</u>
	<u>7,192,992</u>	<u>8,275,447</u>
16. Cash and cash equivalents		
Cash and bank balances	1,665,232	1,615,719
Finances under mark up arrangements - secured	-	(14,261,822)
	<u>1,665,232</u>	<u>(12,646,103)</u>

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

17. Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

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

The following is categorization of assets which are disclosed at fair value as at March 31, 2025:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Investments at fair value	41,444,601	-	-	41,444,601

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

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

18. Corresponding figures

In order to comply with the requirements of IAS 34 - 'Interim Financial Reporting', the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

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

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

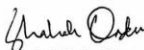
Reclassification from component	Reclassification to component	March 31, 2024 (Rupees in thousand)
Cost of sales - Electricity import for self consumption	Plant maintenance and preservation costs - Electricity import for self consumption	431,489
Cost of sales - Salaries, wages and benefits	Plant maintenance and preservation costs - Salaries, wages and benefits	1,047,500
Cost of sales - Plant maintenance	Plant maintenance and preservation costs - Plant maintenance	23,069
Cost of sales - Repair and renewals	Plant maintenance and preservation costs - Repair and renewals	13,721
Cost of sales - Plant insurance	Plant maintenance and preservation costs - Plant insurance	500,770
Cost of sales - Depreciation on property, plant and equipment	Plant maintenance and preservation costs - Depreciation on property, plant and equipment	5,683
Cost of sales - Provision for net realizable value (NRV) against furnace oil	Plant maintenance and preservation costs - Provision for net realizable value (NRV) against furnace oil	547,000
Cost of sales - Voluntary Severance Scheme	Plant maintenance and preservation costs - Voluntary Severance Scheme	222,345
Other income - Others	Plant maintenance and preservation costs - Electricity import for self consumption	13,472
Income Tax	Levy-final tax	1,478,386

Notes to the Condensed Interim Financial Statements

for the nine-month period ended March 31, 2025 (Un-audited)

19. Date of authorisation for issue

These condensed interim financial statements were authorised for issue on April 25, 2025 by the Board of Directors of the Company.



Shahab Qader Khan
Chief Executive Officer



M. Rabnawaz Anjum
Chief Financial Officer



Hafiz Mohammad Yousaf
Director